

**Ad-hoc Announcement
in Accordance with Section 15 of the
German Securities Trading Act (WpHG)**



Strategic business decision, capital increase, planned cooperation

Manz AG plans to implement a capital increase against cash contributions from the authorized capital, and intends to enter into a strategic cooperation with Shanghai Electric

Reutlingen, 28 February 2016 – Manz AG Reutlingen (ISIN: DE000A0JQ5U3) and Shanghai Electric Group Co. Ltd., domiciled in Shanghai (China), intend to enter into a strategic collaboration in the area of energy storage, solar technology and other automation technology areas of the Manz Group together with a major participating interest by Shanghai Electric in Manz AG. Manz AG Managing Board today also decided to continue the Solar CIGS technology in line with its review of the strategic options for Solar segment.

In order to enable Shanghai Electric to acquire a participating interest and to strengthen the financial performance, Manz AG plans to increase the company's capital stock by approximately 43% against cash contributions (corresponds to approximately 29.9% after the capital increase) by issuing new shares from the authorized capital with the inclusion of the shareholders' subscription rights. The publication of a securities prospectus, which requires the approval of the German Financial Services Regulator BaFin (Bundesanstalt für Finanzdienstleistungsaufsicht), and the subscription offer to the shareholders is expected to take place during the first six months of 2016 once all preparations have been completed.

Against this background, today Manz AG and Shanghai Electric concluded an agreement (Investment and Backstop Agreement), according to which a subsidiary of Shanghai Electric will acquire those shares from the planned capital increase that are not subscribed by the shareholders at the subscription price. Shareholders Dieter Manz and Ulrike Manz, who currently own 35.2% and 3.8% of the company, will not exercise their subscription rights. The subscription price for the new shares must be set as close as possible to the market, up to a maximum of 40 euros per share. The obligations of Shanghai Electric are conditional on, among other things, the approval from anti-trust authorities in China and various official approvals in China.

Dieter Manz intends to continue to hold a major participating interest in the company, and will continue to lead the company in the capacity of Chief Executive Officer. In this context, the Supervisory Board of the company has appointed Dieter Manz for another five-year mandate as scheduled.

According to the Investment and Backstop Agreement, it is also planned that Shanghai Electric can request to conclude a voting agreement following the implementation of the capital increase or at a later date from Dieter Manz. Accordingly, the parties would, with respect to the shares in the company held by them, coordinate their activities regarding the exercise of their voting rights at the company's Annual General Meeting with regard to certain measures, in particular the appointment and dismissal of members of the Supervisory Board. In this context, the subsidiary of Shanghai Electric is to be entitled to a final decision right during the course of the vote, if an agreement cannot be reached.

If the voting agreement is concluded, Shanghai Electric would likely gain control of Manz AG in terms of section 29 (1) of the German Securities Trading Act, since in addition to the shares acquired from the planned capital increase, it would also be entitled to the voting rights from the shares held by Dieter Manz. As a consequence, Shanghai Electric would be

**Ad-hoc Announcement
in Accordance with Section 15 of the
German Securities Trading Act (WpHG)**



obliged to provide the company's shareholders with an offer to purchase their shares (mandatory offer).

As part of the Investment and Backstop Agreement, shareholder Dieter Manz has also committed that in the event a voting agreement is concluded, following the implementation of a mandatory offer, he will sell as many shares to Shanghai Electric as are required to enable Shanghai Electric to attain a 30.1% participating interest in the company through its subsidiary. If a mandatory offer is not submitted within a year after the capital increase, Shanghai Electric can request that Mr. Manz sells as many shares as are required to achieve a participating interest of 29.9%.

Bankhaus Lampe is assisting the transaction in the capacity of Financial Advisor.

Additional information:

ISIN: DE000A0JQ5U3

WKN: A0JQ5U

Ticker symbol: M5Z

Market segment: regulated market (Prime Standard) of the Frankfurt Stock Exchange

Manz AG
Steigaeckerstrasse 5
72768 Reutlingen
Germany

This release does not constitute an offer to sell or a request to buy or subscribe securities. The offer is submitted solely with and on the basis of the prospectus that must be published and filed with the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin) and the subscription offer. Solely the prospectus contains the information for investors that is required in accordance with the statutory provisions. The prospectus can be obtained from the issuer free of charge during normal business hours.

This release is not intended, either indirectly or directly, for forwarding or distribution to or within the United States of America (including its territories and possessions, a federal state or the District of Columbia), and may not be distributed or forwarded to "U.S. persons" (as defined in Regulation S of the applicable version of the U.S. Securities Act of 1933 ("Securities Act"), or to publications with a general distribution in the United States of America. This release does not constitute an offer or a request to submit an offer to buy or acquire securities in the United States of America, nor does it form a part of such an offer or request. The securities are not and will not be registered according to the provisions of the Securities Act, and may only be sold or offered for sale in the United States of America with prior registration under the provisions of the applicable version of the Securities Act or, in the absence of a prior registration, on the basis of an exemption. The issuer does not intend to register the entire or part of the share offer in the United States of America or to implement a public offer in the United States of America.

This release does not constitute an offer to buy securities in the United Kingdom, Canada, Japan or Australia.

**Ad-hoc Announcement
in Accordance with Section 15 of the
German Securities Trading Act (WpHG)**



<End of the Ad-hoc Announcement>

Investor Relations Contact

cometis AG
Ulrich Wiehle / Claudius Krause
Tel.: +49 (0)611 – 205855-28
Fax: +49 (0)611 – 205855-66
E-mail: krause@cometis.de

Manz AG
Axel Bartmann
Tel.: +49 (0)7121 – 9000-395
Fax: +49 (0)7121 – 9000-99
E-mail: abartmann@manz.com