



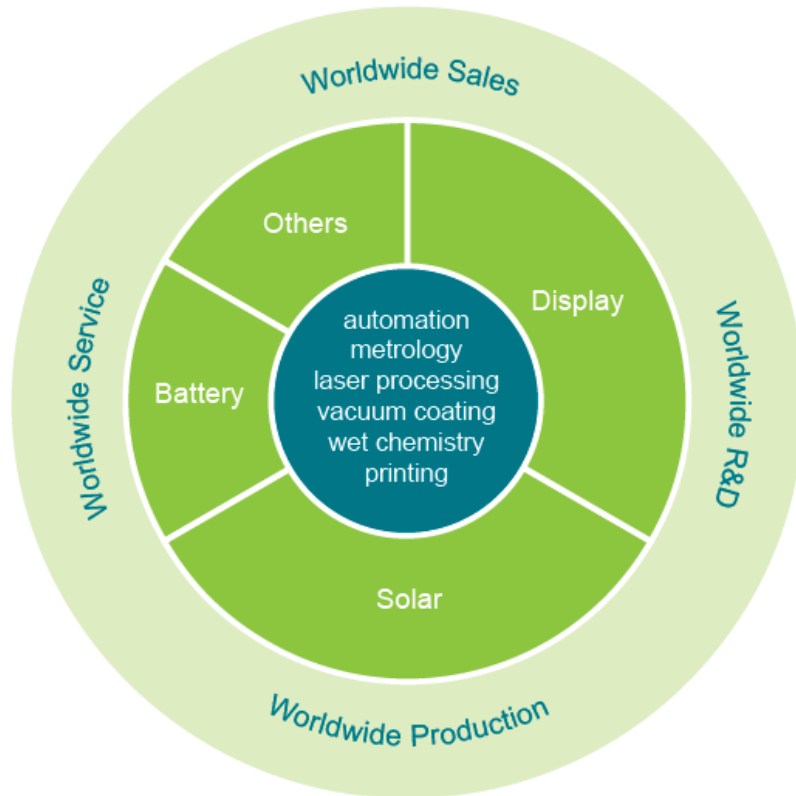
MANZ AG

CONFERENCE CALL FULL YEAR RESULTS 2012

MARCH 28, 2013 / DIETER MANZ, MARTIN HIPPEL

HIGH TECH FOR A GREEN FUTURE

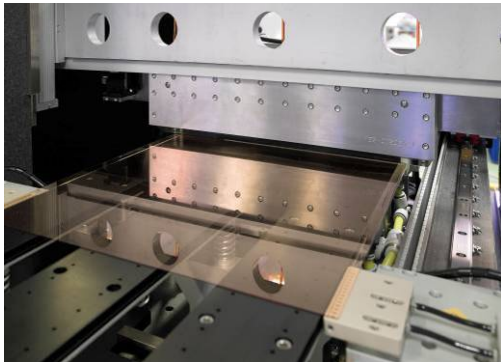
With its outstanding technological expertise, Manz AG is one of the world's leading suppliers of high-tech manufacturing equipment for key technologies of our times, such as displays and devices for global communication needs, sustainable power generation and e-mobility.



- The core of Manz' strategy is to expand and maintain an extensive portfolio of base technologies
 - Significant cuts in production costs on customer side through matched, combined and interlinked processes
- Technology transfer across business units allows diversification strategy
 - High synergy effects in base technologies
- No dependency on the development of just one industry
 - Flexibility and resistance to crises in global competition
- Worldwide sales, service, production and R&D
- Excellent positioning in Asia
 - Technology and quality advantages compared to local competitors
 - Cost advantages compared to European and US competitors



- **Difficult financial year 2012 characterized by different and partly reverse developments**
 - Ongoing solar crisis led to revenues of EUR 184.1m (-23.5% yoy)
 - Partial compensation of loss of earnings by the growing segments Display and Battery
 - EBIT of EUR -30.7m (previous year: EUR 3.1m)
 - Removal of uncertainties from balance sheet by one-off special effects totaling EUR 17m due to depreciations and one-time expenses especially in "Crystalline PV"
 - Devaluation of machineries in stock and capitalized R&D
 - Bad debt losses from Chinese customers
 - Due to significant decline in revenues in Solar segment capacities could not be fully utilized
 - Decrease in revenues in Display segment in 2nd half-year due to uncertainties related to euro crisis



● Display: record year in revenues and earnings

- Revenue increased by 12.9% to EUR 111.3m (2011: EUR 98.5m)
- EBIT increased by 55.6% to EUR 14.0m in 2012 (2011: EUR 9.0m)
- Existing bulk orders in 2013 totaling EUR 80m
- Sustained high demand for devices with touch panel displays (e.g. smart phones, tablet computers) and increased integration of touch panels into growing number of product groups (e.g. Notebooks with Windows 8)
 - New and replacement investments in production systems
 - Excellent chances of further increasing revenues and earnings in this division in 2013
- Manz is market leader for wet chemical processing machines for touch sensors in Taiwan and China



- **Solar: significant downturn due to persisting solar crisis**
 - Decrease of Solar revenues by 77.4% to EUR 16.4m
 - Still no balance between supply and demand for solar cells and modules reached
 - Ongoing reluctance to make investments in PV sector due to continuing uncertainty about market consolidation
 - EBIT of EUR -47.4m in 2012 (previous year: EUR -9.9m)
- Development of next generation's equipment for solar industry completed
 - Strong competitive position
 - Excellent opportunities to benefit from next investment cycle
- Reduction of overcapacities through persisting high new installations and accelerated market consolidation
 - Turnaround for solar industry expected in 2013



- **Battery: highest growth rate**

- Revenues increased by 52.6% to EUR 14.5m
- EBIT increased by 36.4% to EUR 1.5m in 2012 (previous year: EUR 1.1m)
- Positive development will continue in 2013
 - Increasing demand for production systems for lithium-ion batteries for automotive industry and stationary power storage

- **OEM / PCB: moderate development**

- Revenues of EUR 26.0m after EUR 41.9m in previous year
 - Satisfactory 1st half-year
 - Decrease in revenues in 2nd half-year
 - Uncertainties related to euro crisis
 - Moving to new building in Suzhou caused loss of two month's PCB revenues



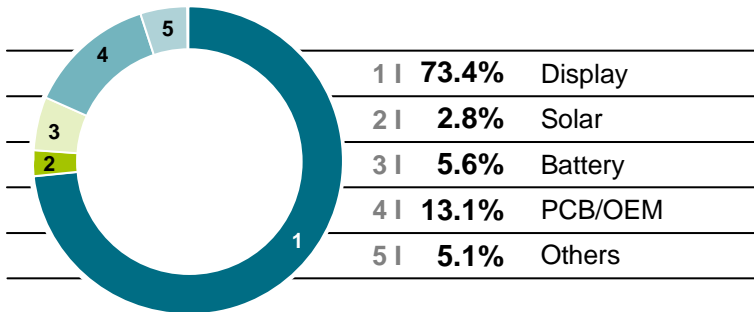
● Optimism for 2013

- Diversification strategy and extensive portfolio of technologies pay off
- Very high order backlog of EUR 128m
 - Only 3% of order backlog from Solar division
 - Independence of volatile development of solar industry
 - High upside potential
- Double-digit growth in revenues and positive EBIT expected for 2013
- Project started in 2nd half-year 2012 to optimize organizational structure and costs will be consequently continued in 2013

FINANCIAL FIGURES

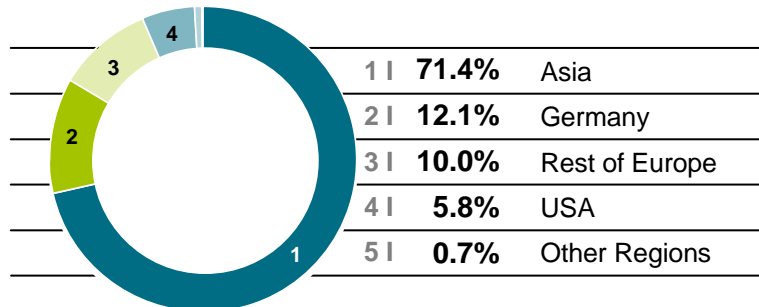
Order backlog: € 128m

As of March 12, 2013



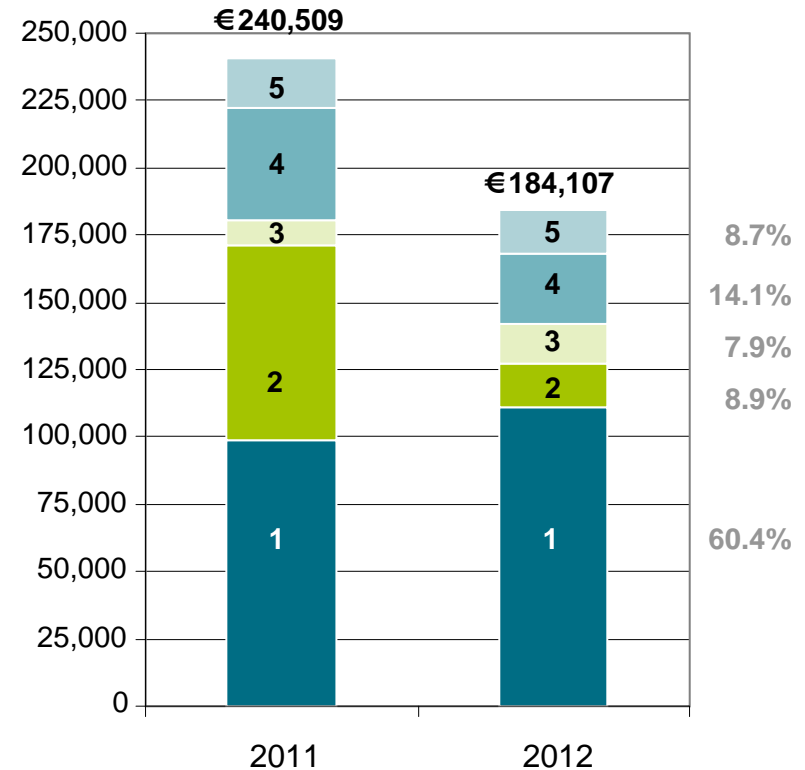
Revenues by region

As of December 31, 2012



Revenues by business units

In EUR thousand



1 | Display 2 | Solar 3 | Battery 4 | PCB/OEM 5 | Others

in EUR thousand	Jan.1 – Dec. 31 2012	Jan.1 – Dec. 31 2011
Revenues	184,107	240,509
Total operating revenue	188,877	266,770
Cost of materials	-100,870	-158,466
Personnel expenses	-71,591	-64,648
Other expenses	-42,712	-33,795
EBIT	-30,708	3,117

- Revenue is at EUR 184.1m (previous year: EUR 240.5m) due to decline in demand for solar equipment and weaker development of Display revenues in 2nd half-year due to euro crisis
- Decrease of total operating revenue due to drop in sales and stock reduction
- Material cost ratio improved to 53.4% (previous year: 59.4%) due to high-yield projects in Display segment in 1st half-year
- Due to decrease in revenues and one-off compensation payments the personnel costs ratio increased from 24.2% to 37.9%
- EBIT is at EUR -30.7m (previous year: EUR 3.1m) due to decrease in revenues and one-off special effects

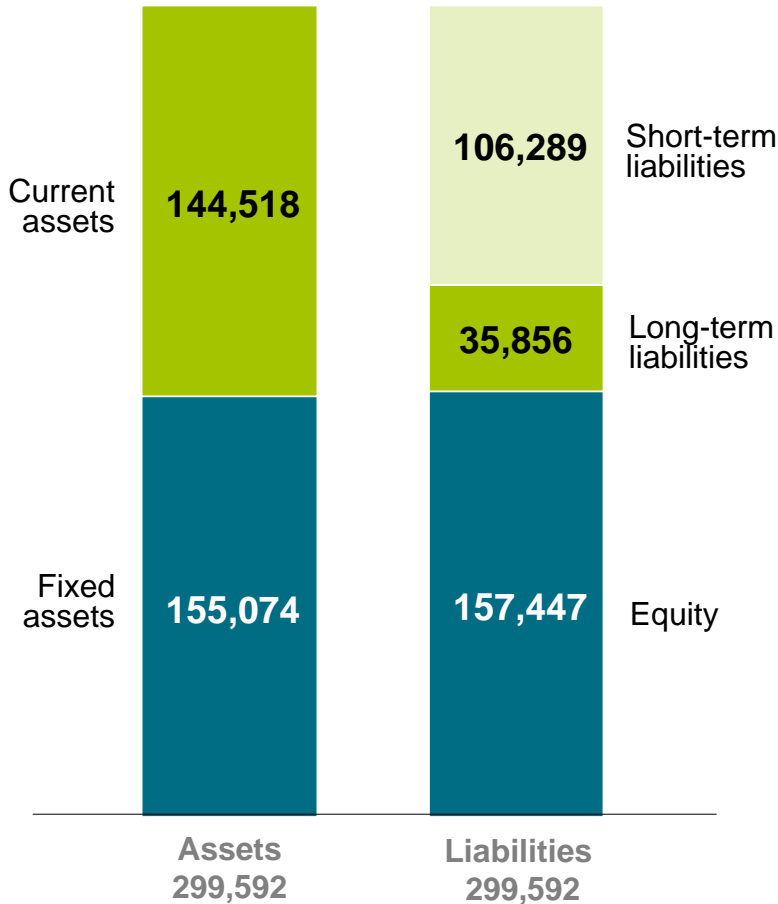
Manz AG, Reutlingen
Income Statement
January 1, 2012 until December 31, 2012

In EUR thousand	<i>without special effects</i>	<i>special effects</i>	<i>including special effects</i>
	Jan.1 – Dec. 31 2012	Jan.1 – Dec. 31 2012	Jan.1 – Dec. 31 2012
1. Revenues	184,107		184,107
2. Changes in inventory	-3,407	-6,711	-10,118
3. Internally produced and capitalized assets	14,888		14,888
Total operating revenue	195,588	-6,711	188,877
4. Other operating income	15,495		15,495
5. Material expenditures	-100,160	-710	-100,870
Gross profit/loss	110,923	-7,421	103,502
6. Personnel expenses	-69,967	-1,624	-71,591
7. Other operating expenses	-37,389	-5,323	-42,712
EBITDA	3,567	-14,368	-10,801
8. Write-downs	-17,210	-2,697	-19,907
EBIT	-13,643	-17,065	-30,708

Write down of accounts receivables for Chinese Customer due to downturn in Solar market	4,651,547
Write down another receivables of 50% in China. The customer is sued on the court by Manz .	671,088
Work in process in the stock built in advance for fast deliveries for cSi markets was written down to actual selling price.	6,711,278
Write down of finished goods for CSi market to new selling price	710,000
Write down of balanced R&D cost from CSi that can not be used anymore for new machines	2,697,027
Compensation payments out of the reduction of employees in November	1,623,870
Total	17,064,811

Segment	Total Expenses	thereof subsidized	thereof capitalized	thereof expenses
CIGSfab	14,118	3,079	6,673	4,366
Solar cSi	6,366	459	3,247	2,660
Display	5,138	0	2,211	2,927
Battery	2,745	0	2,072	673
Solar TFS	1,089	0	668	421
Basic Research	1,026	0	17	1,009
OEM	465	0	0	465
Total	30,947	3,538	14,888	12,521

As of December 31, 2012
In EUR thousand



- Equity ratio decreased from 59.5% to 52.6% in 2012
- Long-term liabilities increased from EUR 12.0m in 2011 to EUR 35.9m due to financing of new building in Suzhou/China and KfW loan of EUR 20m for innovation
- Short term liabilities decreased from EUR 116.9m to EUR 106.3m due to lower accounts payables and lower use of credit lines
- Fixed assets increased to EUR 155.1m from EUR 130.0m because of increase in both intangible and fixed assets (new fab in Suzhou)
- Current assets decreased from EUR 188.2m in 2011 to EUR 144.5m as a result of lower accounts receivable and inventories
- Net debt is at EUR 35.0m after EUR 17.1m at the end of 2011

in EUR thousand	As of Dec. 31 2012	As of Dec. 31 2011
Cash flow from operating activities	20,521	-17,388
Cash flow from investing activities	-39,083	-24,697
Cash flow from financing activities	15,821	36,333
Cash	30,708	33,288

- Positive operating cash flow improved to EUR 20.5m as a result of the reduced inventories and accounts receivable
 → No liquidity effect from one-off special effects
- Negative cash flow from investments as a result of the new property, plant and equipment (new fab in Suzhou) as well as development activities for CIGS technology
- Cash flow from financing activities has been reduced from EUR 36.3m to EUR 15.8m because of the reduced use of short-term credits
- Cash position lowered to EUR 30.7m due to the mentioned developments



- Diversification reduces dependence on different market dynamics of our target industries display, PV, and battery
 - Only 3% of order backlog from Solar division
 - High upside potential
 - Focus on expansion of our excellent position in Battery and Display segments
- Continuation of project started in 2nd half-year 2012 to optimize organizational structure and costs
- Manz has solid liquidity for financing operational activities
 - Close and trustful dialogue with financing banks
 - Existing credit lines have been confirmed and will continue unabatedly
- Very good prospects for 2013
 - High order backlog of EUR 128m
 - Good prospects for follow-up orders in Display segment
 - Arising opportunities in Solar segment will be exploited consequently
 - Double-digit revenue growth & positive EBIT expected

CONTACT



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