



1987-2012



MANZ AG

CONFERENCE CALL 6M RESULTS 2012

AUGUST 15, 2012 / DIETER MANZ, MARTIN HIPPE

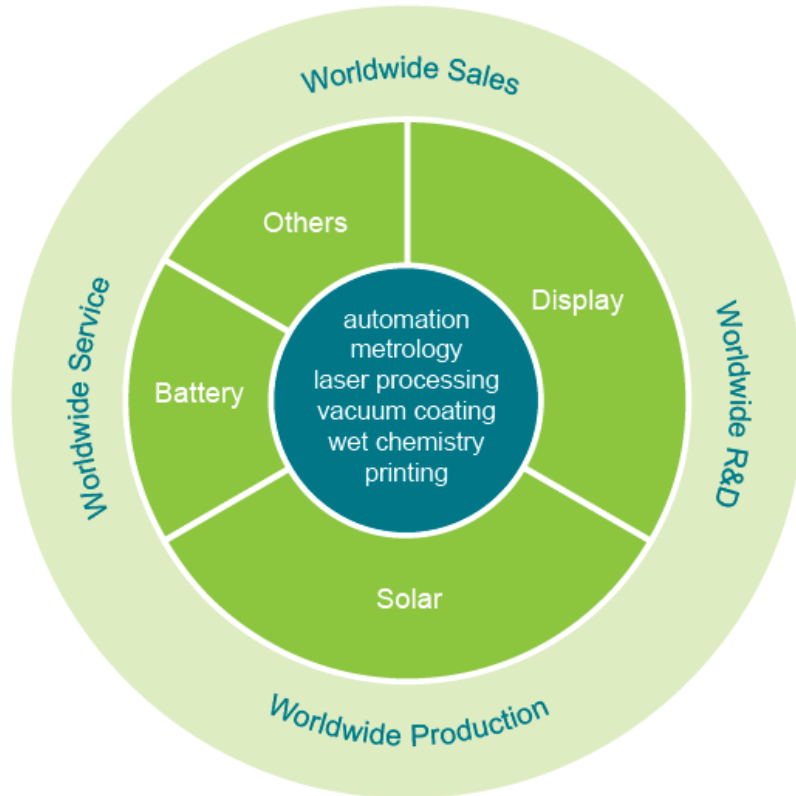
**HIGH TECH
FOR A
GREEN FUTURE!**



Mission Statement

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

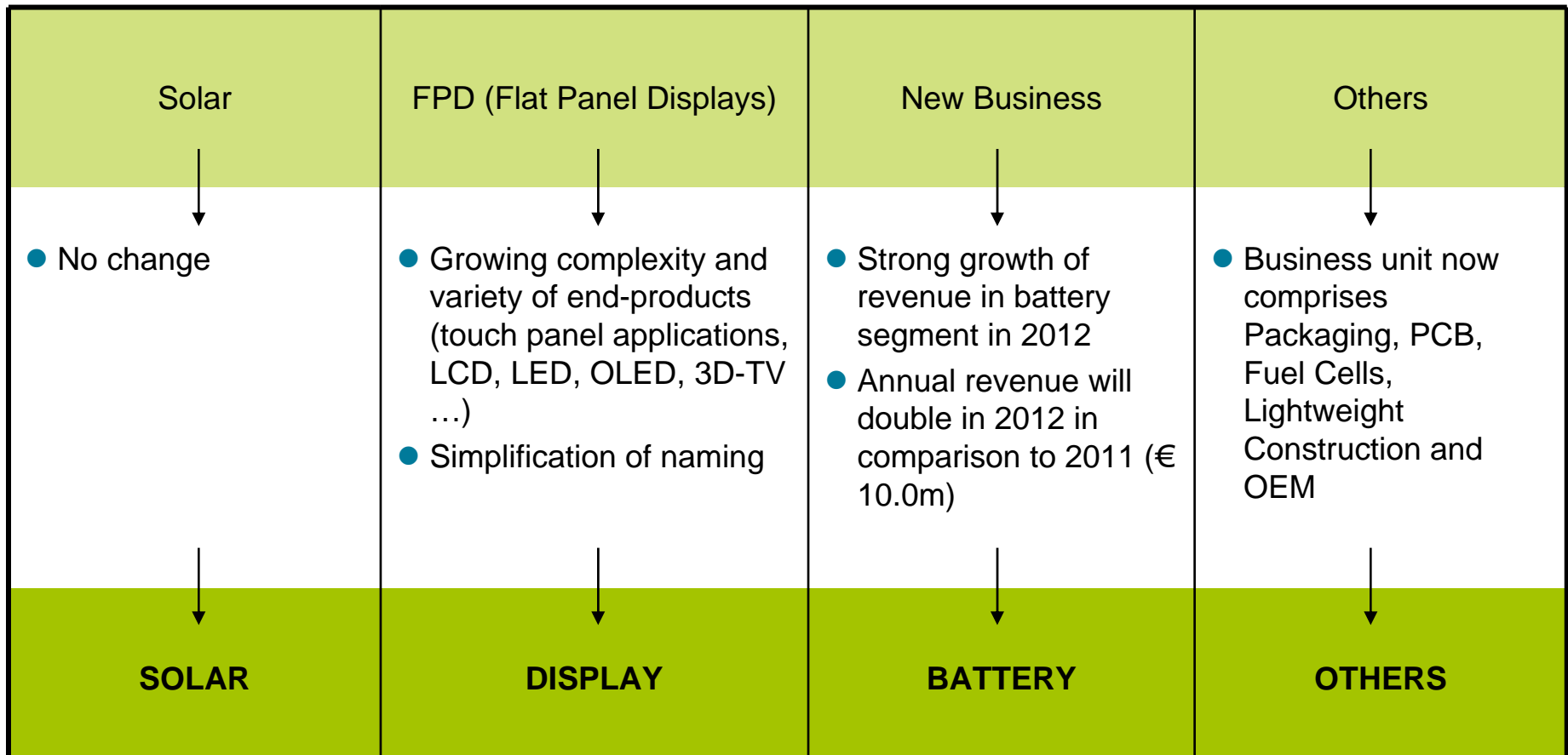
- Vital importance to growth industries to cut production costs in very short cycles
- Further development of the end product itself leads to new production technologies and processes
- With advanced equipment Manz actively contributes to reduce costs of end-products and makes them accessible to the mass market. Manz helps to protect our environment and to spare resources.

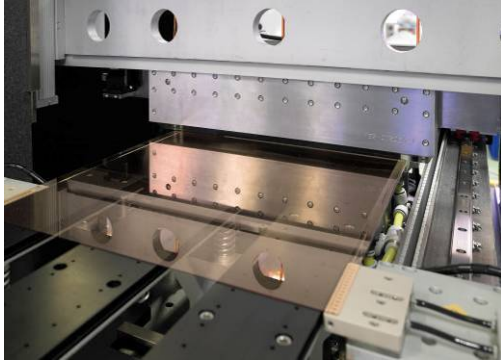


- Integration
- Diversification
- Globalization

- Highest integration degree in the production process due to extensive portfolio of technologies
- Significant cuts in production cost on customer side through matched, combined and interlinked processes
- Technology transfer across business units
 - High synergy effects and innovative strength
- Advantages of diversification strategy
 - No dependency on the development of just one industry
 - Flexibility and resistance to crises in global competition
- Manz has worldwide sales, service, production and R&D
- Manz has excellent positioning in Asia
 - Technological advantages compared to local competitors
 - Cost advantages compared to European competitors

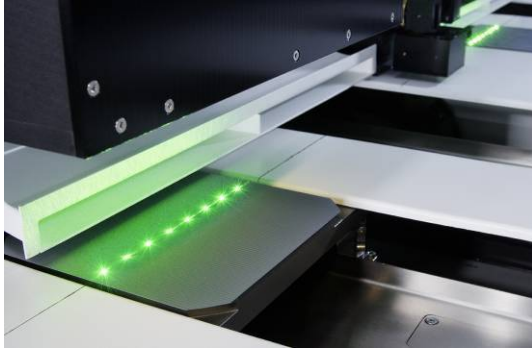
OUR BUSINESS RENAMING OF BUSINESS UNITS





- **Positive development of revenues and earnings in Q2**
 - Strong order intake in Q1 led to revenues of € 109.2m
 - Highest order intake in Manz history; cumulative order intake at € 116.5m in first half-year
 - Loss of Q1 was more than compensated
 - EBIT Q2 of € 6.0m
 - EBIT first half-year of € 1.1m
 - Goal for first half-year was reached
 - Diversification strategy and extensive portfolio of technologies pay off

- **Display segment generated revenues of €71.5m = 65.5% of total revenue**
 - Decline in Solar sales was mostly compensated
 - High demand for Smart Phones, Tablet PCs and Touch Panels will continue
 - New and follow-up orders expected for second half-year
 - Transfer of technologies and resources from Solar segment



- **Revenue decrease in Solar segment continued in Q2**
 - Decrease from € 33.0m (first half-year 2011) to € 13.1m
 - New investment cycle expected earliest at the beginning of 2013
 - Ongoing R&D investment to benefit from new investment cycle
 - New wet chemical and vacuum coating equipment in portfolio
 - Continuous, intensive R&D for CIGS technology
 - Diversified portfolio of products (single equipment, integrated production cluster, turnkey production line) will cover all needs of PV industry, from retrofitting through to replacement of existing capacities

- **New orders of €8.0m for battery equipment**
 - Positive development will continue
 - Annual revenue generated by Battery will at least double in 2012 in comparison to 2011 (€9.5m)
 - Battery becomes independent business unit



- **Excellent market position in Asia due to consistent strategy “Follow the Market”**
 - Start of production in our of new fab in Suzhou
 - Manz is able to offer German engineering and quality at local prices
 - “engineered by germanz”
 - Production capacity in Asia for Display and PV equipment grows threefold
 - Asian customers contributed 75% to total revenue
 - Transfer of PV equipment to local production will help us to benefit more from the next investment cycle of the PV industry
 - Manz is market leader for wet chemical processing tools in Taiwan and China

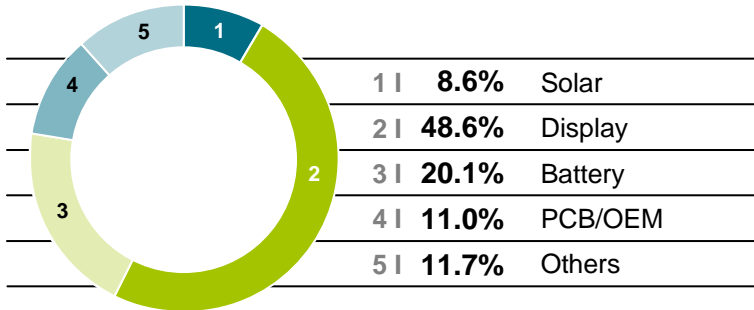
- **Order Backlog is at €60.1m due to low order intake in Q2**
 - Ongoing Euro and world financial crisis
 - Slow growth of global economy
 - High uncertainty in PV industry

 - **But:** High potential for new and follow-up orders in second half-year

FINANCIAL FIGURES

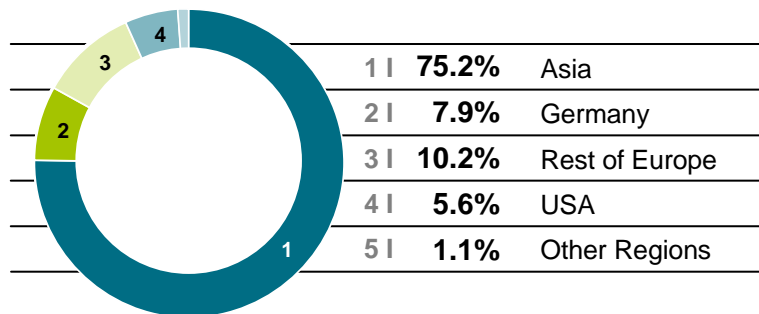
Order Backlog: € 60.1m

As of June 30, 2012



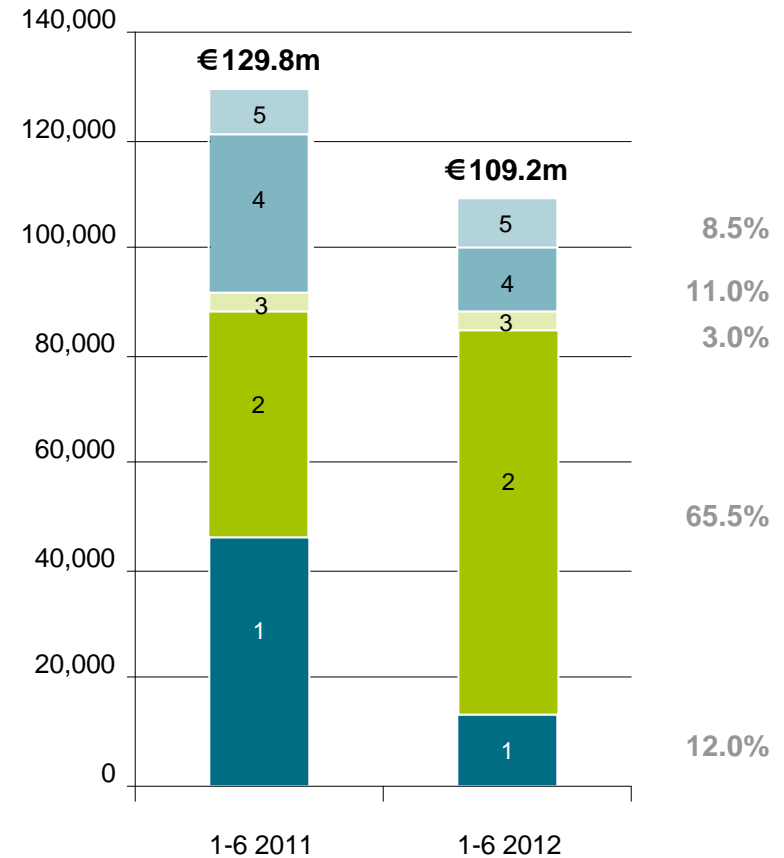
Revenues by region

As of June 30, 2012



Revenues by business units

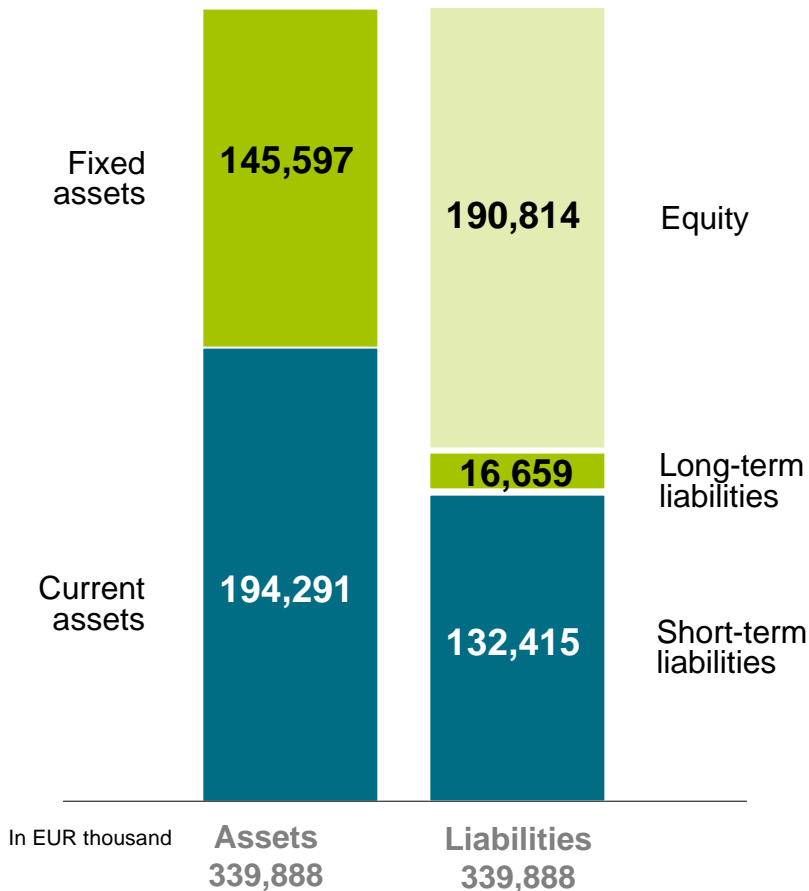
In EUR thousand



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

| in EUR thousand | Jan.1 – June 30 2012 | Jan.1 – June 30 2011 |
|-------------------------|-------------------------|-------------------------|
| Revenues | 109,179 | 129,793 |
| Total operating revenue | 113,464 | 142,276 |
| Cost of materials | 55,389 | 89,869 |
| Personnel expenses | 35,813 | 32,075 |
| Other expenses | 19,287 | 14,343 |
| EBIT | 1,052 | 3,538 |

- Revenue is at € 109.2m (previous year: € 129.8m) due to sharp decline in demand for solar equipment
- Material cost ratio improved to 48.8% (previous year: 63.2%) due to strong margins in the Display segment and improvements in operations
- Due to additional personnel costs for R&D at Manz CIGS and Manz Coating the personnel cost ratio increased from 22.2% to 31.6%
- EBIT is at € 1.1m (previous year: € 3.5m) as a result of less used capacities compared to the previous year



- Equity rate of 56.1% is at a good level and reflects the solid balance sheet
- Long-term liabilities increased slightly from € 12.0m to € 16.7m compared to the end of 2011
- Short term liabilities increased from € 116.4m to € 132.4m due to higher use of credit lines
- Fixed assets increased to € 145.6m from € 130.0m because of the increase in tangible assets (new fab in Suzhou, new developed CIGS-Co-Evaporator)
- Current assets increased from € 188.2m in 2011 to € 194.3m as a result of increased accounts receivables and otherwise lower inventories
- Net debt is at € 43.1m after € 17.2m at the end of 2011 due to capex spending and financing of working capital

| in EUR thousand | As of June 30 2012 | As of June 30 2011 |
|-------------------------------------|-----------------------|-----------------------|
| Cash flow from operating activities | -4,574 | -12,026 |
| Cash flow from investing activities | -22,115 | -13,404 |
| Cash flow from financing activities | 17,962 | 33,063 |
| Cash | 25,491 | 44,788 |

- Operating cash flow was improved to € -4.6m as a result of the reduced inventories but is still negative because of the growth of receivables in the 2nd quarter
- Negative cash flow from investments as a result of the new property, plant and equipment (new fab in Suzhou) as well as capitalized R&D
- Cash flow from financing activities could be reduced from € 33.1m to € 18.0m because of the lower increase in using credit lines
- Cash position lowered to € 25.5m due to the mentioned developments



- Diversification balances high volatility of growth markets
 - Sharp decline in demand for solar equipment can mostly be compensated by the growing segments Display and Battery
 - High order backlog for Display and Battery
- Due to new fab for display and PV equipment in Suzhou/China and ongoing, successful R&D efforts in the Solar segment, Manz is well prepared for the next investment cycle of the PV industry
- Key target of 2012 is the sale of a CIGSfab, our fully integrated production line for the manufacture of CIGS thin-film solar modules
- Though growing challenges in 2012, prospects for 2013 are in all strategic business units very good
- Goal 2012: Level of sales comparable or higher to 2011 with improved positive result
 - Recovering of solar business later than expected
 - Ongoing Euro and world financial crisis
 - Slow growth of global economy
 - Reaching our goals becomes more challenging

CONTACT



MANZ AG

**STEIGAECKERSTRASSE 5
72768 REUTLINGEN
GERMANY**

**PHONE +49 (0)7121/90 00-0
FAX +49 (0)7121/90 00-99**

**info@manz.com
www.manz.com**