

Manz Automation AG

Conference Call, Full Year Results 2009

March 30, 2010, Reutlingen

Dieter Manz/CEO, Martin Hipp/CFO

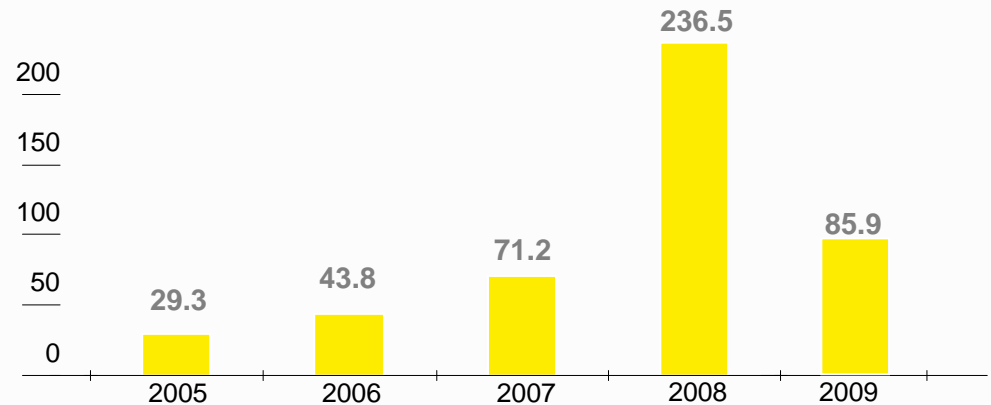


Manz Automation

- ⇒ is a high-tech equipment supplier for high growth industries
- ⇒ is an innovation driver and one of the world's leading technology providers of manufacturing systems for:
 - automation, wet chemistry, metallization, quality control and laser process technology in the PV and LCD industry
 - automation and laser process machines for the production of Li-Ion-Batteries

Revenues 2005-2009

in Euro million



2010-03

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“2009” – a year of challenges, designing our future & confidence

The challenges:

- ⇒ Significant decline of turnover and profit
- ⇒ Market of thin film solar and LCD has almost been nonexistent
- ⇒ Prices of solar modules have dropped dramatically and thus the achieved prices for the equipment suppliers
- ⇒ Short-time work in Reutlingen and capacity adjustments at foreign facilities

“2009” – a year of challenges, designing our future & confidence

Designing our future:

- ⇒ High investments in
 - research and development of completely new processing tools
 - qualification of work force
- ⇒ Full acquisition of Intech Machines Co. Ltd., Taiwan
- ⇒ New and future orientated re-organization of the Manz group into four business units: Solar, LCD, New Business (Li-Ion-Batteries, systems for the Life-Science sector) and Others
- ⇒ Partner in R&D alliance for equipment supplier to produce Li-Ion-Batteries for hybrid and electric cars

“2009” – a year of challenges, designing our future & confidence

Confidence:

- ⇒ With the acquisition of Intech Machines Co. Ltd., Taiwan, Manz is the only public equipment supplier with an own production site in Asia – the market with the highest growth rates in the photovoltaic industry
 - cost advantages compared to European competitors
 - technology advantages compared to local equipment suppliers
- ⇒ Many inquiries for new equipment are coming in – mainly from Asia
- ⇒ Turnaround in order intake has started end of 2009. This positive trend will continue

Status quo and current development

Order backlog at end of February 2010 rises to € 70.4m for all 4 business units “Solar”, “LCD”, “New Business” and “Others”.

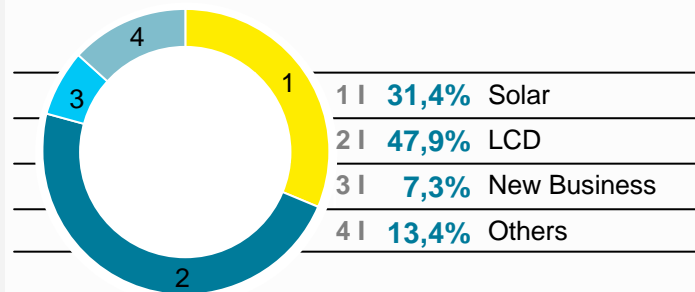
Strong order intake in the cSi and LCD business with more than € 25m

Many new potential projects in thin film are on hold

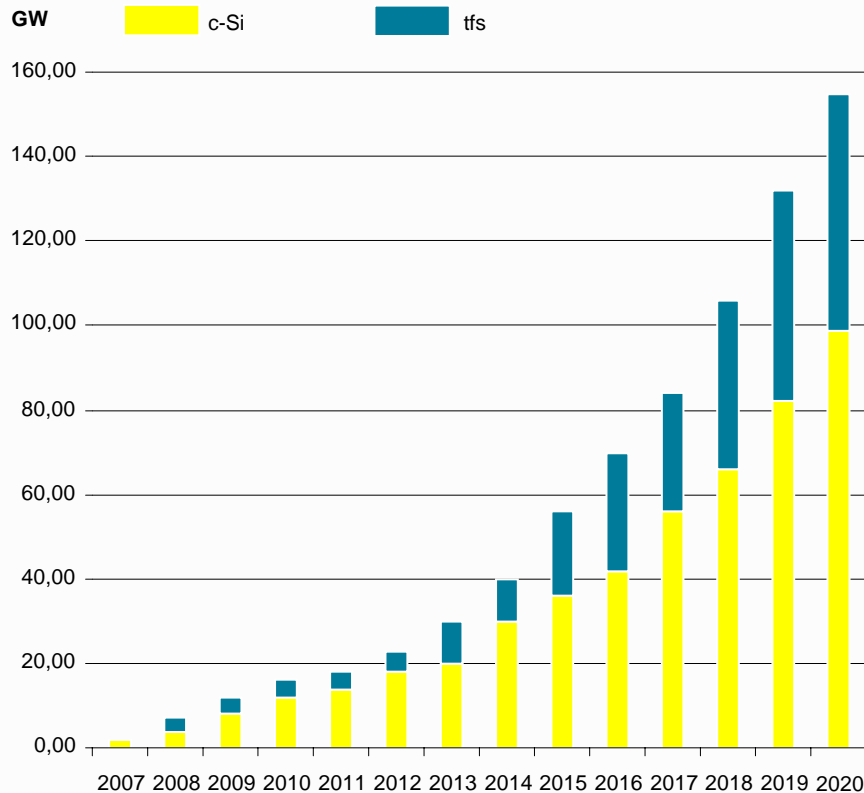
Outstanding prospects of the market for Li-Ion-Batteries

order backlog: €70.4m

as of 02/28/2010



Growth of PV market 2007-2020



Source: European Photovoltaic Industry Association

Current development and outlook for PV market

- ⇒ Market currently shows a big demand for solar modules and cells
- ⇒ We've seen a strong price decline for solar modules in 2009 that will remain at that level or trend downward
- ⇒ Thus, short-term investments in new, state-of-the-art equipment, are required for manufactures to produce highly efficient solar cells and modules at attractive margins
- ⇒ Today solar power contributes less than 0.1% to the global generation of electricity (Germany: 1%)

>> Grid parity will lead to an increased demand – the solar boom has only just begun and Manz Automation AG will benefit

New products cSi solar

- ⇒ Manz has strengthened its' leading market position by developing new technologies and machines
- ⇒ Customers benefit from these new machines by improving the efficiency of their solar cells and reducing costs in manufacturing



2010-03

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New products cSi solar

- ⇒ Wet chemical process machines
 - lower breakage, lower consumption of chemicals
- ⇒ Laser doped selective emitter tool
 - 0.5% higher efficiency
- ⇒ Contact free metallization
 - 0.5% higher efficiency, lower breakage

>> New systems also available as upgrade packages to bring older lines back to profitability

New products thin-film solar

- ⇒ Laser scribing – Generation 2
 - higher efficiency (up to 0.5%), higher throughput
- ⇒ TCO etching
 - higher efficiency through light trapping effect
- ⇒ BIPV Laser systems
 - access to niche market with higher margins

>> **Manz is world wide market leader in Laser-scribing systems**

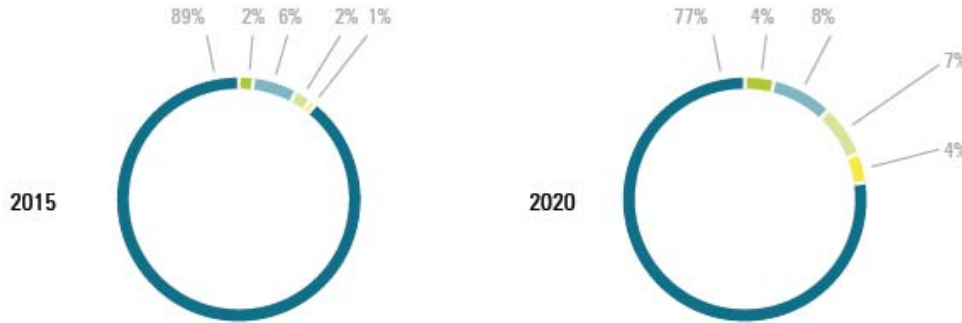
>> **Manz Intech is market leader with wet chemistry products in Taiwan**

The recovery of the LCD business

- ⇒ The market for LCD product has improved significantly over the last three months
- ⇒ Already postponed projects have been released
- ⇒ New capex plans from customers for 2010
- ⇒ Fast growing demand for Manz Intech machines in the touch panel manufacturing industry
- ⇒ 100% capacity utilization
- ⇒ Expanding product portfolio for LCD manufacturing
- ⇒ Chemical etching systems
- ⇒ Slit coater for photo resist and color resin
- ⇒ High synergies between LCD and tfs
- >> High potential for Manz Intech as the leading supplier of wet chemical products in Taiwan and China**

European penetration by type

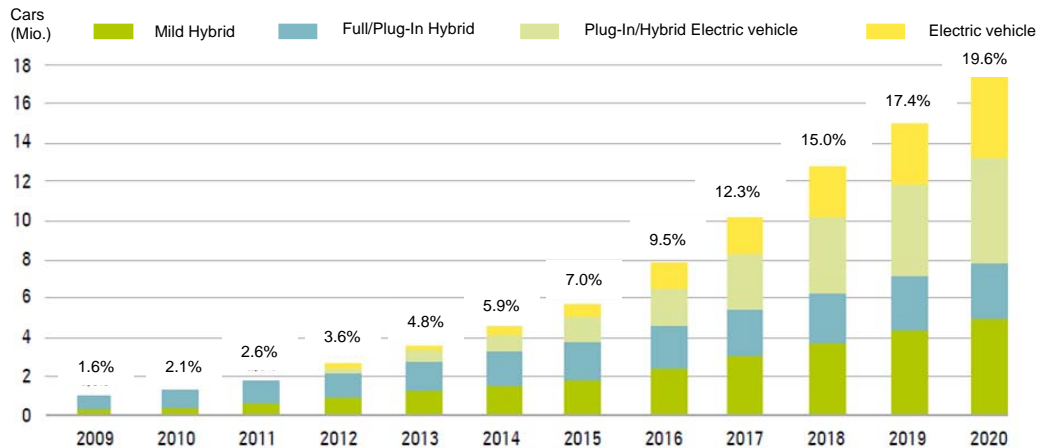
■ Mild Hybrid
 ■ Full/Plug-In Hybrid
 ■ PHEV
 ■ EV
 ■ ICE



Source: Deutsche Bank, Electric Vehicles: Plugged In 2, November 2009

Global market forecast by type

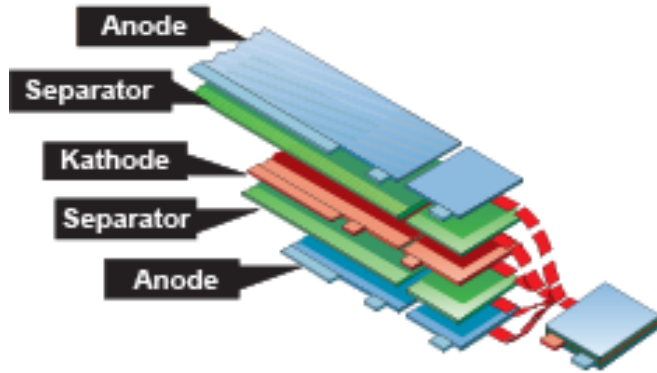
(annual growth)



Source: Deutsche Bank, Electric Vehicles: Plugged In 2, November 2009

Market overview Li-Ion-Battery

- ⇒ Market potential derives out of the estimated production for EV, PHEV, HEV of more than 30m in the next 10 years only for Europe
- ⇒ High upside potential through worldwide markets and huge public interest
- ⇒ Battery technology and market are in a start position like the solar industry 10 years ago
- ⇒ Volume for the total battery market will become several billions EUR over the next years
- ⇒ Strategic target for Manz is to become a leading supplier for battery equipment



Cell (approx. 120 layer)



- * EV: Electric Vehicle
- * PHEV: Plug In Hybrid Electric Vehicle
- * HEV: Hybrid Electric Vehicle

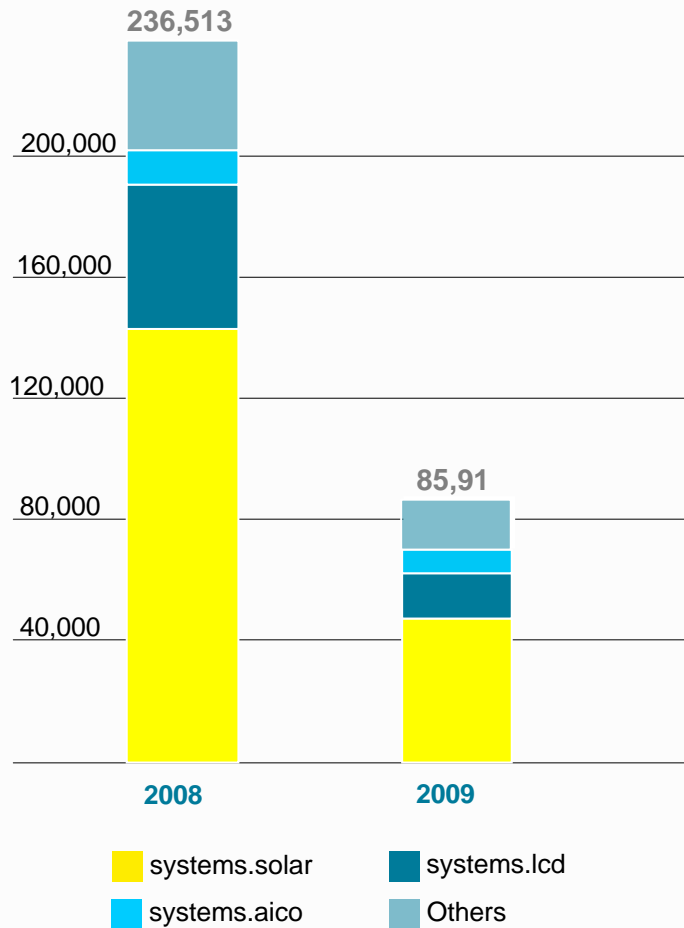
Equipment for the Li-Ion-Battery production

- ⇒ Manz became partner in the research project „Manufacturing Research for High Power Lithium-Ionic-Batteries for Electric Mobility“
- ⇒ Manz has already in 2009 delivered the first machines for the Li-Ion-Battery production
- ⇒ We expect more orders to come within the next couple of weeks

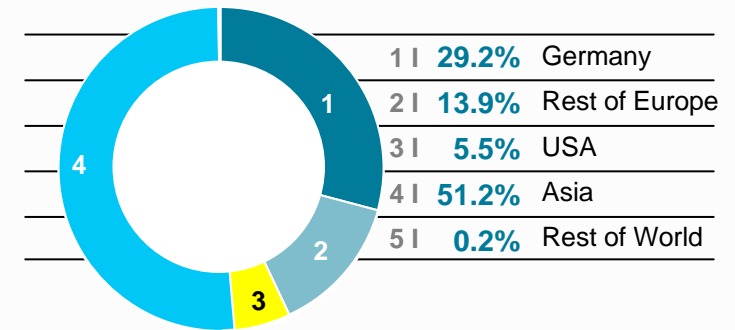
>> Li-Ion-Batteries to become a new business segment in 2010

Revenue development

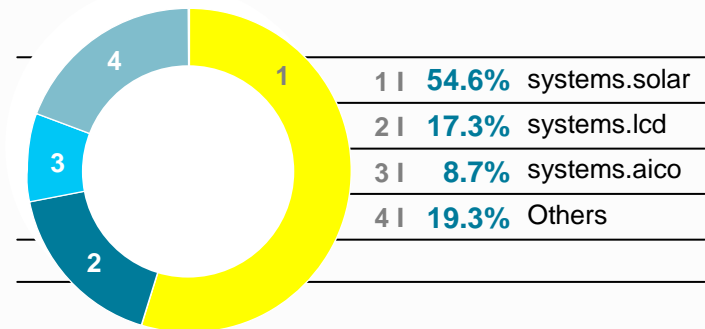
in Euro thousand



Revenues by region [2009]



Revenues by business units [2009]



Income statement [IFRS]

in Euro thousand	Jan. 1 - Dec. 31 2009	Jan. 1 - Dec. 31 2008
Revenues	85,915	236,513
Total operating revenue	101,070	234,826
Cost of materials	60,359	130,387
Personnel expenses	37,310	41,731
Other expenses	21,940	33,369
EBIT	-15,985	28,573
EBIT margin (%)	-15,11	12,1
EBT	-12,984	28,489
Net income for the period	-9,708	21,174
Earnings per share	-2,15	5,04

Comments

- ⇒ Revenues declined to € 85.9m in 2009 (previous year: € 236.5m)
- ⇒ Total operating revenue of € 101.07m compared to € 234.83m in 2008
- ⇒ Material cost ratio increased to 59.7% (previous year: 55.5%)
- ⇒ Personnel cost increased from 17.8% to 36.9% due to kept personnel capacity
- ⇒ EBIT of € -15.9m
- ⇒ EBT of € -9.7m: better than EBIT due to positive financial result

Cash flow statement as of 12/31/2009

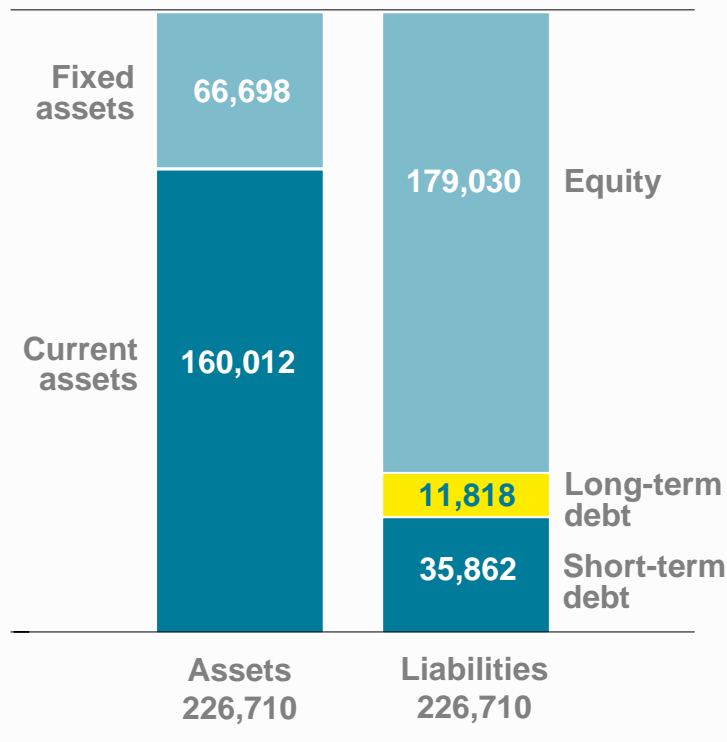
in Euro thousand	2009	2008
Cash flow from operating activities	39,745	-16,755
Cash flow from investing activity	-5,755	-73,665
Cash flow from financing activity	-8,587	105,435
Cash and cash equivalents	88,169	65,883

Comments

- ⇒ High cash flow from operating activities of € 39.8m due to significant reduction of accounts receivable
- ⇒ Negative cash flow from investment activities includes the implementation of SAP and machinery equipment in Hungary
- ⇒ Solid capital assets – cash and cash equivalents add up to € 88.2m

Balance Sheet as of 12/31/2009

in Euro thousand



Comments

- ⇒ Equity ratio increased to 79.0% compared to 71.8% in 2008
- ⇒ Short-term liabilities have been reduced from €57.0m to €35.9m
- ⇒ Increase in inventories up to €47.0m (2008: €42.9m) due to intensified R&D activities. Thus the fixed assets increased from €60.6m to €66.7m
- ⇒ Significant reduction of current assets from €205.9m (2008) to €160.0m especially due to reduction of accounts receivable from €101.4m in 2008 to €39.6m.
- ⇒ Liquid assets have been noticeable expanded from €65.9m to €88.2m due to reduction of working capital
- ⇒ Net debt adds up to €-78.7m by 12/31/2009

Objectives/Strategy and Outlook 2010

Manz will return to a double digit growth rate in revenues with raising profit

The strong growth of market for Li-Ion-Battery equipment has a high potential for Manz

Manz has developed the latest technologies in solar machines which will expand our market leading position

The straight use of our low cost facilities in Eastern Europe, Taiwan and China gives us the ability to increase the margins – even with declining sales prices

New acquisitions to strengthen market position and to expand our product portfolio

>> **Guidance for full fiscal year 2010:**

- **high double digit percentage growth in revenues**
- **positive EBIT for the whole year**

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