manz
passion for efficiency

PASSION FOR EFFICIENCY

2013

6-MONTH REPORT

2013 FINANCIAL CALENDAR

Date	
August 13, 2013	Publication of 2013 Q2 Financial Report
November 11, 2013	2013 German Equity Forum
November 12, 2013	Publication of 2013 Q3 Financial Report

OVERVIEW OF GROUP RESULTS

(in EUR million)	**Jan. 1 to June 30, 2013**	**Jan. 1 to June 30, 2012**	**Change in %**
Revenues	137.76	109.18	26.2
Total operating revenuesg	147.97	113.46	30.4
EBIT	3.77	1.05	259.3
EBIT margin (in %)	2.55	0.93	n.a.
EBT	2.15	0.43	402.6
Net income for the period	0.16	–1.52	n.a.
Earnings per share	0.00	–0.34	n.a.
Operating cash flow	10.99	–4.57	n.a.
	June 30, 2013	**Dec 31, 2012**	
Total assets at end of period	349.55	299.91	16.55
Equity	155.98	156.16	–0.12
Equity ratio (in %)	44.62	52.07	n.a.
Net debt	32.54	35.04	–7.1

MANZ AG MISSION STATEMENT

As a high-tech engineering company, our goal is to develop equipment and systems for fast-growing sunrise industries, especially for companies active in the fields of green technology and mobile communication. With our slogan "Passion for Efficiency," we promise to continue to develop existing products with a high rate of innovation, to create new solutions, and to consistently offer our customers in important sunrise industries more efficient production equipment. Extensive technological expertise is the foundation of our business, and it enables us to continually optimize our range of products. It makes the Manz Group an important innovation leader – for breakthroughs in key technologies, such as sustainable energy generation, displays for global communication needs, and e-mobility. Thanks to our expertise in the technological fields of automation, laser processes, vacuum coating, screen printing, metrology, and wet-chemical processes, our technologies can find application in numerous industries. Manz currently focuses its research and development activities on production equipment for the display industry, photovoltaics, and lithium-ion batteries. This spirit of invention spurs us on each and every day – it is what makes our company's dynamic growth possible.

EVEN GREAT EFFECTS START OFF SMALL

A half of a percent more, a couple micrometers more precise, a fraction of second faster – the most important thing is making advancements in the right place so that production processes are more efficient and the quality of the final products is constantly improved. Discovering and systematically tapping these areas of potential are what drives us each and every day – in automation and metrology, wet chemistry and laser processing technology, vacuum technology, and printing processes. Transferring our technological expertise across industries and the synergies gained from doing so make our company extremely flexible as well as less dependent on the trends in individual markets.

CONTENT

LETTER FROM THE MANAGING BOARD

Dear Shareholders,

The first six months of 2013 were extremely successful for Manz AG. We were able to extend the positive results achieved in the first three months of the year into the second quarter of 2013 as well as significantly accelerate our revenue and earnings growth. As a result, we generated more revenue in the second quarter of 2013 than in any previous quarter since the founding of the company. This means we clearly reached our goals with regard to significantly increasing revenues and sharply improving our earnings situation. The key to our success is our diversification strategy, which gives our business model stability and opens up excellent growth prospects as a result of continuously transferring technology between our target industries of displays, solar technology, and batteries. The driving force behind our company's excellent performance in the first six months of 2013 was our Display division. Thanks to this division's performance, we were able to more than compensate for the continued weak order situation in the Solar division, and our Group's consolidated revenue grew accordingly by 26.2 % – from EUR 109.2 million in the same period last year to EUR 137.8 million in the first six months of 2013. In addition, the measures we implemented in the second half of 2012 to cut costs and increase efficiency had an increased effect in the current period, and these played a key role in our success in significantly improving earnings before interest and taxes (EBIT) in comparison to the same period last year. In the first six months of 2013, we generated earnings of approximately EUR 3.8 million (through Q2 2012: EUR 1.1 million). This increase was particularly due to our excellent performance in the second quarter of 2013, after the company generated a loss in the first quarter. The Group's consolidated result for the first half of 2013 was EUR 0.2 million (through Q2 2012: a loss of EUR 1.5 million). The company's performance impressively demonstrates Manz AG's successful positioning as one of the world's leading high-tech engineering firms in promising growth industries.

By further pursuing our internal-cost and structure-optimization process, we will create the conditions necessary for Manz AG to record sustainable, profitable growth. In addition, the trends seen in two of our strategic target industries, displays and batteries, give us cause to be optimistic. Since the beginning of 2013, we have received new orders in our corresponding divisions with a total value of approximately EUR 130 million, and in May, we held orders on the books with the highest value in over two-and-a-half years. The orders in the Display division are comprised of equipment used to manufacture touch-screen displays and further components for mobile devices, such as smartphones or tablet computers. Our customers in this division include well-established Asian suppliers to the electronics industry as well as the world's leading smartphone and tablet

manufacturers. In early August, we also succeeded in acquiring the first major contract awarded in the Chinese OLED industry, which is an important strategic achievement for our company in this rapidly growing market segment. As the world's market leader for wet-chemical processing systems, which is one of the most important steps in the display and touch-panel manufacturing process, we enjoy an outstanding position from which to benefit from the expected dynamic growth of the market for OLED displays.

In the beginning of the second quarter, we succeeded in acquiring the renowned company Saft, one of the most experienced manufacturers of lithium-ion batteries, as a customer in our Battery division. The first order from this company with a value of EUR 4.5 million for equipment related to stationary energy storage offers an outstanding opportunity to expand this business relationship in the future and gain both additional orders and, as such, an additional market share in the process. Through our successful diversification in the Display and Battery divisions, we have given our business model independence from the volatile developments in the solar industry. This can be seen this division's low 3.4 % share of total revenues and 1.2 % share of orders on the books. At the same time, compared to last year, we have observed a slight recovery in the solar industry since the beginning of 2013. We plan to make systematic use of the opportunities that present themselves in this sector, particularly with regard to CIGS thin-film technology. Nevertheless, our strategic focus is clearly on expanding operations in our Display and Battery divisions.

For the second half of 2013, we expect the currently high value of orders on the books of over EUR 100 million as well as the sustained optimization of our cost structure to have a positive effect on revenues and profitability. As such, we are now able to more precisely state our forecast for the entire 2013 fiscal year, and we expect to generate total revenues of between EUR 250 million and EUR 260 million, with a positive EBIT.

We would like to take this opportunity to particularly thank our employees, whose dedication, flexibility, and imagination play a critical role in making further advancements to our technologies and, as a result, lay the foundation for further growth.

The Managing Board

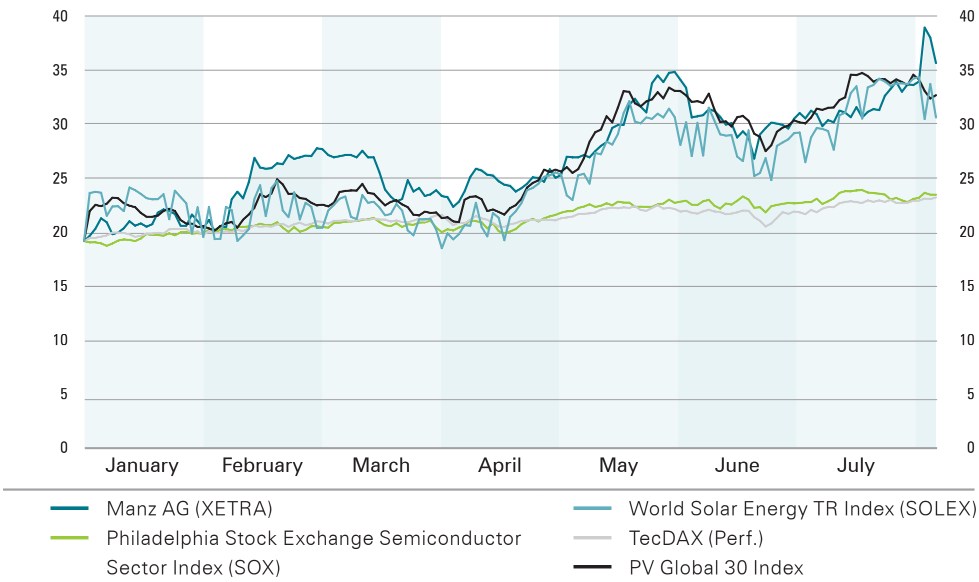
Dieter Manz

Martin Hipp

MANZ AG STOCK

OVERVIEW

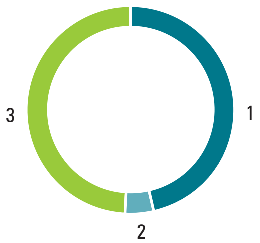
CHART SHOWING MANZ AG STOCK 2013 (XETRA, in EUR)



On January 2, Manz's stock began the 2013 fiscal year at a closing price of EUR 19.65. Over the course of January 2013, the stock initially traded sideways yet was able to gain ground starting in early February. On February 28, 2013, the stock traded at EUR 27.795, its highest value in the first quarter of 2013. After continuing to trade sideways, the share price dropped in the following period to EUR 22.65 on April 5, 2013, but then climbed once again in the following weeks. On May 31, 2013, the value of Manz's stock reached a new high of EUR 34.49. In the following weeks, the share price temporarily fell below the 30-euro mark and then climbed continuously in early August, closing on August 1, 2013, at an annual high of EUR 38.39. On August 5, 2013, the stock closed at a price of EUR 37.05.

In the reporting period, Manz's stock price outpaced Société Générale's World Solar Energy Index (SOLEX) and the Deutsche Börse AG's Photovoltaik Global 30 Index (PV Global 30) – two solar industry indices – as well as the TecDAX and the Philadelphia Stock Exchange's Semiconductor Sector Index (SOX). In this same period, the TecDAX and SOX index were both relatively stable and recorded slight gains. Beginning in the second quarter, Manz's stock significantly outpaced both indices. Although both also recorded gains beginning in the second quarter, they could not keep pace with the performance of Manz AG's stock and closed at the end of the reporting period below Manz AG's stock price.

SHAREHOLDER STRUCTURE



1	**46.43 %**	Dieter Manz
2	**4.53 %**	Ulrike Manz
3	**49.04 %**	Free Float

Currently at 49.04 %, Manz AG has a large number of shares in free float and has a wide shareholder base. At the end of the reporting period on Sunday, June 30, 2013, company founder and chairman of the Managing Board, Dieter Manz, held 46.43 % of Manz's stock. In addition, Ulrike Manz holds an additional 4.53 % of the company's shares.

2013 FINANCIAL CALENDAR

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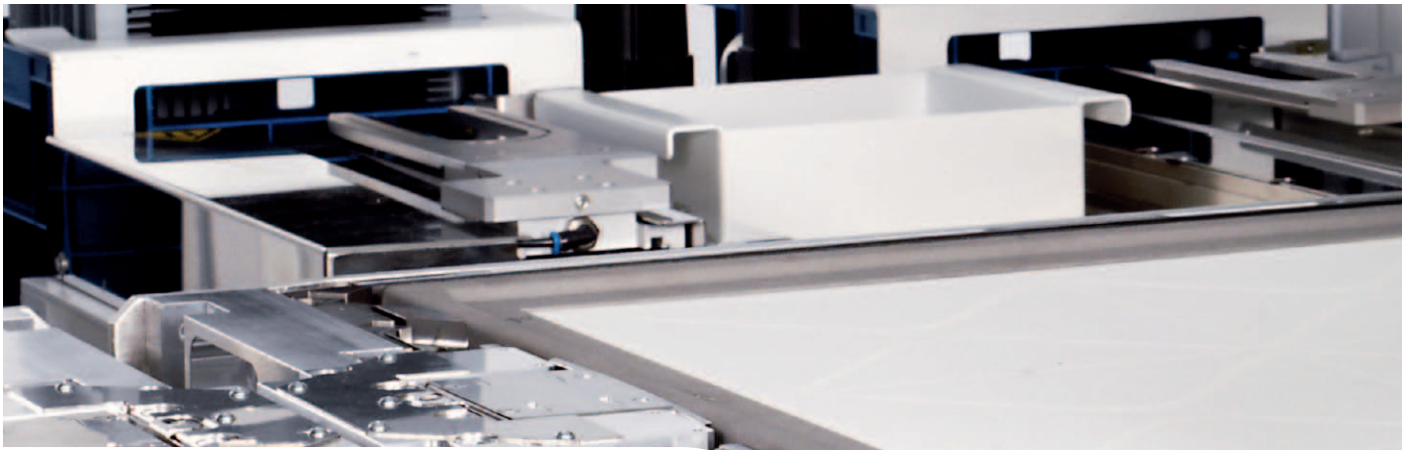
2013 ANNUAL MEETING OF SHAREHOLDERS

Manz AG's 2013 Annual Meeting of Shareholders was held on June 16, 2013, in the FILharmonie in Filderstadt, Germany. A total of 303 shareholders were present and listened to the report by the Managing Board regarding the company's performance in 2012 as well as the forecast for the current fiscal year.

OVERVIEW OF VOTING RESULTS

TOP	Voting item	Abstained	Valid Votes	In % of CS	Votes for No	No in %	Votes for Yes	Yes in %	Result
2	Formal approval of the actions of the Managing Board in 2012	724	709,841	15.84	17,325	2.44	**692,516**	**97.56**	Adopted
3	Formal approval of the actions of the Supervisory Board in 2012	165	2,790,384	62.28	17,999	0.65	**2,772,385**	**99.35**	Adopted
4	Selection of the auditor for the 2013 financial reports, consolidated financial reports, and the semi-annual report	216	2,790,333	62.28	17,998	0.65	**2,772,335**	**99.35**	Adopted
5	Authorization to issue stock options, convertible bonds, profit participation rights, or profit-participating bonds and the creation of conditional capital, changes to Manz's Articles of Incorporation	84,472	2,706,077	60.40	20,904	0.77	**2,685,173**	**99.23**	Adopted
6	Revocation of Conditional Capital II	85,943	2,704,606	60.37	428	0.02	**2,704,178**	**99.98**	Adopted
7	Change in Supervisory Board compensation, changes to Manz's Articles of Incorporation	85,952	2,704,597	60.37	1,270	0.05	**2,703,327**	**99.95**	Adopted

At the Annual General Meeting, almost all of the represented shareholders approved the items on the meeting's agenda. A total of 62.34 % of capital stock with voting rights was represented. Last year, this figure stood at 61.22 %.



Our added value for every coating: maximum homogeneity with minimal material input

In the field of vacuum coating, our customers benefit from extremely low operating costs thanks to state-of-the-art system design and process control. We offer solutions for physical vapor deposition (PVD), plasma-enhanced chemical vapor deposition (PECVD), and evaporation. In our fully equipped technical center, we develop standardized system platforms for vertical and horizontal substrate processing. In this context, we pay close attention to a particularly efficient use of high-priced coating materials while at the same time achieving maximum homogeneity of the coating.

VACUUM COATING

OUR ACHIEVEMENT: INCREASED EFFICIENCY

GROUP INTERIM REPORT

GROUP INTERIM REPORT

BUSINESS REPORT

Market and Competitive Environment

Economic Environment

According to information from the Kiel Institute for the World Economy (IfW), the global economy rebounded slightly in the first three months of 2013. Global gross domestic product (GDP) growth increased from an average of 2.3 % in 2012 to 2.5 % in the quarter. This development can be traced back to a positive economic trend in advanced economies, among other reasons. According to the IfW, global economic activity is accelerating in the second quarter of 2013.

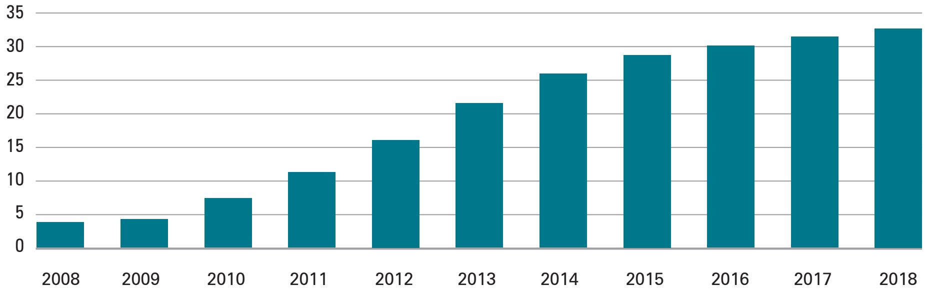
The IfW is forecasting growth of 3.2 % for the rest of 2013, up from 3.1 % in the previous year. The institute is forecasting growth of 3.8 % for 2014. In this context, these expectations are largely dependent on the further development of the crisis in the euro zone and its impact on demand and financial markets. As the largest economy in the Asian region, the IfW forecasts that China's economic power will grow by 7.5 % over the coming year (2012: 7.8 %), while the euro zone is expected to continue declining by 0.6 % (2012: –0.6 %). The economists from the IfW are only expecting the European economy to grow again in 2014 by 0.8 %. When it comes to Germany, the IfW expects the country to remain affected by the aftereffects of the European sovereign debt crisis, yet it currently sees the economy stabilizing. In its current summer forecast, the economists expect GDP growth in Germany of 0.5 % (2012: 0.7 %). According to the IfW, the country will once again see stronger growth of 1.8 % next year in 2014.

Display division

In its Display division, Manz AG focuses on innovative production solutions for manufacturing flat panel displays (FPD) and touch-sensitive displays. As the interface between people and electronic devices, FPDs and touch panel displays are now indispensable. As computer or laptop monitors, televisions, operating displays used in an industrial setting, or as touch screen panels for mobile devices such as smartphones, tablet computers, or navigation devices, they are now ubiquitous in today's society.

The experts from the market research firm NPD DisplaySearch forecast significant growth potential for this field, particularly for the touch-panel display segment. Total global revenues for touch screen modules reached nearly USD 16 billion in 2012 and are predicted to almost double to USD 31.9 billion by 2018. In this context, growth is being driven by high demand for devices with touch screens, particularly smartphones, tablet computers, and also hybrid devices such as notebooks with touch-panel displays. In this context, the tablet computer segment is recording the highest growth rates. During the current year, tablet computer sales are expected to grow to 256.5 million units, equal to year-over-year growth of 67.0 %. NPD DisplaySearch believes that, as a result, tablet computers will overtake notebooks for the first time as the dominant mobile computing device. Between now and 2017, annual sales of tablet computers are expected to double to 579.4 million units. But touch-panel displays are also seeing growth in the classic notebook segment. NPD DisplaySearch expects to see a significant increase in the share of devices with touch screens. The experts from the market research institute are forecasting an increase from below 3 % in 2012 to more than 12 % in 2013. Absolute sales figures should then increase by around 50 % by 2014.

TOUCH-SCREEN MODULE REVENUE FORECAST (in billion USD)



Source: DisplaySearch 2012 Touch Panel Market Analysis

Due to the recovering market for LCD televisions as well as the additional revenue potential from technological innovations in mobile devices, televisions, and new applications for FPD technology, the market researchers believe industry revenues in 2013 will continue to grow. In the current year, investments in production equipment are estimated to total approximately USD 8.3 billion, a significant increase of 118.0 % compared to last year.

The experts from NPD DisplaySearch are also seeing significant growth in the OLED display segment. They expect OLED displays' share of the total market for small and medium-sized displays (9" and smaller) to increase continuously – from 8.4 % in 2012 to around 16 % in 2016. According to the experts, smartphones are the driving force behind the growth in the OLED display segment, which in 2012 already accounted for 69.21 % of the market, with approximately 190 million units. Their share is expected to increase further in the coming years as the size of the total market also increases. As such, the market research institute is expecting smartphones with OLED displays to account for 78.7 % of the market in 2013, with 280 million units, which will increase to 82.9 % in 2014, with 370 million units.

Solar Division

In the Solar division, Manz AG produces system and production solutions for manufacturing crystalline solar cells as well as thin-film solar panels. Through the development of innovative production processes, Manz AG constantly spurs on further cuts to production costs and increases in efficiency. As a result, Manz makes it possible for solar manufacturers to produce economically despite being faced with declining panel prices and the resulting cost pressure.

In the first half of 2013, global demand in the consumer market for solar cells and panels increased year over year. According to information from the market research institute NPD Solarbuzz, newly installed photovoltaic capacity reached approximately 15 GW in the first six months of the year, which is equal to a 9 % increase compared to the same period last year. In this context, Germany, China, Japan, and the United States were together responsible for over 60% of total demand.

For the second half of the year, NPD Solarbuzz is forecasting a further increase in newly installed capacity to 20 GW, which is equal to a year-over-year increase of approximately 22 %. In this context, the market research institute is seeing a transition from a market dominated primarily by Europe to a global market for photovoltaics (PV). The market research institute sees the reason for this growth in China and Japan's offensive development plans. The cumulative newly installed capacity for the entire year will most likely reach 35 GW, which would be a new record.

But Solarbuzz is also expecting to see increasing growth over the current year in other markets as well – such as in India, with newly installed capacity estimated to total 4 GW

(2012: 1.3 GW) as well as the United States, with 4.5 GW (2012: 3.5 GW). In this context, the United States is particularly expected to see dynamic growth. By the end of 2014, cumulative capacity is expected to increase from 10 GW currently to over 17 GW. And beginning next year, the experts from Solarbuzz also expect the Middle East, Africa, South America, and Southeast Asia to become an increasingly important part of the global PV market.

The industry experts from the market research firm IHS expect panel prices to stabilize in the second half of 2013. This trend, in conjunction with the number of new installations reaching record levels, will result in a deep-seated revenue recovery in the industry and, according to the experts, could mark a positive turning point in the solar industry as well as for manufacturers of production equipment.

Battery division

In its Battery division, Manz AG focuses its decades of expertise as a high-tech engineering company on production technologies for optimizing lithium-ion battery manufacturing processes. In this context, in addition to the automotive industry, stationary energy storage systems for renewable energy are also becoming increasingly important. Manz also sees an additional growth market in the Premium Consumer Products (PCP) segment.

The market research firm Pike Research is forecasting growth in the total market for lithium-ion batteries for passenger and light commercial vehicles from USD 1.6 billion in 2012 to approximately USD 22 billion in 2020. In this context, Pike Research expects the Asia-Pacific region to continue to lead the world in the production and use of lithium-ion batteries as a result of government subsidies. China is expected to overtake Japan as the world's leading producer of lithium-ion batteries for the automotive industry in 2015. The US Department of Energy is also supporting the domestic advancement of this future industry in the United States. As such, the US government is striving to significantly increase the American share of the global lithium-ion market by 2015 by providing the industry considerable financial support.

The industry experts from Roland Berger also see additional potential in the use of stationary power-storage systems. According to these experts, further increases in the amount of power from renewable energy sources being fed into the grid and the resulting volatility will correspond with an increase in demand for load-balancing technologies such as battery-storage systems. Potential buyers of stationary power-storage systems include private operators of PV systems as well as companies operating large plants. Roland Berger assumes that the demand for batteries for storing renewable energy will increase by 2015 to 2.8 GWh (2011: 1.9 GWh). By 2020, demand is expected to jump to 5.7 GWh.

Printed Circuit Board / OEM Reporting Segment

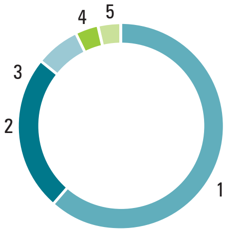
In the Printed Circuit Board/OEM reporting segment, Manz AG offers its customers, the lion's share of which are active in the field of semiconductors, the turnkey processing of production contracts. The scope of services offered range from project planning to the installation and final inspection of production systems to the subsequent service and maintenance. This gives the company the opportunity to effectively utilize excess capacities in other divisions and, as a result, simultaneously increase the company's utilization of production capacity. According to a current forecast by the German Electrical and Electronic Manufacturers' Association (Zentralverband Elektrotechnik- und Elektronikindustrie e.V., or ZVEI for short), the experts expect the value of the global market to grow in 2013 by 1.8 % to USD 60.1 billion. Key players in this regard include China, Southeast Asia, and Japan, as well as the European and US markets.

Analysis of the Financial Situation

Earnings Situation

In the second quarter of 2013, Manz AG's earnings situation was shaped by the large number of orders held at the end of the previous quarter and was improved in comparison to the same period last year. As such, Manz was able to continue the positive performance recorded in the first three months of the current fiscal year. In the 2013 reporting period, Manz AG generated revenues of EUR 137.8 million after generating EUR 109.2 million in the same period last year, which is equal to an increase of 26.2 %.

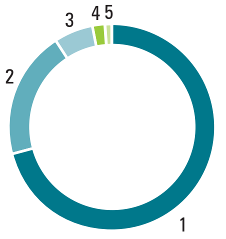
REVENUES BY BUSINESS UNIT JANUARY 1 TO JUNE 30, 2013



1	**61.5 %**	Display
2	**24.5 %**	PCB/OEM
3	**7.0 %**	Others
4	**3.6%**	Battery
5	**3.4%**	Solar

The Display division was responsible for the largest share of revenues in the reporting period, generating EUR 84.8 million, or 61.5 % of total revenues in the reporting period (through Q2 2012: EUR 71.5 million, equal to 65.5 %). This is primarily the result of the continued high demand for touch-screen displays for mobile devices such as smartphones and tablet computers. In the first six months of 2013, the Solar division generated approximately EUR 4.7 million, equal to 3.4 % of Manz AG's total revenues (through Q2 2012: EUR 13.1 million, or 12.0 %). Solar manufacturers' continued reluctance to make new investments was primarily responsible for this year-over-year decline. With its systems for the production of lithium-ion batteries, the company's third division, Battery, contributed EUR 4.9 million to the total revenues. As such, revenues increased year over year by 47.8 % (through Q2 2012: EUR 3.3 million), and as a result, the Battery division contributed 3.6 % of total revenues (same period last year: 3.0 %). The PCB/OEM subsegment was also responsible for a relevant share of revenues, generating EUR 33.7 million, which is equal to 24.5 % (through Q2 2012: EUR 11.9 million, equal to 11.0 % of total revenues). In the first six months of 2013, the revenues generated in the division Others totaled EUR 9.6 million after totaling EUR 9.3 million in the same period last year. This is equal to a 7.0 % share of total revenues in the first half of 2013 (through Q2 2012: 8.5 %).

REVENUES BY REGION JANUARY 1 TO JUNE 30, 2013



1	**71.9 %**	Asia
2	**20.2 %**	Rest of Europe
3	**6.5 %**	Germany
4	**1.2 %**	USA
5	**0.2 %**	Other regions

Revenues generated by Manz AG in the first half of 2013 were distributed regionally as follows: with EUR 99.0 million, equal to 71.9 %, Manz generated the lion's share of its revenues in Asia (through Q2 2012: EUR 82.1 million, equal to 75.3 %). In Germany, the company generated EUR 8.9 million, equal to 6.5 % of total revenues (through Q2 2012: EUR 8.7 million, equal to 7.9 %). Approximately EUR 27.8 million was generated in the remainder of Europe, equal to 20.2 % of total revenues in the reporting period. The company generated EUR 11.2 million, or 10.2 % of total revenues, here in the same period last year. In the United States, Manz generated revenues of EUR 1.7 million; this is equal to

1.2 % of total revenues generated in the reporting period (through Q2 2012: EUR 6.2 million, equal to 5.6 %). In all other regions of the world, Manz generated revenues of EUR 0.3 million, equal to 0.2 % (through Q2 2012: EUR 1.1 million, equal to 1.0 %).

As a result of the company's excellent order situation during the reporting period, the value of finished and unfinished goods in stock increased by EUR 7.2 million (through Q2 2012: EUR –5.4 million). Scaled-back R&D activities due to optimizing the company's cost structure resulted in a significant decline in the value of internally produced and capitalized assets – a trend that began in the first quarter of 2013 and will continue throughout the second quarter. In the first six months of the year, the value of internally produced and capitalized assets totaled EUR 3.0 million after totaling EUR 9.7 million in the first half of 2012. This resulted in a 30.4 % increase in total operating revenues in the reporting period to EUR 148.0 million (through Q2 2012: EUR 113.5 million). Other operating income totaled EUR 7.0 million (through Q2 2012: EUR 6.0 million), and in addition to grants received for technological development, this also resulted from payments that Manz AG received within the scope of the takeover agreement with Würth Solar for the facility in Schwäbisch Hall. Cost of materials in the reporting period totaled EUR 88.5 million (through Q2 2012: EUR 55.4 million); the cost of materials ratio increased to 59.8 % (through Q2 2012: 48.8 %). This increase is the result of products with higher material costs being responsible for a growing share of total revenues, which are primarily generated by Asian and Slovakian subsidiaries. The German term Rohergebnis, which is similar to gross profit or loss, is a figure which includes total revenues, changes in inventory of finished and unfinished goods, cost of materials, and other operating income. This figure increased correspondingly during the reporting period to EUR 66.4 million (through Q2 2012: EUR 64.0 million).

Cost of labor in the first six months of 2013 declined year over year by EUR 2.4 million to EUR 33.4 million (through Q2 2012: EUR 35.8 million); as a result, the ratio of labor costs to total operating revenues improved significantly to 22.6 % (through Q2 2012: 31.6 %). Write-downs increased from EUR 7.9 million in the same period last year to EUR 11.9 million in the reporting period. In addition to scheduled depreciation of property, plant, and equipment including systems and capitalized development costs, this increase was the result of scheduled depreciation of the buildings at the production facility in Suzhou, China, which opened in the summer of 2012. Other operating expenses declined in the reporting period to EUR 17.4 million (through Q2 2012: EUR 19.3 million) as a result of the successfully implemented measures to optimize the cost structure. Overall, as a result of the positive trends, Manz AG succeeded in significantly improving its earnings (EBIT) from EUR 1.1 million in the same period last year to EUR 3.8 million in the 2013 reporting period. As a percentage of total operating revenues, this corresponds to an EBIT margin of 2.5 % (through Q2 2012: 0.9 %).

Looking at the individual divisions, EBIT in the Display division totaled EUR 10.1 million (through Q2 2012: EUR 9.9 million). The Solar division again generated a loss of EUR 10.5million in the reporting period (through Q2 2012: a loss of EUR 10.4 million). Earnings before interest and taxes in the Battery division grew to EUR 770,000 after totaling EUR 527,000 in the same period in 2012. And the Printed Circuit Board/OEM reporting segment recorded a significant increase, with earnings of EUR 2.2 million through the second quarter of 2013 (through Q2 2012: a loss of EUR 238,000). EBIT in the division Others remained nearly unchanged year over year at EUR 1.3 million (through Q2 2012: EUR 1.2 million).

The negative financial result of EUR –1.6 million in the first half of 2013 was the result of increased business activity and the corresponding use of higher lines of credit compared to last year (EUR –0.6 million). This resulted in earnings before taxes (EBT) of EUR 2.2 million (through Q2 2012: EUR 0.4 million). After deducting taxes on income and earnings, the Manz Group posted total earnings of EUR 0.2 million in the first half of 2013 (through Q2 2012: EUR –1.5 million). With a weighted average of 4,480,054 shares outstanding, this resulted in earnings per share of EUR 0.00 (through Q2 2012: EUR –0.34).

Asset Position

The value of total assets on June 30, 2013, grew as a result of increased business activity from their value on December 31, 2012, by EUR 49.6 million to EUR 349.5 million. On the liabilities side, Manz AG's equity remained almost unchanged at EUR 156.0 million (December 31, 2012: EUR 156.2 million). This resulted in an equity ratio at the end of the reporting period of 44.6 % after totaling 52.1 % on December 31, 2012.

Noncurrent liabilities remained nearly unchanged at EUR 37.2 million (December 31, 2012: EUR 37.5 million). In this context, noncurrent financial liabilities decreased to EUR 21.8 million (December 31, 2012: EUR 22.3 million). This was caused by scheduled repayments on existing loans from the KfW Development Bank for projects related to the development of innovative production technologies. Furthermore, pension provisions increased to EUR 5.8 million as a result of changes to the accounting standards set forth in IFRS 19 (December 31, 2012: EUR 5.7 million). At the same time, other noncurrent provisions declined to EUR 2.3 million (December 31, 2012: EUR 2.4 million) while other noncurrent liabilities increased to EUR 6.6 million (December 31, 2012: EUR 6.5 million). Manz's current liabilities increased significantly at the end of the first half of 2013 to EUR 156.4 million (December 31, 2011: EUR 106.3 million). This figure contains an increase in current financial liabilities at the end of the reporting period on June 30, 2013, totaling EUR 55.5 million (December 31, 2012: EUR 43.4 million). In this context, the company drew on lines of credit extended by banks to prefinance the significantly improved order situation in order to take advantage of discounts for timely payment offered by suppliers. Accounts payable also increased significantly by EUR 29.6 million to EUR 68.3 million (December 31, 2012: EUR 38.7 million). At the end of the current 2013 reporting period, advance payments received totaled EUR 17.6 million, a significant increase compared to their value at the end of the 2012 fiscal year (December 31, 2012: EUR 7.7 million). This resulted from the extremely large number of orders on the books in the first half of 2013. Other current provisions remained unchanged, totaling EUR 4.9 million on June 30, 2013, after totaling EUR 5.7 million at the end of the 2012 fiscal year. Other liabilities remained unchanged at EUR 8.8 million. They are primarily comprised of sales tax and social security liabilities.

On the assets side, the decrease in noncurrent assets from EUR 155.4 million to EUR 146.9 million was due to the scheduled depreciation of intangible assets as well as property, plant, and equipment. At the end of the reporting period on June 30, 2013, the company held intangible assets with a value of EUR 95.5 million (December 31, 2012: EUR 100.8 million), the value of property, plant, and equipment totaled EUR 49.1 million at the end of the period after totaling EUR 51.3 million at the end of the previous fiscal year.

In contrast, current assets increased at the end of the reporting period on June 30, 2013, to EUR 202.6 million (December 31, 2012: EUR 144.5 million). As a result of the positive order situation and the increase in advance payments received in Asia during the reporting period, the value of inventory increased by EUR 18.3 million to EUR 72.8 million (December 31, 2012: EUR 54.5 million). At the same time, the value of accounts receivable increased by EUR 24.2 million to EUR 78.6 million (December 31, 2012: EUR 54.4 million). Other current receivables, which primarily encompass sales tax receivables, totaled EUR 6.2 million at the end of the reporting period after totaling EUR 4.9 million on December 31, 2012. Furthermore, liquid assets increased significantly to EUR 44.7 million (December 31, 2012: EUR 30.7 million). This increase is, among other reasons, the result of the company's positive performance during the reporting period.

Liquidity Position

Our company's cash flow in the narrower sense (net profit in the period plus write-downs on fixed assets as well as an increase/decrease in long-term pension provisions) in the first half of 2013 totaled EUR 15.7 million (through Q2 2012: EUR 9.6 million). With a consolidated operating profit of EUR 3.8 million, this cash inflow resulted primarily from the scheduled depreciation of property, plant, and equipment by EUR 11.9 million. In contrast to the same period last year, operating cash flow for the first six months of 2013 was positive, totaling EUR 11.0 million (through Q2 2012: EUR –4.6 million). This change was primarily shaped by the increase in inventory in stock as well as accounts receivable and accounts payable which resulted from the company's increased business activities. Inventories in stock, accounts receivable, and other assets increased in the 2013 reporting period by EUR 43.3 million (through Q2 2012: EUR 16.7 million); accounts payable and other liabilities increased by EUR 40.2 million (through Q2 2012: EUR 4.3 million).

After recording a cash flow from investment activities of EUR –22.1 million in the same period in 2012, cash flow in this area totaled EUR –4.4 million in the first half of 2013. This resulted from investments in intangible assets – namely in development activities.

In contrast, cash flow from financing activities decreased significantly to EUR 7.6 million after totaling EUR 18.0 million in the same period last year. The reason for this decline is that in the reporting period, Manz AG did not take out any additional noncurrent loans (through Q2 2012: EUR 3.8 million) and instead repaid noncurrent loans with a value of EUR 1.6 million. At the same time, the company drew on current lines of credit of approximately EUR 9.2 million (through Q2 2012: EUR 14.3 million). Taking changes in exchange rates into account, Manz AG held liquid assets on June 30, 2013, with a value of EUR 44.8 million (June 30, 2012: EUR 25.5 million).

EMPLOYEES

Qualified and motivated employees form the foundation of Manz AG's long-term success. On June 30, 2013, a total of 1,834 employees (previous year: 1,992) worked for the company both in Germany and abroad, including 502 employees working for Manz AG at its locations in Reutlingen, Tübingen, and Karlstein.

Based on the number of number employees, the Group's largest subsidiary is Manz China Suzhou Ltd. in China, with 475 employees, followed by Manz Taiwan Ltd. in Taiwan with 408 workers, and Manz Slovakia s.r.o. with 215 employees.

RESEARCH AND DEVELOPMENT

Research and development represents a key component of successfully expanding Manz AG's cross-industry technology and product portfolio. As such, in order to further strengthen Manz's position as a company driving innovation in growth industries, in 2013 research and development will once again play an important role. In this context, Manz AG – with over 500 engineers, technicians, and scientists at its development facilities – will concentrate primarily on technologies in its Display, Solar, and Battery divisions and on dovetailing these core competencies across different industries in order to achieve synergies and economies of scale.

In fiscal year 2012, Manz AG had a total ratio of research costs to revenues of 18.3 % in the reporting period (previous year: 10.2 %). In the 2013 reporting period, the ratio of research costs to sales totaled 6.8 %, after totaling 14.3 % in the first half of 2012. If one only considers capitalized development costs, the ratio of research costs to sales totals 2.2 % (through Q2 2012: 8.8 %).

BUSINESS WITH ASSOCIATED COMPANIES AND PEOPLE

Business with people closely associated with the company that had a substantial effect on Manz AG's earnings, assets, or financial position are discussed in more detail on page 54 of the Notes.

EVENTS AFTER THE BALANCE SHEET DATE

On August 1, 2013, Manz AG acquired a major contract with a total value of over EUR 9 million from a leading Chinese manufacturer of OLED displays. The order for wet-chemical processing systems for the manufacture of OLED displays is also one of the largest investments ever made by the emerging OLED industry in China.

Other than the aforementioned event, no further events took place after the reporting date that could have had a significant impact on our financial situation.

REPORT ON OPPORTUNITIES AND RISKS

There have been no significant changes to the opportunities and risks presented on pages 72 through 79 of the 2012 Annual Report.

FORECAST REPORT

OUTLOOK

In our Forecast Report, we provide as much information as possible about Manz AG's expected future growth and the company's business environment during the next two fiscal years.

It must be noted, however, that current economic conditions increase the uncertainty when making statements about future trends, since the assumptions these forecasts are based on could quickly become invalid. The conditions of the current business environment mean both opportunities and risks when it comes to the Manz Group's operative performance. Around the world, economic earning power is expected to increase year over year and particularly in the region of greatest importance to Manz – Asia – with the People's Republic of China. According to information from the Kiel Institute for the World Economy (IfW), global gross domestic product (GDP) is expected to grow by 3.2 %, and in China by 7.5 %. We believe the expected economic market forecasts mean good conditions for the company to grow during the current fiscal year. In addition to these general economic conditions, developments in the display, photovoltaic, and lithium-ion battery submarkets also play a decisive role in Manz AG's further operative performance.

We expect continued positive growth in the Display division for the current year of 2013. We base this belief on the continued extremely high demand for devices with touchscreen displays, such as smartphones and tablet computers. In addition, we expect to see additional positive growth spurred on by the increased integration of touch screens into a growing number of product groups. We also see potential in the fast-growing market for OLED displays. Thanks to the order we received in early August 2013 from one of the leading Chinese manufacturers of OLED displays, we have positioned ourselves superbly as a high-tech engineering company in the emerging OLED industry in China. In our estimation, this overall increase in demand for touch panels as well as these additional areas of application will lead to investments being made in both new and replacement production systems, which Manz AG can also benefit from. The contracts the company has acquired in the Display division since the beginning of 2013, with a value of approximately EUR 130 million, support this expectation.

Due to the first positive signs in the field of crystalline photovoltaics compared to the end of last year, our outlook for the Solar division remains cautiously optimistic that, overall, the market could see a slight recovery during the 2013 fiscal year and that this will have a corresponding effect on our revenues and earnings situation. Despite market participants' ongoing reluctance to make new investments as well as the resulting risks in the field of thin-film technology, we particularly see significant opportunities for our business operations in the sale of a CIGSfab since this technology offers the highest potential to further increase efficiency and cut production costs and, as a result, also offers the lowest costs per watt for panel manufacturers. Depending on the capacity of the production line, the sale of a CIGSfab has the potential to generate revenues between EUR 50.0 and 350.0 million. As a result, the sale of the first turnkey, fully integrated CIGS production line remains our main goal.

In addition, we expect a thoroughly positive trend in our third division, Battery. With our production systems for lithium-ion battery manufacturing for the automotive industry and stationary power storage, we have tapped an additional market that will also offer us significant upside potential in the future. This potential is underscored by, among other things, the contract we received in April 2013 from one of the most renowned and experienced producers of lithium-ion batteries with a value of approximately EUR 4.5 million. We also see additional revenue potential in the field of Premium Consumer Electronics. This encompasses, among other devices, products such as smartphones and tablet computers that are almost exclusively powered by lithium-ion batteries. As such, we are also expecting to record revenues and earnings growth in this division during the current year.

Due to the increasing use of electronic devices in daily life, communication applications' increased level of penetration, and the sustained demand for mobile devices such as smartphones and tablet computers, the PCB/OEM reporting segment will most likely continue to see stable growth in the future, whereby the business conducted in this segment, which generally sees Manz in the role of an OEM, particularly serves to improve the utilization of production capacities.

Due to the extremely positive outlook in the Display and Battery divisions as well as orders on the books at the present time with a value of over EUR 100 million, we are forecasting total annual revenues of between EUR 250 million and EUR 260 million, with a positive EBIT. The company's performance in the first half of 2013 confirms this positive assumption despite the fact that we still face uncertainties with regard to the further development of our Solar division. Nevertheless, we have an excellent position from which to make systematic use of the opportunities that arise and also record positive growth in this division in 2013 as well.

As a result of our excellent position in the fast-growing future markets for displays and lithium-ion batteries, the increasing willingness to make investments in the solar industry, and the project we started to optimize structures and costs throughout the entire Group, we are confident that overall we have considerable opportunities to markedly increase our sales and earnings power in 2014 as well.

FORWARD-LOOKING STATEMENTS

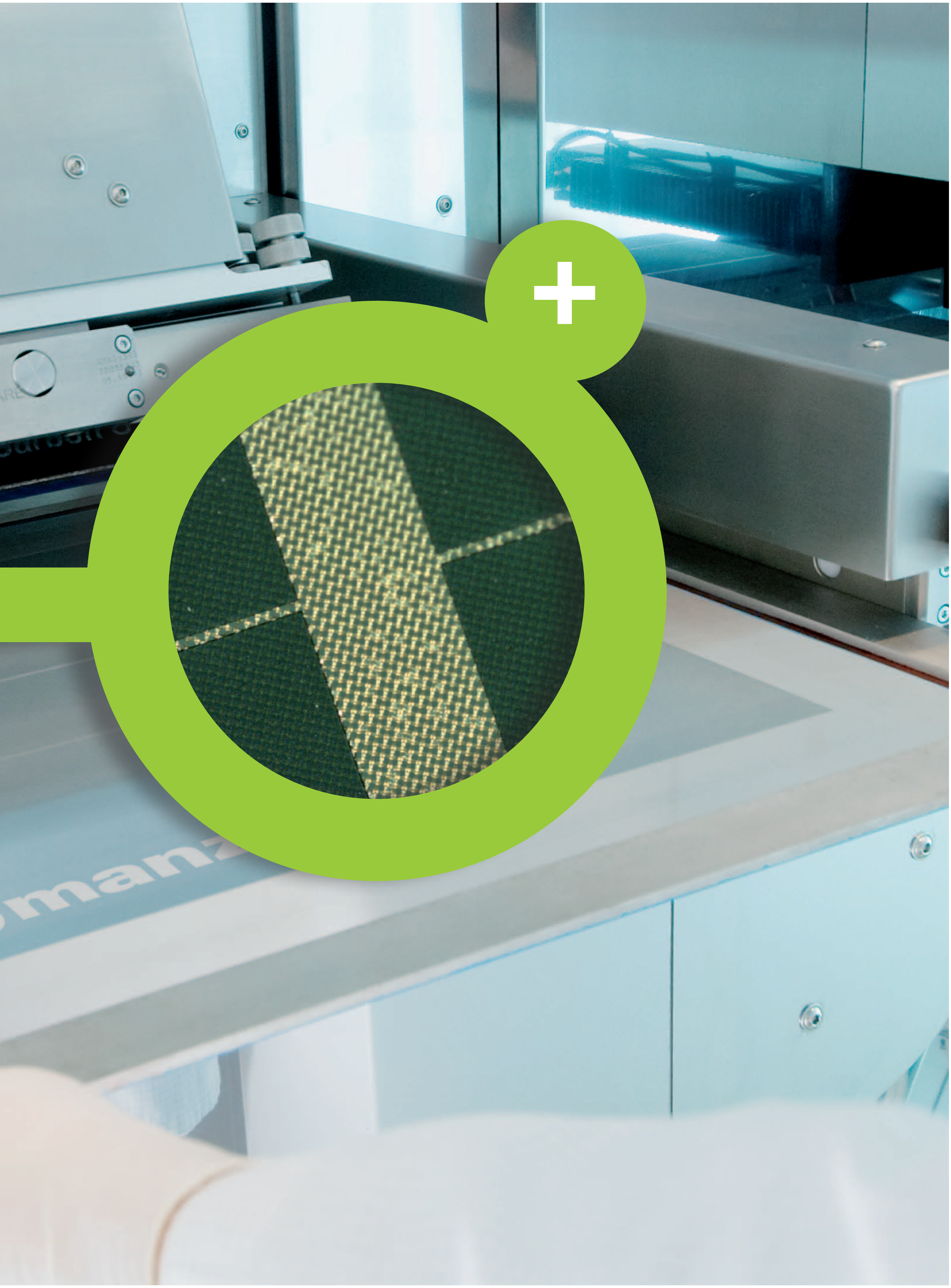
This report contains forward-looking statements. These statements are based on the current assumptions and forecasts of Manz AG's Managing Board. Such statements are subject to both risks and uncertainties. These and other factors can cause the company's actual results, financial situation, growth, and performance to significantly deviate from the opinions stated in this report. The company assumes no obligation to update these forward-looking statements or adapt them to future events or developments.

METALLIZATION/PRINTING

OUR ADVANTAGE: LOWER MANUFACTURING COSTS

Our added value for every print: best-possible quality thanks to maximum precision

Using standardized printing platforms from Manz, small substrates can be printed particularly fast. By aligning the substrates optically, we set standards when it comes to precision and printing quality. Integrated automation systems are responsible for rapid loading and unloading and, in addition to high throughput rates, make a particularly cost-efficient production process possible. The optical inspection also integrated into the process as well as the process control software developed in-house ensure that the quality of printing process remains high.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CONSOLIDATED INTERIM FINANCIAL STATEMENT

CONSOLIDATED STATEMENT OF INCOME

(in EUR tsd.)	**Jan. 1 to June 30, 2013**	**Jan. 1 to June 30, 2012**
Revenues	137,757	109,179
Changes in inventory	7,200	–5,374
Internally produced and capitalized assets	3,016	9,659
Total operating revenues	**147,973**	**113,464**
Other operating income	6,971	5,965
Material expenditures	–88,542	–55,398
Gross margin	**66,402**	**64,031**
Personnel expenses	–33,393	–35,813
Write-downs	–11,879	–7,879
Other operating expenses	–17,359	–19,287
Earnings before interest and taxes (EBIT)	**3,771**	**1,052**
Financial income	92	85
Financial expenses	–1,712	–709
Earnings before taxes (EBT)	**2,151**	**428**
Taxes on income	–1,996	–1,947
Comprehensive income	**155**	**–1,519**
Income allocated to minority interests	135	26
Income allocated to Manz AG shareholders	20	–1,545
Weighted average number of shares	4,480,054	4,480,054
Earnings per share (diluted = undiluted) in euros	0,00	–0,34

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in EUR tsd.)	Jan. 1 to June 30, 2013	Jan. 1 to June 30, 2012 *
Comprehensive income	**155**	**–1,519**
Expenses and earnings reflected in profit/loss that were subsequently reclassified on the income stateme		
Consolidated comprehensive income	–296	3,114
Changes to the fair value of cash flow hedges	–10	–189
Consolidated comprehensive income	3	57
Items not reflected in profit/loss with reclassification	**–303**	**2,982**
Expenses and earnings not reflected in profit/loss that were subsequently reclassified on the income statemen		
Actuarial gains and loss from performance-based pension plans	–50	–35
Tax effects from items not reflected in profit/loss	11	8
Items not reflected in profit/loss without reclassification	**–39**	**–27**
Consolidated comprehensive income	**–187**	**–1,436**
Consolidated comprehensive income	163	107
Consolidated comprehensive income	–350	1,329

Presentation was adjusted in accordance with changes to IAS 1
* Figures were adjusted in accordance with changes to IAS 19

CONSOLIDATED BALANCE SHEET

ASSETS (in EUR tsd.)	**June 30, 2013**	**Dec. 31, 2012** *
Non-current assets		
Intangible assets	95,528	100,755
Property, plant, and equipment	49,072	51,331
Deferred taxes	1,709	2,499
Other non-current assets	629	808
	146,938	**155,393**
Current assets		
Inventories	72,799	54,452
Accounts receivable	78,580	54,351
Income tax receivables	286	45
Derivative financial instruments	8	43
Other current receivables	6,195	4,919
Liquid assets	44,739	30,708
	202,607	**144,518**
Total assets	**349,545**	**299,911**

* Information pertaining to the adjustments made to the previous year’s figures can be found in the Notes (under Accounting Principles).

LIABILITIES AND SHAREHOLDERS' EQUITY (in EUR tsd.)	**June 30, 2013**	**Dec. 31, 2012** *
Equity		
Capital stock	4,480	4,480
Capital reserves	143,986	143,986
Revenue reserves	–5,937	-5,911
Currency translation	11,453	11,777
Manz AG shareholders	153,982	154,332
Minority interests	1,994	1,831
	155,976	**156,163**
Non-current liabilities		
Non-current financial liabilites	21,766	22,303
Non-current deferred subsidies	234	262
Financial liabilities from leases	34	36
Pension provisions	5,781	5,669
Other non-current provisions	2,316	2,387
Other long-term liabilities	6,624	6,500
Deferred taxes	463	302
	37,218	**37,459**
Current liabilities		
Current financial liabilities	55,458	43,374
Accounts payable and payments	68,313	38,705
Advance payments received	17,577	7,654
Income tax liabilities	1,247	1,910
Other current provisions	4,885	5,728
Derivative financial instruments	96	128
Other liabilities	8,755	8,756
Financial liabilities from leases	20	34
	156,351	**106,289**
Total shareholders' equity and liabilities	**349,545**	**299,911**

* Information pertaining to the adjustments made to the previous year's figures can be found in the Notes (under Accounting Principles).

CONSOLIDATED CASH FLOW STATEMENT

(in EUR tsd.)	Jan 1 to June 30, 2013	Jan 1 to June 30, 2012 *
Cash flow from operations		
Operating profit	3,771	1,052
Amortization/depreciation of non-current assets	11,880	7,879
Increase (+)/decrease (–) in pension provisions and other non-current provisions	41	614
Other non-cash income (–) and expenses (+), particularly deferred taxes	0	34
Cash flow	**15,692**	**9,579**
Gains (–)/losses (+) from disposal of assets	3	15
Increase (–)/decrease (+) in inventories, account receivable, and other assets	–43,313	–16,703
Increase (+)/decrease (–) in trade payables and other liabilities	40,182	4,043
Income taxes paid	–94	–1,022
interest paid	–1,574	–571
Interest received	91	85
	10,978	**–4,574**
Cash flow from investments		
Incoming payments from the sale of non-current assets	15	139
Payments for investments in intangible assets and property, plant, and equipment	–4,365	–22,540
Payments for the acquisition of consolidated companies, minus liquid assets received	0	286
	–4,350	**–22,115**
Cash flow from financing activities		
Purchase of own shares	–2	–42
Payments toward the repayment of finance leases agreements	–7	–4
Deposits from drawing on non-current loans	0	3,830
Payments toward the repayment of non-current loans	–1,601	–80
Change in overdraft loans	9,179	14,258
	7,569	**17,962**
Cash and cash equivalents at the end of the period		
Change in cash and cash equivalents (subtotal 1–3)	14,206	–8,727
Net change in cash and cash equivalents due to currency translation	–175	930
Cash and cash equivalents on Jan. 1	30,708	33,288
Cash and cash equivalents on March 31	**44,739**	**25,491**
Composition of cash and cash equivalents		
Liquid assets	44,739	25,491
Cash and cash equivalents on March 31	**44,739**	**25,491**

* Adjustment of several figures from last year as a result of changes to IAS 19 (see Notes) as well as adjustment to the presentation of the current year.

CONSOLIDATED STATEMENT OF CHANGES TO EQUITY

as of June 30, 2013

				Revenue reserves						
(in EUR tsd.)	**Capital stock**	**Capital reserves**	**Treasury shares**	Accummulated earnings	Revalued Pensions *)	Cashflow Hedges	**Currency translation**	**Manz AG shareholders**	**Minority shares**	**Total equity**
As of Dec. 31, 2011	**4,480**	**144,006**	**0**	**29,050**	**0**	**–215**	**10,243**	**187,564**	**1,754**	**189,318**
Effects due to applying IAS 19 for the first time					–259			–259	–10	–269
As of Jan. 1, 2012	**4,480**	**144,006**	**0**	**29,050**	**–259**	**–215**	**10,243**	**187,305**	**1,744**	**189,049**
Net profit (loss) for the period				–1,545	–27	–132	3,033	1,329	107	1,436
Purchase of own sharesn			–42					–42		–42
Use of treasury shares			42					42		42
Share-based compensation		34						34		34
Changes in minority interests as a result of increased interests									–1	–1
As of June 30, 2013	**4,480**	**144,040**	**0**	**27,505**	**–286**	**–347**	**13,276**	**188,668**	**1,850**	**190,518**
As of Dec. 31, 2012	**4,480**	**143,986**	**0**	**–4,589**	**0**	**–60**	**11,777**	**155,594**	**1,853**	**157,447**
Effects due to applying IAS 19 for the first time					–1,262			–1,262	–22	–1,284
As of January 1, 2013	**4,480**	**143,986**	**0**	**–4,589**	**–1,262**	**–60**	**11,777**	**154,332**	**1,831**	**156,163**
Net profit (loss) for the period				20	–39	–7	–324	–350	163	–187
Purchase of own shares			–2					–2		–2
Use of treasury shares			2					2		2
As of June 30, 2013	**4,480**	**143,986**	**0**	**–4,569**	**–1,301**	**–67**	**11,453**	**153,982**	**1,994**	**155,976**

* Information pertaining to the adjustments made to the previous year's figures can be found in the Notes.

SEGMENT REPORTING FOR DIVISIONS

as of June 30, 2013

(in EUR tsd.)	Revenues with third parties	Revenues with other segments	EBIT	Segment assets	Segment liabilities	**Net assets**	Additions to assets	Amortization/ depreciation	Employees (annual average)
Solar									
Q1/2012	13,119		–10,361	146,385	23,774	**122,611**	16,998	4,449	406
Q1/2013	4,732		–10,537	118,097	16,072	**102,025**	1,074	7,365	338
Display									
Q1/2012	71,520		9,931	95,069	26,091	**68,978**	3,735	882	578
Q1/2013	84,758		10,116	114,455	66,822	**47,633**	1,096	1,418	577
Battery									
Q1/2012	3,322		527	9,343	2,188	**7,155**	226	279	47
Q1/2013	4,911		770	9,198	2,579	**6,619**	1,491	403	58
PCB/OEM									
Q1/2012	11,942		–238	27,765	4,261	**23,504**	466	751	431
Q1/2013	33,733		2,150	35,584	19,821	**15,763**	392	809	421
Others									
Q1/2012	9,276	4,370	1,193	13,209	9,661	**3,548**	357	328	104
Q1/2013	9,623	2,185	1,272	11,741	13,827	**–2,086**	133	565	103
Central functions/other									
Q1/2012	0			48,117	83,099	**–34,982**	758	1,190	348
Q1/2013	0			60,470	74,448	**–13,978**	179	1,319	321
Consolidation									
Q1/2012		–4,370							
Q1/2013		–2,185							
Group									
Q1/2012	109,179	0	1,052	339,888	149,074	**190,814**	22,540	7,879	1,914
Q1/2013	137,757	0	3,771	349,545	193,569	**155,976**	4,365	11,879	1,818

SEGMENT REPORTING FOR REGIONS

as of June 30, 2013

(in EUR tsd.)	Third-party revenues by customer location	Non-current assets (without deferred taxes)
Germany		
Q1 / 2012	8,672	81,463
Q1 / 2013	8,928	82,939
Rest of Europe		
Q1 / 2012	11,164	11,938
Q1 / 2013	27,844	11,196
Asia		
Q1 / 2012	82,139	48,553
Q1 / 2013	98,998	49,425
USA		
Q1 / 2012	6,152	93
Q1 / 2013	1,658	58
Other Regions		
Q1 / 2012	1,052	1,842
Q1 / 2013	329	1,611
Group		
Q1 / 2012	109,179	143,889
Q1 / 2013	137,757	145,229

NOTES

BASIC ACCOUNTING PRINCIPLES

The current consolidated interim financial statements for the period ending June 30, 2013, have been prepared in accordance with the International Financial Reporting Standards (IFRS) mandatory in the EU on the reporting date. In addition, the interpretations (IFRIC/SIC) to this effect were also observed. Standards and interpretations which have not yet become effective were not applied.

The accounting and valuation methods as well as evaluation methods and input parameters used to determine fair value that were used in the consolidated interim financial statements for the period ending June 30, 2013, correspond to the same methods used for the consolidated financial statements for the 2012 fiscal year, with the exception of the new regulations described below. A detailed description of these methods was published in the Notes to the 2012 Annual Report.

APPLICATION OF NEW ACCOUNTING REGULATIONS

IAS 1 "Presentation of Items of Other Comprehensive Income" in the Statement of Comprehensive Income

The amended IAS 1 calls for a change to the way items presented in other comprehensive income are grouped together. Separate subtotals are required for items that, in the future, may be reclassified to profit or loss (known as "recycling") and those items remain in equity. The amendment is applicable to annual reporting periods beginning on or after July 1, 2012. The new regulations have led to a corresponding change in the way the Manz Group presents items of other comprehensive income.

IAS 19 (as amended in 2011) "Employee Benefits"

The revised version of IAS 19 (as amended in 2011) must be applied in coordination with IAS 8 retroactively for all financial reports for annual periods beginning on or after January 1, 2013. As a result, Manz adjusted the reported values from last year to reflect the effects of the changes to IAS 19. The changes to IAS 19 range from fundamental changes that affect the determination of expected income from plan assets and the elimination of the "corridor" approach, which served to distribute and/or smooth the volatility over time resulting from pension obligations, to simple clarifications and rewordings. By eliminating the corridor method, actuarial gains and losses are now immediately reflected in profit and loss, which leads to a decrease in equity adjusted to reflect deferred taxes. On June 30, 2013, this resulted in an adjustment to the value of pension provisions of EUR 0.1 million (June 30, 2012: EUR 0.3 million) and on December 31, 2012, of EUR 1.6 million. Taking deferred taxes into consideration, equity decreased on June 30, 2013, by EUR 0.2 million and on December 31, 2012, by EUR 1.3 million.

The changed definition of employment termination benefits and the resulting changes to the method in which part-time preretirement employment agreements are accounted for did not have a significant effect on the value of provisions for part-time employment prior to retirement.

IFRS 13 “Fair Value Measurement”

This new standard is applicable to annual reporting periods beginning on or after January 1, 2013. The purpose of this standard is to provide a single IFRS framework for measuring fair value. The application of this standard for the first time within the Manz Group did not have any noticeable effect on the Group’s financial situation.

All other IFRS amendments and revisions that were applicable to annual reporting periods beginning on or after January 1, 2013, did not have any noticeable effect on Manz’s reporting practices.

Compared to the scope of the annual report for the period ending December 31, 2012, Manz AG has chosen to publish a condensed version of its interim consolidated financial statements for the period ending June 30, 2013, as permitted by IAS 34.

In addition to an income statement, these financial statements also include a statement of comprehensive income, a statement of financial position, a consolidated statement of cash flows, and a consolidated statement of changes in equity.

These consolidated interim financial statements were prepared in euros. Unless otherwise stated, all amounts are shown in thousands of euros.

EXCHANGE RATES OF MOST IMPORTANT CURRENCIES IN EUR

		Exchange rate at the End of the Period:		Average Rate During:	
(in EUR)		**June 30, 2013**	**December 31, 2012**	**Jan 1 to June 30, 2013**	**Jan 1 to June 30, 2012**
USA	USD	1.3013	1.3218	1.3133	1.2981
Taiwan	TWD	39.0778	38.4908	39.0996	38.6363
Hong-Kong	HKD	10.1614	10.2538	10.1961	10.0796
China	CNY	8.0528	8.3487	8.2059	8.2106
Ungarn	HUF	295.6360	291.1230	296.4014	296.2508

BASIS OF CONSOLIDATION

Manz AG's consolidated financial statements include all the companies for which Manz AG can either directly or indirectly determine said company's financial and operative policy ("controlling relationship"). In addition to Manz AG, the group of consolidated companies includes the following subsidiaries:

FULLY CONSOLIDATED COMPANIES

		Interest in %
Manz CIGS Technology GmbH	Schwäbisch Hall, Germany	**100.0 %**
Manz USA Inc.	North Kingstown, USA	**100.0 %**
Manz Hungary Kft.	Debrecen, Hungary	**100.0 %**
MVG Hungary Kft.	Debrecen, Hungary	**100.0 %**
Manz Slovakia s.r.o.	Nové Mesto nad Váhom, Slovakia	**100.0 %**
Manz Asia Ltd.	Hong Kong, China	**100.0 %**
Manz Chungli Ltd. [1]	Zhongli City, Taiwan	**100.0 %**
Manz China Shanghai Ltd. [1]	Shanghai, China	**100.0 %**
Manz China WuZhong Co. Ltd. [1]	Suzhou, China	**100.0 %**
Manz China Suzhou Ltd. [1]	Suzhou, China	**100.0 %**
Manz India Private Ltd. [1]	New Delhi, India	**75.0 %**
Manz Taiwan Ltd. [1]	Zhongli City, Taiwan	**97.2 %**
Manz (B.V.I.) Ltd. [2]	Road Town, British Virgin Islands	**97.2 %**
Intech Machines (B.V.I.) Co. Ltd [2]	Road Town, British Virgin Islands	**97.2 %**
Intech Machines (Shenzhen) Co. Ltd [3]	Shenzhen, China	**97.2 %**

1) via Manz Asia Ltd.
2) via Manz Taiwan Ltd.
3) via Intech Machines (B.V.I.) Co. Ltd.

CHANGES TO THE BASIS OF CONSOLIDATION THROUGH FIRST HALF YEAR 2013

Merger with the Group's subsidiaries Manz Tübingen GmbH, headquartered in Tübingen, and Manz Coating GmbH, headquartered in Reutlingen

Upon notarization of the merger agreement dated March 27, 2013, the two subsidiaries Manz Tübingen GmbH, headquartered in Tübingen, and Manz Coating GmbH, headquartered in Reutlingen, were merged with Manz AG, headquartered in Reutlingen. The merger officially became effective on January 1, 2013.

The financial statements of the subsidiary companies will be prepared on the reporting date of the consolidated financial statements, which corresponds to the reporting date of Manz AG.

KEY EVENTS IN THE PERIOD UNDER REVIEW

In the first six months of the 2013 fiscal year, the Manz Group recorded a 26.2 % increase in revenues compared to the same period last year (EUR 137.8 million compared to EUR 109.2 million). Total operating revenues increased by 30.4 % to EUR 148.0 million.

Earnings before interest and taxes (EBIT) improved from earnings of EUR 1.1 million in the same period last year to earnings of EUR 3.8 million this year.

NOTES TO INDIVIDUAL ITEMS ON THE INCOME STATEMENT

OTHER OPERATING INCOME

(in EUR tsd.)	June 30, 2013	June 30, 2012
Capital gains	326	723
Income from the release of provisions	313	558
Income from the reduction of reserves	398	178
Subsidies	1,739	635
Expense grants	3,000	3,000
Changes to write-downs on accounts receivable	0	17
Other	1,196	854
	6,917	**5,965**

MATERIAL EXPENDITURE

(in EUR tsd.)	June 30, 2013	June 30, 2012
Cost of raw materials, and supplies, and for purchased goods	80,453	50,601
Expenditure on third-party services	8,089	4,797
	88,542	**55,398**

OTHER OPERATING EXPENSES

(in EUR tsd.)	June 30, 2013	June 30, 2012
Rent and leasing	2,959	3,069
Other operating costs	1,234	1,489
Other personnel expenses	509	791
Advertising and travel expenses	2,578	3,797
Outgoing freight, packaging	913	1,275
Legal and consulting costs	1,356	532
Insurance	441	481
Licensing fees	514	658
Capital losses	878	351
Losses on accounts receivable	44	43
Changes to write-downs on accounts receivable	748	757
Other	5,186	6,044
	17,359	**19,287**

TAXES ON INCOME

Income taxes include both actual and deferred income taxes arising from temporary differences and existing tax loss carryovers.

Income taxes consist of the following items:

(in EUR tsd.)	June 30, 2013	June 30, 2012
Deferred tax liabilities/income (–)	937	1,022
Deferred tax liabilities/income (–)	1,059	925
	1,996	**1,947**

NOTES TO INDIVIDUAL ITEMS IN THE BALANCE SHEET

INTANGIBLE ASSETS

(in EUR tsd.)	June 30, 2013	June 30, 2012
Licenses, software and similar rights, and assets	27,237	29,917
Capitalized development costs	36,300	38,415
Goodwill	31,981	32,267
Advance payments	10	156
	95,528	**100,755**

TANGIBLE ASSETS

(in EUR tsd.)	June 30, 2013	June 30, 2012
Property and buildings including buildings on third-party properties	26,899	26,741
Technical equipment and machinery	16,829	19,418
Other equipment, furniture, and office equipment	4,675	5,100
Advance payments	669	72
	49,072	**51,331**

INVENTORIES

(in EUR tsd.)	June 30, 2013	June 30, 2012
Raw materials and supplies	28,964	25,877
Goods in process, work in progress	33,008	25,804
Finished goods, products	1,724	2,740
Advance payments	9,102	31
	72,799	**54,452**

ACCOUNTS RECEIVABLE

(in EUR tsd.)	June 30, 2013	June 30, 2012
Future receivables from non-current construction contracts	39,672	19,066
Accounts receivable	38,908	35,285
	78,580	**54,351**

Future receivables from noncurrent construction orders, accounted for according to their percentage of completion, are determined as follows:

(in EUR tsd.)	June 30, 2013	June 30, 2012
Manufacturing costs including outcome of the contract for noncurrent construction contracts	77,998	36,941
minus advance payments received	–38,326	–17,875
	39,672	**19,066**

OTHER CURRENT RECEIVABLES

(in EUR tsd.)	June 30, 2013	June 30, 2012
Tax receivables (not income taxes)	3,731	2,942
Receivables, personnel	530	369
Other accruals and deferrals (primarily from insurance)	1,374	220
Other	560	1,388
	6,195	**4,919**

EQUITY

Changes to the Group's individual equity items are detailed separately in the Consolidated Statement of Changes in Equity.

TREASURY SHARES

In the first half of 2013, the Manz Group purchased 70 of its own shares at an average price of EUR 24.38 per share (with a total value of EUR 2,000). These shares were transferred to long-term employees in recognition of their many years of service.

The company does not hold any treasury shares as of June 30, 2013.

CAPITAL STOCK

Capital stock totals EUR 4,480,054 (December 31, 2012: EUR 4,480,054) and comprises 4,480,054 registered, common, no-par shares. The face value of a no-par share is EUR 1.0.

There were no changes in share capital in the first half of 2013.

CAPITAL RESERVES

Capital reserves primarily comprise payments from shareholders pursuant to Article 272, Paragraph 2, No. 1 of the German Commercial Code, minus financing costs after taxes. Furthermore, this also includes the value of share-based compensation granted to management (including the Managing Board) as a salary component in the form of equity instruments (Performance Share Plan).

ADDITIONAL INFORMATION REGARDING CAPITAL MANAGEMENT

In the reporting period, EUR 24.5 million in financial liabilities (December 31, 2012: EUR 17.0 million) were governed by a covenant agreement, which stipulated an equity ratio of 30.0 % and orders on the books disclosed in the consolidated financial reports with a value of EUR 100.00 million. The covenant agreement, which stipultated orders on the books valued at EUR 100.0 million, was not fulfilled at the end of the reporting period on June 30, 2013. Noncompliance with the stipulations of the covenant agreement generally leads to a requirement to provide additional collateral. Manz and its three main German banks entered into a collateral escrow agreement dated July 15, 2013, which revised the previous agreements governing loan collateral. Within the scope of this agreement, the prior covenant agreements stipulated in the loan agreements were eliminated. Apart from the aforementioned, other existing lines of credit continued unchanged.

CONTINGENT LIABILITIES AND OTHER FINANCIAL OBLIGATIONS

Other financial obligations and contingent liabilities have not undergone any significant changes compared to December 31, 2012.

RELATED PARTIES

Compared to December 31, 2012, the group of related companies and people has remained unchanged.

Between January 1 and June 30, 2013, Manz AG purchased laser systems with a value of EUR 4.880 million from the Trumpf Group. The managing director of the TRUMPF Group, Dr. Peter Leibinger, is also a member of Manz AG's Supervisory Board. As of June 30, 2013, Manz held liabilities to the TRUMPF Group totaling EUR 3.440 million.

KEY EVENTS OF PARTICULAR IMPORTANCE OCCURRING AFTER THE END OF THE REPORTING PERIOD

No further events occurred after the reporting date which could have an impact on our company's financial position and results of operations.

FURTHER INFORMATION

EMPLOYEES

On June 30, 2013, the Manz Group had an average of 1,818 employees (June 30, 2012: 1,914 employees).

MANAGING BOARD

Dieter Manz, Dipl.-Ing. (FH), CEO
Martin Hipp, Dipl.-Kaufmann, CFO

SUPERVISORY BOARD

Prof. Dr. Heiko Aurenz, Dipl. oec., Partner at Ebner Stolz Mönning Bachem Unternehmensberatung GmbH, Stuttgart, Chairman

Dr.-Ing. E.h. Dipl.-Ing. Peter Leibinger, Managing Director of TRUMPF GmbH + Co. KG, Ditzingen, Deputy Chairman

Prof. Dr. Michael Powalla, Head of the Solar Division and Member of the Board of the Baden-Württemberg Center for Solar Energy and Hydrogen Research (ZSW) and professor of thin-film photovoltaics at the Karlsruhe Institute of Technology (KIT), Light Technology Institute, Faculty of Electrical Engineering and Information Technology

Reutlingen, August 12, 2013

The Managing Board of Manz AG

Dieter Manz
Chief Executive Officer

Martin Hipp

AUDITOR'S STATEMENT AFTER CONDUCTING AN AUDITOR'S REVIEW

To Manz AG, Reutlingen:

We have reviewed Manz AG's condensed consolidated interim financial statements – comprising the income statement, statement of comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity, and select explanatory notes – and the company's consolidated interim management report for the period from January 1, 2013, to June 30, 2013, which, pursuant to Article 37w of the German Securities Trading Act, are all components of a company's semiannual financial statements. The company's legal representatives are responsible for preparing these condensed consolidated financial statements in accordance with the IFRS for interim financial statements as approved for use in the EU; they are also responsible for preparing the consolidated interim management report pursuant to the regulations governing consolidated interim reports as set forth in the German Securities Trading Act. Our responsibility is to issue a statement on the condensed consolidated interim financial statements and on the interim Group management report on the basis of our review.

We conducted our review of the company's condensed consolidated interim financial statements and consolidated interim management report in accordance with the German principles of reviewing financial reports as set forth by the German Institute of Chartered Accountants (Institut der Wirtschaftsprüfer in German, or IDW for short). These standards require that we plan and perform the review in such a way that we can, through critical evaluation, state with some level of certainty that, in all material aspects, the condensed consolidated interim financial statements were prepared in accordance with the IFRS for interim financial statements as approved for use in the EU and that the consolidated interim management report was prepared pursuant to the applicable regulations of the German Securities Trading Act. An auditor's review is limited primarily to interviewing company employees and analytical evaluations and therefore does not provide the level of assurance attained when conducting a complete audit of a company's annual financial statements. Since we were not tasked with conducting a complete audit of the financial statements, we cannot issue an auditor's opinion.

While conducting our review, we did not discover any information which would lead us to believe that the condensed consolidated interim financial statements, in all material aspects, were not prepared in accordance with the IFRS for interim financial statements as approved for use in the EU, nor did we find anything which would lead us to believe that the consolidated interim management report was not prepared pursuant to the regulations governing consolidated interim reports as set forth in the German Securities Trading Act.

Reutlingen, Monday, August 12, 2013

BEST AUDIT GmbH
Accounting and Auditing Firm
Reutlingen Branch

Ulrich Britting
Certified Public Accountant

Harald Aigner
Certified Public Accountant

RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the condensed interim consolidated financial statements give a true and fair view of the Manz Group's assets, liabilities, financial position, and profit or loss, and the Manz Group's interim management report includes a fair review of the trends and performance of the business and the position of the Group, as well as a description of the principal opportunities and risks associated with the Group's expected performance.

The Managing Board of Manz AG

Dieter Manz
Chief Executive Officer

Martin Hipp

Our added value for every production line: maximum flexibility thanks to complete integration

Everything from one source, perfectly integrated and coordinated – Manz's measurement and testing technology guarantees maximum performance parameters and short development times, even with complex requirements. Our portfolio encompasses systems for optical control and electrical measurement, solutions for image recognition, integrated analysis instruments, and much more. Valuable services, such as studies conducted in a fully equipped laboratory, round out our complete offering in this field.

MEASUREMENT AND TESTING

OUR TRUMP: MAXIMUM PRECISION

IMPRINT

Publisher

Manz AG
Steigaeckerstrasse 5
72768 Reutlingen, Germany
Phone: +49 (0) 7121 9000-0
Fax: +49 (0) 7121 9000-99
info@manz.com
www.manz.com

Editor

cometis AG
Unter den Eichen 7/Gebaeude D
65195 Wiesbaden, Germany
Phone: +49 (0) 611 20 585 5-0
Fax: +49 (0) 611 20 585 5-66
www.cometis.de

Design

Art Crash Werbeagentur GmbH
Weberstrasse 9
76133 Karlsruhe, Germany
Phone: +49 (0) 721 94009-0
Fax: +49 (0) 721 94009-99
info@artcrash.com
www.artcrash.com

passion for efficiency

Manz AG
Steigaeckerstrasse 5
72768 Reutlingen, Germany
Phone: +49 (0) 7121 9000-0
Fax: +49 (0) 7121 9000-99
info@manz.com
www.manz.com