PVA TePla

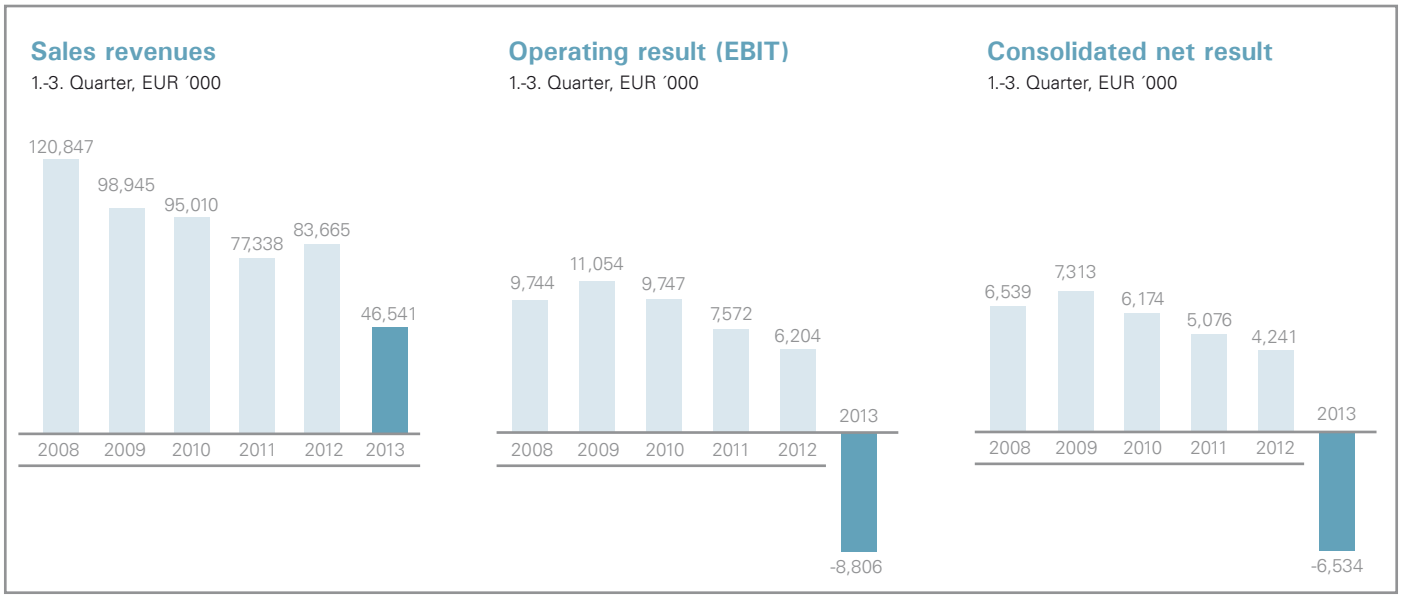
Intermediate Report

Intermediate Report
January 1 – September 30, 2013

IMPORTANT CONSOLIDATED FIGURES AT A GLANCE

EUR ´000	1.-3. Quarter 2013	1.-3. Quarter 2012 adjusted [3]	1.-3. Quarter 2011
Sales revenues	**46,541**	**83,665**	**77,338**
Industrial Systems	20,740	36,541	40,689
Semiconductor Systems	25,044	40,532	26,570
Solar Systems	757	6,593	10,079
Gross profit	**4,587**	**20,064**	**20,252**
in % sales revenues	9.9	24.0	26.2
R&D expenses	1,690	3,646	3,332
Operating result (EBIT)	**-8,806**	**6,204**	**7,572**
in % sales revenues	-18.9	7.4	9.8
Consolidated net result for the period	**-6,534**	**4,241**	**5,076**
in % sales revenues	-14.0	5.1	6.6
Earnings per Share (EPS) in EUR[1]	**-0.31**	**0.19**	**0.23**
Capital expenditure	573	805	1,061
Total assets	**94,066**	**103,721[2]**	**129,131[2]**
Shareholders' equity	**51,043**	**59,866[2]**	**60,298[2]**
Equity ratio in %	54.3	57.7[2]	46.7[2]
Employees as of 30.09.	**441**	**517**	**505**
Incoming orders	**65,265**	**42,186**	**130,596**
Order backlog	**48,699**	**31,162**	**105,013**
Book-to-bill-ratio	1.40	0.50	1.69
Cash flow from operating activities	**-571**	**3,888**	**-6,578**

[1] Circulating shares on average 21,749,988
[2] as of December, 31st
[3] Due to the amended IAS 19 the comparative figures have been adjusted. We refer to the notes.



Content

Foreword by the Chief Executive Officer

Dr. Arno Knebelkamp

DEAR PVA TEPLA SHAREHOLDERS AND BUSINESS PARTNERS

After a difficult start to fiscal year 2013, incoming orders have been trending higher since June and reached a satisfactory level in the third quarter. The reluctance of our customers to invest, which has persisted since the second half of 2012, cannot be entirely offset for the year; however, the increase in volume in recent months signals a gradual improvement to our order situation. Provided that orders continue to come in at a normal rate, we expect to begin fiscal year 2014 with a considerably higher order backlog than we had at the beginning of 2013.

The Vacuum Systems business unit has seen a welcome increase in incoming orders that is due primarily to growing demand for systems for producing hard metal, systems for brazing processes and plasma nitriding systems. Increasing global demand for hard metal appears to be stretching the high capacity of systems that have been available on the market for two years. We have again seen increased demand for sinter systems, especially from China. In recent months, we have been working on a supplementary system concept for sinter furnaces, which we want to use to tap additional market segments. Apart from our proven systems tailored to each specific customer, we are now in the position to offer hard metal manufacturers a ready-to-use, off-the-shelf system. We already succeeded in obtaining our first order for such a system in October. In addition, the Industrial Systems division was awarded a contract from Indian Domestic Agency, ITER India for the manufacture and supply of a neutral particle injector (beam

source for atomic hydrogen) for the purpose of diagnostic analysis of the plasma in the fusion reactor of the international research project ITER.

The solar industry, which has faced difficulties for some time, also appears to be gradually emerging from its trough. The first larger order for crystal growing systems from customers in Asia, totaling approximately EUR 7 million, was placed in the third quarter. Other interesting projects in various regions are currently in advanced stages of negotiation. We hope to conclude a contract for at least one of these projects this year.

Incoming orders in the series production business for plasma systems and metrology systems are at levels that largely meet expectations. They will continue to benefit from the global semiconductor market, which is gradually recovering. The series production business for crystal growing systems continues to be a concern: The wafer market is still dominated by excess capacity and is not expected to recover quickly. However, we are hoping to enter a new area with interesting growth potential with our new type of system for producing silicon carbide crystals. The SiC wafers, which can withstand up to approximately 17,000 volts, open up new fields of application for power electronics that silicon wafers are not suitable for. We have already delivered such systems to several industrial customers in recent months.

In the first nine months, we achieved sales revenues of EUR 46.5 million with an operating result of EUR -8.8 million. The implementation of cost reduction measures and additional value adjustments for inventories, especially in the Solar Systems division, already resulted in a negative effect on profits of approximately EUR 5.8 million for the first half of 2013; there were no additional extraordinary negative effects in the third quarter. The cost reduction measures are having the anticipated effect, and we were therefore able to improve operating profit to EUR -460 thousand in the third quarter. Cash flow from operating activities is also developing favorably and amounted to EUR 1 million in the third quarter.

We confirm the forecast for the current fiscal year. We expect sales revenues of approximately EUR 75 million to EUR 85 million, more likely at the lower end of this range from today's perspective, and slightly positive operating profit before extraordinary items. Among other things, this forecast is based on the assumption that currently planned sales revenues from the sale of systems on stock can be realized by the end of the year.

I would like to thank you on behalf of myself and of our division managers and all employees for the trust and commitment you have shown to our Company.

Dr. Arno Knebelkamp

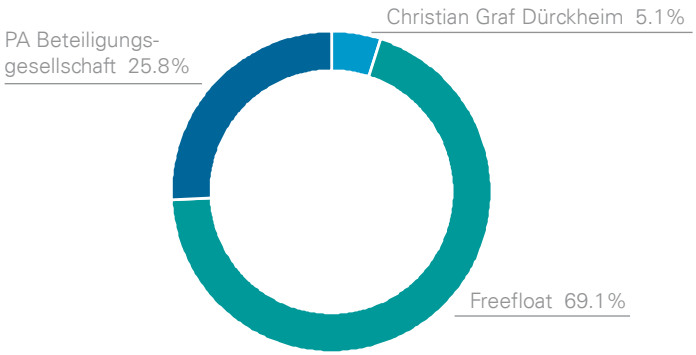
The Shares

The Shares

PERFORMANCE

The PVA TePla share rose sharply, especially in October, to EUR 2.93 as at October 31. The overall more optimistic market assessment for system suppliers and the generally positive stock market climate have led to increases in share prices in recent weeks.

Shareholding Structure



Shareholdings and Subscription Rights of Executive Body Members

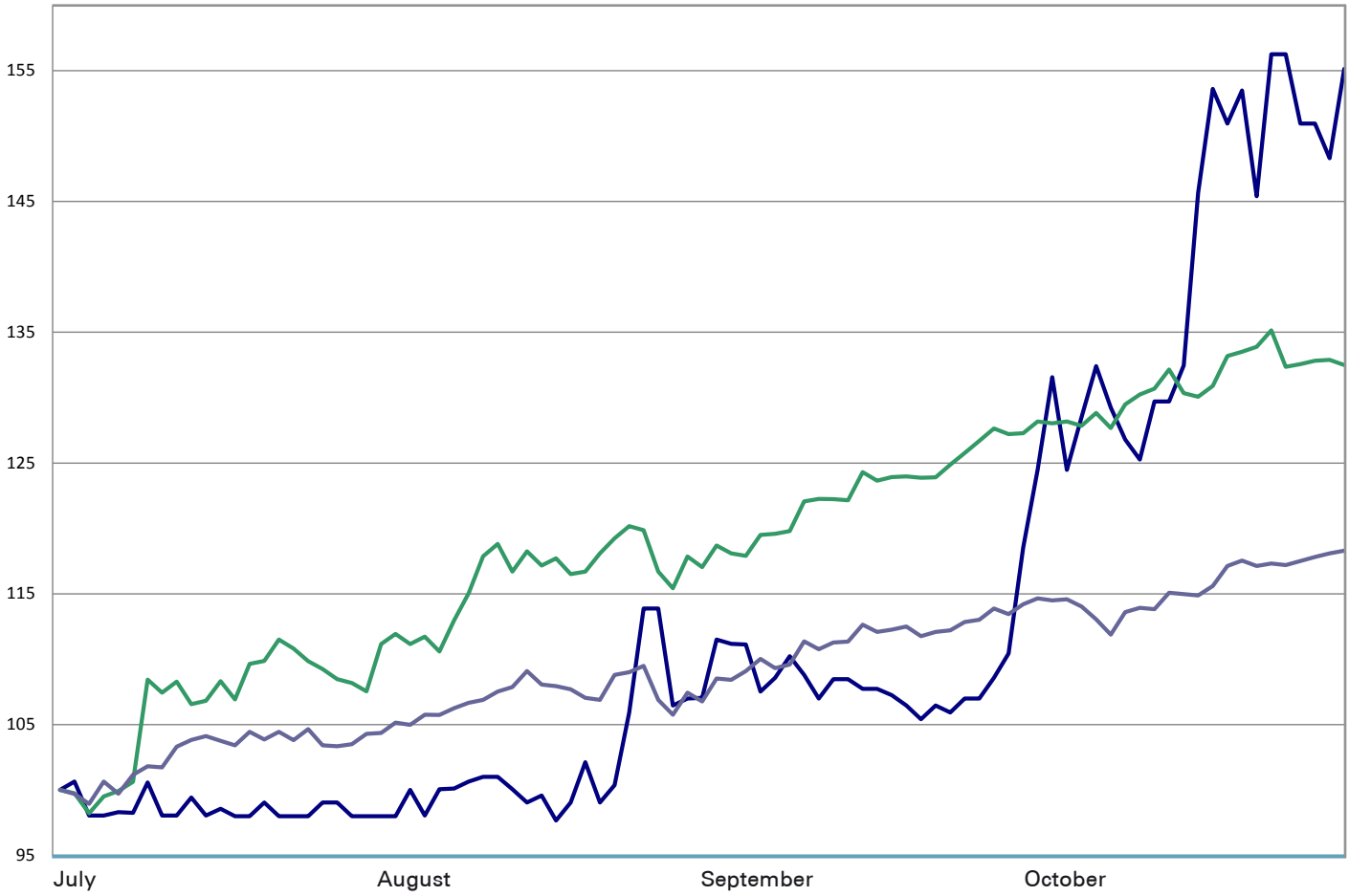
MANAGEMENT BOARD

	Shares Sep. 30, 2013	Shares Dec. 31, 2012	Subscription rights Sep. 30, 2013	Subscription rights Dec. 31, 2012
Dr. Arno Knebelkamp	35,000	35,000	0	0

SUPERVISORY BOARD

	Shares Sep. 30, 2013	Shares Dec. 31, 2012	Subscription rights Sep. 30, 2013	Subscription rights Dec. 31, 2012
Alexander von Witzleben	15,150	0	0	0
Dr. Gernot Hebestreit	0	0	0	0
Prof. Dr. Günter Bräuer	0	0	0	0

Performance of PVA TePla Shares July 1, 2013 – October 31, 2013
in % / 1-day-interval



PVA TePla AG
DAXSubs. Advanced Industrial Equipment
TecAllShare

Interim Group Management Report

1. SALES REVENUES

PVA TePla Group generated sales revenues of EUR 46.5 million in the first nine months of 2013 (previous year: EUR 83.7 million). As expected, the weak order situation over the past few months and the distinct year-on-year decrease in order backlog at the start of the third quarter led to a substantial decline in consolidated sales revenues.

The Industrial Systems division generated sales revenues of EUR 20.7 million (previous year: EUR 36.5 million). In particular, sales revenues were generated by processing orders for the delivery of vacuum systems for the production of hard metal and vacuum interrupters as well as plasma nitriding systems for the production of mold components. Sales revenues in the Semiconductor Systems division amounted to EUR 25.0 million (previous year: EUR 40.5 million). The decline in sales revenue volume is due to existing excess capacities in the wafer manufacture industry and the associated reluctance to invest. The Solar Systems division has generated sales revenues of only EUR 0.8 million (previous year: EUR 6.6 million) so far.

Sales Revenues by Divison EUR ´000	Quarter I - III 2013	Quarter I - III 2012
Industrial Systems	20,740	36,541
Semiconductor Systems	25,044	40,532
Solar Systems	757	6,593
Total sales revenues	**46,541**	**83,665**

2. ORDERS

Incoming orders for PVA TePla Group were EUR 65.3 million in the first nine months of 2013 (previous year: EUR 42.2 million). The book-to-bill-ratio stands at 1.4 (previous year: 0.5). The moderate recovery seen at the end of the second quarter continued in the third quarter of 2013. However, customers in a number of business units and regions still show a reluctance to invest.

Incoming orders for the Industrial Systems division totaled EUR 36.9 million in the first nine months of 2013 (previous year: EUR 22.5 million). Orders were focused on high-vacuum brazing furnaces and hard metal manufacturing furnaces for German and Chinese customers. Incoming orders for plasma nitriding systems have performed well; we won contracts for a number of systems from China and Europe. The Semiconductor Systems division generated incoming orders of EUR 20.6 million, a slight year-on-year increase (previous year: EUR 18.7 million). Orders for plasma systems accounted for most of the incoming orders in this division. The Solar Systems division received orders amounting to EUR 7.8 million (previous year: EUR 1.0 million). We were awarded a contract by a solar module manufacturer in Asia for the delivery of crystal growing systems and are still engaged in promising negotiations for larger projects.

The order backlog, consolidated and net of sales recognized according to the percentage of completion method (PoC), came to EUR 48.7 million on September 30, 2013 (previous year: EUR 31.2 million). The Industrial Systems division has an order backlog amounting to EUR 27.0 million as of September 30, 2013, which is considerably higher compared to the figure as of reporting date for the previous year, which was EUR 12.2 million. In the Semiconductor Systems division, the order backlog is EUR 11.1 million compared to the prior-year value of EUR 14.6 million. The Solar Systems division registered an order backlog of EUR 10.6 million as of September 30, 2013 (previous year: EUR 4.3 million).

3. RESEARCH AND DEVELOPMENT

The costs for research and development (R&D) for the Group within reporting period totaled EUR 1.7 million (previous year: EUR 3.6 million). The substantial year-on-year decline was due to the concentration of development activities in the Solar Systems division and the conclusion of some funding projects respectively a conscious exit due to the changing market environment in one case. A selection of R&D activities in the individual divisions is presented in the section below.

In the Industrial Systems division, R&D is largely conducted based on paid customer orders; these costs are thus recorded under cost of sales and are not reported separately. R&D activity leading to innovations and product optimization is estimated at approximately 10% of the total design engineering output. The development of a standardized vacuum sintering furnace is the focus of R&D activities in the Industrial Systems division for the current fiscal year. The development of this standard system will be finished at the beginning of next year. We will be able to use it to secure more global hard metal manufacturers for PVA TePla's high-quality system technology. A new customer already placed the first order for this new system concept in October.

Work on redesigning the 2000 MHz microscope in the Semiconductor System division's Metrology business unit was completed. The acoustical imaging functionality and image resolution were sustainably enhanced. We already have three orders for the new microscope.

4. INVESTMENTS

Investments valued at a total of EUR 0.8 million were made in the first nine months of 2013 (previous year: EUR 0.8 million). Most of these investments are due to the acquisition of JenaWave GmbH as well as smaller projects in the area of plant and office equipment.

5. PERSONNEL

As of September 30, 2013, the Group employed 441 people (December 31, 2012: 514; June 30, 2013: 494). The number of employees has already decreased significantly over December 31, 2012 due to measures to reduce personnel costs.

6. NET ASSETS AND FINANCIAL POSITION

Total assets amounted to EUR 94.1 million as of September 30, 2013, lower than the previous year's figure of EUR 103.7 million as of December 31, 2012.

Non-current assets rose slightly to EUR 46.8 million (previous year: EUR 45.9 million). The value of property, plant and equipment has declined slightly to EUR 31.4 million (previous year: EUR 32.5 million). The value of intangible assets was nearly unchanged at EUR 8.7 million (previous year: EUR 8.9 million); these assets include derivative goodwill of EUR 7.8 million, which is tested for impairment at least once a year. The largest change was caused by the increase in deferred tax assets to EUR 6.3 million (previous year: EUR 4.1 million) as a result of capitalized deferred taxes for losses carried forward.

Current assets fell to EUR 47.2 million (previous year: EUR 57.9 million). The largest change was caused by a decrease in cash to EUR 5.1 million (previous year: EUR 10.0 million). Trade receivables also decreased to EUR 8.3 million (previous year: EUR 12.9 million) due to declining sales revenues. The rise in other current receivables to EUR 2.2 million (previous year: EUR 1.4 million) is primarily due to tax receivables and prepaid expenses. Tax repayments amounted to EUR 0.5 million (previous year: EUR 1.3 million).

Total inventories decreased slightly to EUR 19.6 million (previous year: EUR 20.8 million). The slight decrease in finished products to EUR 2.3 million (previous year: EUR 3.1 million) was offset by a slight rise in raw materials and operating supplies (EUR 8.4 million; previous year: EUR 8.1 million) and a decline in work in progress (EUR 8.8 million; previous year: EUR 9.6 million). The value of coming receivables on construction contracts increased slightly to EUR 11.1 million (previous year: EUR 10.0 million).

Cash and cash equivalents decreased to EUR 5.1 million (previous year: EUR 10.0 million), primarily as a result of negative cash flow from financing activities.

On the liabilities side of the balance sheet, non-current liabilities (including non-current provisions) declined to EUR 22.0 million (previous year: EUR 23.6 million). As expected, the reported value of pension provisions increased slightly to EUR 11.5 million (previous year: EUR 11.3 million). Non-current financial liabilities decreased to EUR 7.0 million (previous year: EUR 7.6 million) due to the scheduled repayment of loans. Deferred tax liabilities declined significantly to EUR 2.2 million (previous year: EUR 3.2 million).

The other changes to non-current liabilities are immaterial in nature. Other non-current liabilities totaled EUR 0.7 million (previous year: EUR 1.0 million). Other non-current provisions totaled EUR 0.6 million (previous year: EUR 0.5 million).

Current liabilities rose slightly to EUR 21.1 million (previous year: EUR 20.3 million). Current financial liabilities remained unchanged at EUR 1.1 million (previous year: EUR 1.1 million). Trade payables decreased to EUR 2.2 million (previous year: EUR 2.9 million). Obligations on construction contracts declined further to EUR 0.3 million (previous year: EUR 0.6 million). Advance payments on orders rose and amounted to EUR 7.4 million (previous year: EUR 6.5 million). Other current provisions remained almost unchanged at EUR 2.3 million (previous year: EUR 2.2 million) and accrued liabilities increased to EUR 6.5 million (previous year: EUR 5.7 million). Tax provisions rose to EUR 0.4 million (previous year: EUR 0.1 million).

Shareholders' equity decreased to EUR 51.0 million (previous year: EUR 59.9 million) due to the net result for the period of EUR -6.5 million (previous year: net profit of EUR

+4.2 million) and in connection with the dividend payment. Together with lower total assets, the equity ratio decreased from 57.7% in the previous year to 54.3%.

Operating cash flow amounted to EUR -0.6 million in the first nine months of 2013 (1.-3. Quarter 2012 [previous year]: EUR +3.9 million). This figure fluctuates heavily in the vacuum systems and crystal growing systems business units from one reporting date to the next due to the project nature of orders. We receive considerable advance payments at the beginning of a project, which influence net cash flow positively if there are large orders. Cash flow is negative during order processing, whereas near the delivery date, the remaining amount due is paid, except for a small residual installment. Cash flow from investing activities amounted to EUR -0.8 million (previous year: EUR -0.7 million). Cash flow from financing activities was EUR -3.4 million (previous year: EUR -5.2 million) and includes the payment of dividends in the amount of EUR 2.2 million. Total cash flow in the first nine months of 2013, including exchange rate differences, amounted to EUR -4.9 million (previous year: EUR -1.9 million). Free cash flow was EUR -1.1 million (previous year: EUR +3.1 million). The liquidity position of the PVA TePla Group remains positive. The net financial position (surplus of cash and cash equivalents beyond current and non-current financial liabilities) amounted to EUR -3.0 million.

7. RESULTS OF OPERATIONS

As expected, the low volume of incoming orders in the first nine months of 2013, which had persisted from mid-2012 to mid-2013, resulted in a low level of sales revenues and the weak utilization of capacities. Cost reduction programs – as previously communicated – were implemented at the Wettenberg and Jena sites to compensate for these effects. These cost reduction measures have already had a noticeable positive effect on the operating result in the third quarter of 2013 in comparison to the first two quarters of 2013; the operating result was reduced to EUR -0.5 million. The implementation of these cost reduction measures and additional value adjustments for inventories, especially in the Solar Systems division, already resulted in a negative effect on profits of approximately EUR 5.8 million for the first half of 2013; there were no additional special effects in the third quarter. We can also exclude further extraordinary negative effects in 2013. Based on the described measures, there will be a decrease in costs in subsequent years of approximately EUR 4 million and as a result, a corresponding significant reduction in the break-even sales revenues which is expected to be in the range of EUR 75-80 million.

Based on these measures, we generated EBIT of EUR -8.8 million in the first nine months of 2013 (September 30, 2012: EUR +6.2 million) and a consolidated net result for the period of EUR -6.5 million (previous year: EUR +4.2 million). The EBIT margin amounted to -18.9% (previous year: +7.4%). Return on sales amounted to -14.0% (previous year: 5.1%).

Based on consolidated sales revenues of EUR 46.5 million (previous year: EUR 83.7 million), gross profit amounted to EUR 4.6 million (previous year: EUR 20.1 million). As a result, we achieved a gross margin of 9.9% (previous year: 24.0%). In addition to the negative effects of the cost reduction measures described above, this deterioration was primarily due to the weak utilization of capacities as a result of the low volume of sales revenues, particularly in the series production business of crystal growing systems and metrology systems. At 14.7%, the gross margin in the third quarter was significantly higher than in the first half of the year, but still down on past values. This is due to some order deterioration as well as to additional construction expenditure to further harmonize the CAD systems used throughout the Group.

Selling and distribution expenses amounted to EUR 5.9 million (previous year: EUR 7.4 million). In addition to the previously described cost reduction measures, the decrease is primarily due to lower selling and distribution commission. The selling and distribution costs also already include provisions for personnel measures taken at the end of June. Administrative expenses amounted to EUR 6.3 million (previous year: EUR 5.8 million) and also include expenditures for settlement payments based on the personnel reduction measures. With regard to the above-stated cost categories, the costs of Munich Metrology – which was initially consolidated as of July 1, 2012 – are only included proportionately in the previous year's figures, i.e. for the third quarter of 2012. R&D costs have declined significantly to EUR 1.7 million (previous year: EUR 3.6 million). The net balance of other operating expenses and income came to EUR 0.5 million (previous year: EUR 3.0 million). Other operating income in the amount of EUR 2.0 million (previous year: EUR 4.9 million) includes mainly income from grants in the context of R&D projects, income from exchange rate differences as well as the release of provisions.

The low sales volume as well as the above-mentioned restructuring measures impacted all divisions. In the Industrial Systems division, EBIT declined to EUR -1.7 million (previous year: EUR +2.8 million). The Semiconductor Systems division generated EBIT of EUR -1.8 million (previous year: EUR +5.4 million) and the Solar Systems division genera-

ted EBIT of EUR -5.3 million (previous year: EUR -2.0 million) due to the extremely low volume of sales revenues.

The net balance of interest income and interest expenses came to a total of EUR -0.2 million (previous year: EUR -0.9 million). Net result before tax amounted to EUR -9.0 million (previous year: EUR +5.3 million) and net result for the period amounted to EUR -6.5 million (previous year: EUR +4.2 million). Income taxes, which totaled EUR +2.5 million (previous year: EUR -1.1 million), comprised current tax expenses of EUR -0.6 million (previous year: EUR -1.0 million) and deferred taxes of EUR +3.1 million (previous year: EUR -0.1 million).

8. ASSESSMENT OF OPPORTUNITIES AND RISKS

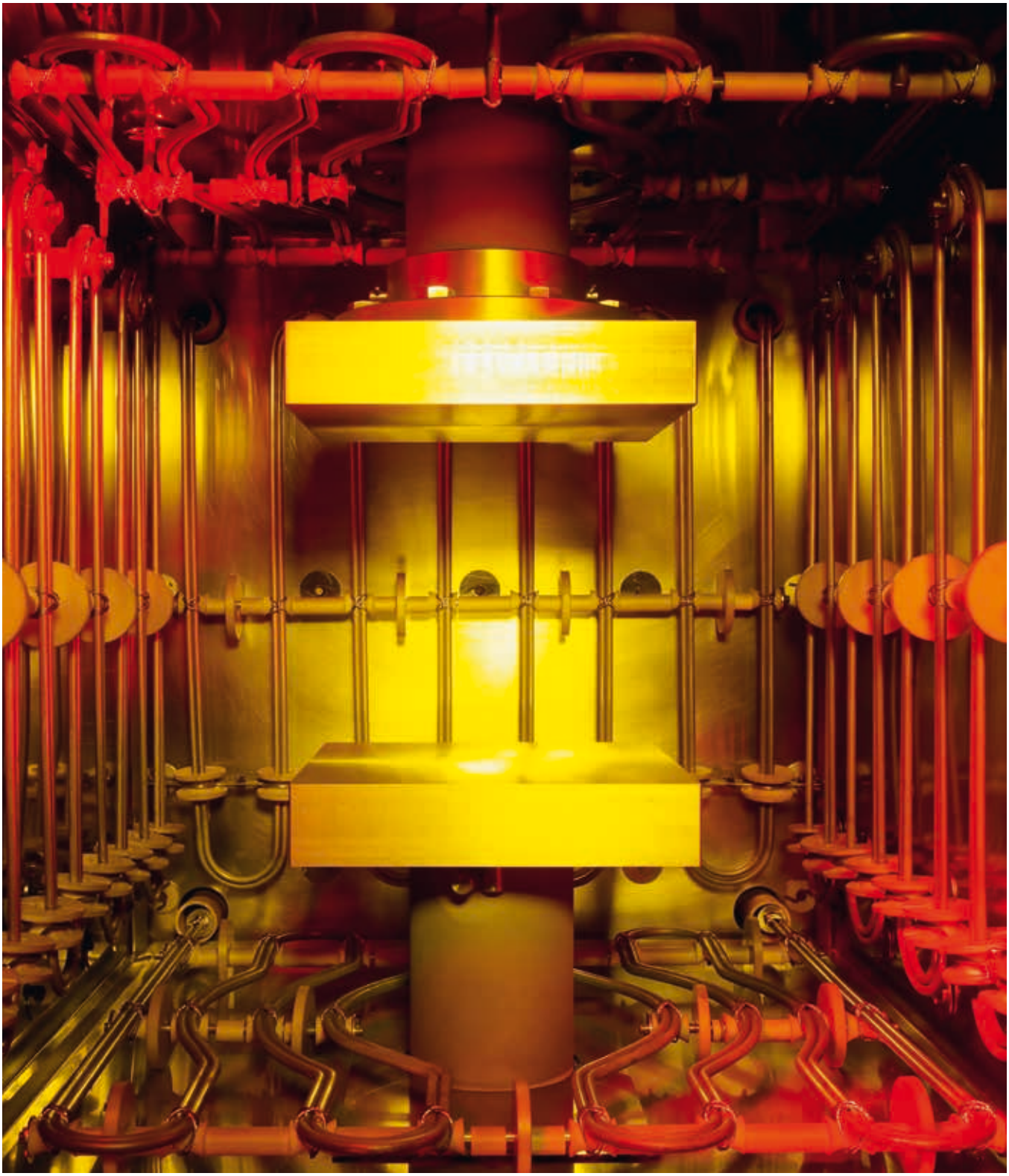
During the third quarter of the fiscal year 2013, there were no significant changes to the opportunities and risks presented in the management report 2012 and the interim report 2013 for the first half of the year.

9. DEVELOPMENTS AFTER SEPTEMBER 30, 2013 AND OUTLOOK

Since September 30, 2013, there have been no significant events that are expected to have a material impact on the net assets, financial position and results of operations of PVA TePla.

The Management Board of PVA TePla expects the current 2013 fiscal year to generate a result in line with previous forecasts; this implies consolidated sales revenue of between EUR 75 million and EUR 85 million – more likely at the lower end of this range from today's perspective – and slightly positive operating profit (EBIT) before extraordinary items. Among other things, this forecast is based on the assumption that currently planned revenues from the sale of systems on stock can be realized by the end of the year.

Wettenberg, November 7, 2013



Interim Consolidated Financial Statements

Interim Consolidated Financial Statements

CONSOLIDATED BALANCE SHEET

ASSETS EUR ´000	Sep. 30, 2013	Dec. 31, 2012 adjusted [1]
Non-current assets		
Intangible assets	**8,724**	**8,855**
Goodwill	7,808	7,808
Other intangible assets	916	1,047
Property, plant and equipment	**31,445**	**32,453**
Land, property rights and buildings, including buildings on third party land	26,986	27,750
Plant and machinery	2,911	3,031
Other plant and equipment, fixtures and fittings	1,371	1,672
Advance payments and assets under construction	177	0
Investment property	**394**	**410**
Non-current investments	**8**	**9**
Deferred tax assets	**6,255**	**4,130**
Total non-current assets	**46,826**	**45,857**
Current assets		
Inventories	**19,564**	**20,818**
Raw materials and operating supplies	8,437	8,061
Work in progress	8,811	9,648
Finished products and goods	2,316	3,109
Coming receivables on construction contracts	**11,114**	**10,019**
Trade and other receivables	**10,992**	**14,754**
Trade receivables	8,291	12,943
Payments in advance	497	446
Other receivables	2,204	1,365
Tax repayments	**492**	**1,263**
Other financial assets	**0**	**1,001**
Cash and cash equivalents	**5,078**	**10,009**
Total current assets	**47,240**	**57,864**
Total	**94,066**	**103,721**

[1] Information on adjustments to previous year's figures due to revised IAS 19 are disclosed in the notes.

The following notes are an integral part of the Interim Consolidated Financial Statements.

LIABILITIES AND SHAREHOLDERS´ EQUITY EUR ´000	Sep. 30, 2013	Dec. 31, 2012 adjusted [1]
Shareholders' equity		
Share capital	21,750	21,750
Revenue reserves	31,606	40,483
Other reserves	-2,230	-2,116
Minority interest	-83	-251
Total shareholders' equity	**51,043**	**59,866**
Non-current liabilities		
Non-current financial liabilities	6,986	7,617
Other non-current liabilities	657	962
Retirement pension provisions	11,523	11,338
Deferred tax liabilities	2,165	3,158
Other non-current provisions	642	490
Total non-current liabilities	**21,973**	**23,565**
Current liabilities		
Current financial liabilities	1,077	1,128
Trade payables	2,179	2,938
Obligations on construction contracts	305	559
Advance payments received on orders	7,423	6,490
Accruals	6,484	5,722
Other current liabilities	886	1,215
Provisions for taxes	373	86
Other current provisions	2,323	2,152
Total current liabilities	**21,050**	**20,290**
Total	**94,066**	**103,721**

[1] Information on adjustments to previous year's figures due to revised IAS 19 are disclosed in the notes.

The following notes are an integral part of the Interim Consolidated Financial Statements.

CONSOLIDATED INCOME STATEMENT

EUR ´000	July 01 - Sep. 30, 2013	July 01 - Sep. 30, 2012 adjusted [1]	Jan. 01 - Sep. 30, 2013	Jan. 01 - Sep. 30, 2012 adjusted [1]
Sales revenues	**16,933**	**23,434**	**46,541**	**83,665**
Cost of sales	-14,443	-18,832	-41,954	-63,601
Gross profit	**2,490**	**4,602**	**4,587**	**20,064**
Selling and distributing expenses	-1,577	-1,991	-5,864	-7,398
General administrative expenses	-1,595	-1,960	-6,319	-5,805
Research and development expenses	-104	-676	-1,690	-3,646
Other operating income	437	1,991	2,001	4,897
Other operating expenses	-111	-667	-1,521	-1,908
Operating profit (EBIT)	**-460**	**1,299**	**-8,806**	**6,204**
Finance revenues	115	-59	348	52
Finance costs	-350	-168	-569	-917
Financial result	**-235**	**-227**	**-221**	**-865**
Net result before tax	**-695**	**1,072**	**-9,027**	**5,339**
Income taxes	68	18	2,493	-1,098
Consolidated net result for the period	**-627**	**1,090**	**-6,534**	**4,241**
of which attributable to				
Shareholders of PVA TePla AG	-744	1,005	-6,702	4,168
Minority interest	117	85	168	73
Consolidated net result for the period	**-627**	**1,090**	**-6,534**	**4,241**
Earnings per share				
Earnings per share (basic) in EUR	-0.03	0.05	-0.31	0.19
Earnings per share (diluted) in EUR	-0.03	0.05	-0.31	0.19
Average number of share in circulation (basic)	21,749,988	21,749,988	21,749,988	21,749,988
Average number of share in circulation (diluted)	21,749,988	21,749,988	21,749,988	21,749,988

[1] Information on adjustments to previous year's figures due to revised IAS 19 are disclosed in the notes.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR ´000	Jan. 01 - Sep. 30, 2013	Jan. 01 - Sep. 30, 2012 adjusted [1]
Consolidated net result for the period	**-6,534**	**4,241**
of which attributable to shareholders of PVA TePla AG	-6,702	4,168
of which attributable to minority interest	168	73
Other comprehensive income		
Currency changes	-141	59
Income taxes	20	-6
Changes recognized outside profit or loss (currency changes)	**-121**	**53**
Changes in fair values of derivative financial instruments	9	0
Income taxes	-2	0
Changes recognized outside profit or loss (derivative financial instruments)	**7**	**0**
Changes in pension provisions	0	-2,044
Income taxes	0	572
Changes recognized outside profit or loss (pension provisions)	**0**	**-1,472**
Other comprehensive income after taxes (changes recognized outside profit or loss)	**-114**	**-1,419**
of which attributable to shareholders of PVA TePla AG	-114	-1,419
of which attributable to minority interest	0	0
Total comprehensive income	**-6,648**	**2,822**
of which attributable to shareholders of PVA TePla AG	-6,817	2,749
of which attributable to minority interest	168	73

[1] Information on adjustments to previous year's figures due to revised IAS 19 are disclosed in the notes.

CONSOLIDATED CASHFLOW STATEMENT

EUR ´000		Jan. 01 - Sep. 30, 2013	Jan. 01 - Sep. 30, 2012 adjusted [1]
	Consolidated net profit/loss for the period	-6,534	4,241
	Adjustments to the consolidated net profit/loss for the period for reconciliation to the cash flow operating activities:		
+	Income taxes	-2,493	1,098
-	Finance revenues	-348	-52
+	Finance costs	569	917
=	**Operating result**	**-8,806**	**6,204**
-	Income tax payments	418	-3,007
+	Amortization and depreciation	1,880	2,238
-/+	Gains/losses on disposals of non-current assets	52	-3
+/-	Other non-cash expenses (income)	-49	-28
		-6,505	**5,404**
-/+	Increase/decrease in inventories, trade receivables and other assets	5,349	19,021
+/-	Increase/decrease in provisions	475	-4,490
+/-	Increase/decrease in trade payables and other liabilities	110	-16,047
=	**Cash flow from operating activities**	**-571**	**3,888**
-	Payments for the acquisition of consolidated companies and other business units	-288	6
+	Proceeds from disposals of intangible assets and property, plant and equipment	1	33
-	Acquisition of intangible assets and property, plant and equipment	-573	-805
+	Interest receipts	24	52
=	**Cash flow from investing activities**	**-836**	**-714**
-	Payments to shareholders (dividends, capital repayments)	-2,175	-3,262
-	Payments from redumption of debt and loans	-673	-725
+/-	Change in short-term bank liabilities	-30	-468
-	Payment of interest	-569	-746
=	**Cash flow from financing activities**	**-3,447**	**-5,201**
	Net change in cash and cash equivalents	-4,854	-2,027
+/-	Effect of exchange rate fluctuations on cash and cash equivalents	-77	122
+	Cash and cash equivalents at the beginning of the period	10,009	14,612
=	**Cash and cash equivalents at the end of the period**	**5,078**	**12,707**

[1] Information on adjustments to previous year's figures due to revised IAS 19 are disclosed in the notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR ´000	Shared issues		Revenue reserves	Other equity components	Pension provisions	Total	Minority interest	Total Share-holders equity
	Number		adjusted [1]		adjusted [1]			
As at Jan. 01, 2012	**21,749,988**	**21,750**	**39,140**	**-277**	**0**	60,613	**-315**	60,298
Total income			4,168	53	-1,472	2,749	73	2,822
Dividend			-3,262	0	0	-3,262	0	-3,262
As at Sep. 30, 2012	**21,749,988**	**21,750**	**40,046**	**-224**	**-1,472**	60,100	**-242**	59,858
As at Jan. 01, 2012	**21,749,988**	**21,750**	**39,140**	**-277**	**0**	60,613	**-315**	60,298
Total income			4,605	36	-1,875	2,766	64	2,830
Dividend			-3,262	0	0	-3,262	0	-3,262
As at Dec. 31, 2012	**21,749,988**	**21,750**	**40,483**	**-241**	**-1,875**	60,117	**-251**	59,866
As at Jan. 01, 2013	**21,749,988**	**21,750**	40,483	**-241**	**-1,875**	**60,117**	**-251**	**59,866**
Total income			-6,702	-114	0	-6,816	168	-6,648
Dividend			-2,175	0	0	-2,175	0	-2,175
As at Sep. 30, 2013	**21,749,988**	**21,750**	**31,606**	**-355**	**-1,875**	**51,126**	**-83**	**51,043**

[1] Information on adjustments to previous year's figures due to revised IAS 19 are disclosed in the notes.

Selected Notes

A. GENERAL INFORMATION AND BASIS OF PRESENTATION

PVA TePla AG is a stock corporation in accordance with German law. The Company is entered in the Commercial Register of the Giessen Local Court under HRB 6845. The registered address of the Company is 35435 Wettenberg, Germany.

GENERAL PRINCIPLES AND ACCOUNTING STANDARDS

This interim consolidated financial report was prepared in accordance with International Financial Reporting Standards (IFRS). It thus also complies with IAS 34 (Interim Financial Reporting).

This interim financial report has not been audited.

These notes mainly contain details of items in which there have been significant changes as against the consolidated financial statements as of December 31, 2012.

REPORTING CURRENCY AND CURRENCY TRANSLATION

The reporting currency and currency translation principles applied are the same as those used for the 2012 consolidated financial statements. The material exchange rates of countries outside the Eurozone that are included in the interim consolidated financial statements are as follows:

EUR = 1	Average exchange rate		Exchange rate on the balance sheet date	
	Q1-Q3 2013	Q1-Q3 2012	Sep. 30, 2013	Dec. 31, 2012
USA (USD)	1.31666	1.28123	1.35227	1.3217
China (CNY)	8.18331	8.09717	8.30565	8.3378
Denmark (DKK)	7.45712	7.44048	7.45712	7.4603
Singapore (SGD)	1.64772	1.61238	1.69924	1.6175
Taiwan (TWD)	39.21569	38.09910	39.84064	38.4908

COMPANIES INCLUDED IN CONSOLIDATION

These interim consolidated financial statements of PVA TePla include its fully consolidated subsidiaries in which PVA TePla holds a majority of the shareholders' voting rights (control). The following companies were fully consolidated in the interim financial report as of September 30, 2013:

Name	Corporate domicile	Ownership interest
PVA TePla AG (parent company)	Wettenberg, Germany	
PVA TePla America Inc.	Corona / CA, USA	100 %
PVA Jena Immobilien GmbH	Jena, Germany	100 %
PVA Vakuum Anlagenbau Jena GmbH	Jena, Germany	100 %
Xi'an HuaDe CGS Ltd.	Xi'an, PR China	51 %
PVA Löt- und Werkstofftechnik GmbH	Jena, Germany	100 %
PVA Control GmbH	Wettenberg, Germany	100 %
PVA TePla Metrology Systems GmbH	Kirchheim, Germany	100 %
PlaTeG GmbH	Wettenberg, Germany	100 %
PVA TePla Singapore Pte. Ltd.	Singapore	100 %
PVA TePla Analytical Systems GmbH	Westhausen, Germany	100 %
PVA TePla (China) Ltd.	Peking, PR China	100 %
Munich Metrology GmbH	Munich, Germany	100 %
Munich Metrology USA Inc.	Folsom / CA, USA	100 %
Munich Metrology Taiwan Ltd.	Hsinchu, Taiwan	100 %
JenaWave GmbH	Jena, Germany	100 %

As of April 18, 2013, 100% of the shares in JenaWave GmbH, Jena/Germany were acquired for the purpose of expanding the production portfolio in the measurement technology segment. For details we refer to the comments in half-year report 2013.

No further changes have occurred since the 2012 consolidated financial statements.

PRINCIPLES OF CONSOLIDATION

The principles of consolidation applied in this interim financial report are the same as those applied in the consolidated financial statements as of December 31, 2012. The single entity financial statements included in the interim financial statements are prepared with consistent accounting policies according to IAS 27 (Consolidated and Separate Financial Statements).

ACCOUNTING AND VALUATION PRINCIPLES

Except for one change, the accounting and valuation principles applied in this interim financial report as of September 30, 2013 are the same as those applied in the consolidated financial statements as of December 31, 2012. Retrospective application of the changes to IAS 19, which were published by the IASB in June 2011, is mandatory for financial statements from fiscal years beginning on or after January 1, 2013. PVA TePla AG adjusted the reported prior-year figures for the effect from the changes to IAS 19. Please refer to the detailed explanations in the section on pension provisions in these notes for further information.

ROUNDINGS

The tables and figures used in this interim report are based on precisely calculated amounts that are subsequently rounded to the nearest million Euros or thousand Euros. Rounding differences within the tables or between figures thus cannot always be avoided.

ESTIMATES AND ASSUMPTIONS

The preparation of the consolidated interim financial statements requires estimates and assumptions to be made by management. These influence the presentation of income and expenditures, assets and liabilities, and the disclosure of contingent liabilities at the reporting date.

If in the future such estimates and assumptions taken by management and made to the best of its knowledge at the time of the consolidated interim financial report should deviate from actual circumstances, the original estimates and assumptions will be adjusted in the reporting period in which the conditions changed.

B. NOTES ON SELECTED BALANCE SHEET ITEMS

FINANCIAL ASSETS

On September 30, 2013, financial assets included other non-current receivables in the amount of EUR 8 thousand (previous year: EUR 9 thousand).

COMING RECEIVABLES ON CONSTRUCTION CONTRACTS

As part of the partial recognition of sales revenues from customer-specific construction contracts based on the percentage of completion, any amount due from customers for contract work is reported as an asset in accordance with IAS 11.42. These items are shown separately under "Coming receivables on construction contracts".

EUR ´000	Sep. 30, 2013	Dec. 31, 2012
Capitalized production costs including contract profits	20,283	29,044
for which advance payments received	-9,169	-19,025
Total	**11,114**	**10,019**

OTHER FINANCIAL ASSETS

There were no other financial assets as of September 30, 2013 (previous year: EUR 1,001 thousand).

OTHER CURRENT RECEIVABLES

Other current receivables are composed as follows:

EUR ´000	Sep. 30, 2013	Dec. 31, 2012
Receivables from investment incentives	170	182
Value added tax due	521	384
Accounts payable with debit balances	44	32
Deferred prepayments	591	284
Others	878	483
Total	**2,204**	**1,365**

SHAREHOLDERS' EQUITY / AUTHORIZED CAPITAL

Share capital
As of September 30, 2013, PVA TePla AG had issued 21,749,988 no-par value shares, each with a notional interest in the share capital of EUR 1.00.

Contingent and authorized capital
There was no contingent capital as of September 30, 2013.

On June 13, 2012, the Annual General Meeting of PVA TePla AG authorized the Management Board to increase the Company's share capital with approval of the Supervisory Board on one or more occasions during the period to June 30, 2017 by a total of up to EUR 10,874,994 by issuing 10,874,994 new no-par value bearer shares against cash and/or non-cash contributions with shareholders' subscription rights excluded to the extent permitted by law. No capital increases from this authorized capital were resolved in 2013.

NON-CURRENT FINANCIAL LIABILITIES

Non-current financial liabilities totaled EUR 6,986 thousand (previous year: EUR 7,617 thousand) – all of which were liabilities to banks. Non-current financial liabilities are composed as follows:

EUR ´000	Sep. 30, 2013	Dec. 31, 2012
Non-current financial liabilities	8,061	8,741
Portion of non-current financial liabilities due in less than one year	-1,075	-1,124
Non-current financial liabilities less current position	**6,986**	**7,617**

PENSION PROVISIONS

In June 2011, the IASB announced changes to IAS 19 that were adopted by the EU in June 2012. Retrospective application of the changes to IAS 19 is mandatory for financial statements from fiscal years beginning on or after January 1, 2013. PVA TePla adjusted the reported prior-year figures for the effect of the changes to IAS 19.

These changes resulted in the following adjustments to pension provisions at PVA TePla AG: In the past, PVA TePla Group applied the corridor method. As the amended IAS 19 abolishes the corridor method, actuarial gains and losses have a direct effect on the consolidated balance sheet, thus increasing pension provisions and decreasing equity. The consolidated income statement will no longer be affected by changes in actuarial gains and losses in the future as these now have to be recognized in other comprehensive income.

The following table shows the effects of the application of IAS 19 on the key items in the consolidated balance sheet as of January 1, 2012 and December 31, 2012.

Effects of the amended IAS 19 on the consolidated balance sheet:

EUR ´000	Dec. 31, 2012	Jan. 01, 2012
Equity	-1.875	-261
Pension provisions	2.605	362
Deferred tax assets	730	101

The effects on the consolidated income statement for the period from January 1 to September 30, 2012 are presented in the following table:

EUR ´000	Q1-Q3 2012
Cost of sales	0
Selling and distribution expenses	0
General administrative expenses	0
Research and development expenses	0
Other operating expenses	-41
Operating result (EBIT)	**-41**
Net interest income	0
Income taxes	11
Consolidated net result for the period	**-30**

Basic and diluted earnings per share decreased by EUR 0.002 in the first nine months of 2012.

The following table shows the effects on the consolidated balance sheet and consolidated income statement had IAS 19 been applied in its unchanged form.

EUR ´000	Sep. 30, 2013
Equity	1,778
Pension provisions	-2,469
Deferred tax assets	-691

EUR ´000	Q1-Q3 2013
Cost of sales	-99
Selling and distribution expenses	-16
General administrative expenses	-13
Research and development expenses	0
Other operating expenses	-8
Operating result (EBIT)	**-136**
Net interest income	0
Income taxes	38
Consolidated net result for the period	**-98**

Basic and diluted earnings per share would have been down EUR 0.006 in the first nine months of 2013.

CURRENT FINANCIAL LIABILITIES

Current financial liabilities reported primarily relate to the current positions of non-current financial liabilities here totaling EUR 1,075 thousand (previous year: EUR 1,124 thousand). Current liabilities to banks amounted to EUR 2 thousand (previous year EUR 4 thousand).

OBLIGATIONS ON CONSTRUCTION CONTRACTS

As part of the partial recognition of sales revenues from customer-specific construction contracts based on the percentage of completion, any amount due to customers for contract work is reported as a liability in accordance with IAS 11.42. This results from the excess of invoiced amounts over the corresponding proportionate revenue. These items are reported separately under "Obligations on construction contracts" on the balance sheet in the same manner as "Coming receivables on construction contracts".

Only partial payments that are due on the basis of the progress of each individual system, and hence that meet the scope of progressive billing, are recognized as invoiced amounts. Payments received at the inception of the order or partial payments that do not correspond to the progress of completion are presented separately on the balance sheet as "Advance payments received on orders".

These "Obligations on construction contracts" are composed as follows:

EUR ´000	Sep. 30, 2013	Dec. 31, 2012
Advance payments received (progress billing)	1,746	13,904
less contract costs incurred (incl. share of profit)	-1,441	-13,345
Total	**305**	**559**

ADVANCE PAYMENTS RECEIVED ON ORDERS

The financing of the PVA TePla Group is largely based on the advance payments and interim payments received from customers, particularly in the case of larger contracts. The value of the advance payments received as of September 30, 2013 was EUR 7,423 thousand (previous year: EUR 6,490 thousand).

ACCRUALS

Accruals are liabilities payable for goods or services received that are neither paid nor invoiced or formally agreed upon by the supplier at the balance sheet date. This also includes amounts owed to employees.

Accrued liabilities are composed as follows:

EUR ´000	Sep. 30, 2013	Dec. 31, 2012
Obligations to employees	3,660	2,280
Obligations to suppliers	2,577	3,168
Other commitments	247	274
Total	**6,484**	**5,722**

The increase of obligations to employees is due to the initiated personnel measures.

OTHER CURRENT LIABILITIES

Other current liabilities decreased to EUR 886 thousand (previous year: EUR 1,215 thousand) and are composed as follows:

EUR ´000	Sep. 30, 2013	Dec. 31, 2012
Payroll and church tax liabilities	396	504
Other liabilities	490	711
Total	**886**	**1.215**

OTHER PROVISIONS

Other provisions were divided into non-current (EUR 642 thousand; previous year: EUR 490 thousand) and current provisions (EUR 2,323 thousand; previous year: EUR 2,152 thousand), and were composed as follows:

EUR ´000	Sep. 30, 2013	Dec. 31, 2012
Warranty	1,261	921
Subsequent costs	565	690
Archiving	182	197
Penalties	75	78
Others	882	756
Total	**2,965**	**2,642**

Provisions were recognized solely in respect of obligations to third parties where utilization is highly probable. Provisions are measured at the amount of probable utilization.

Non-current provisions primarily relate to provisions for archiving as well as non-current payments related to long-term performance-based compensation for the Management Board, and are shown separately in the balance sheet. All other provisions are short-term in nature.

The item "Others" contains provisions for laying off staff.

OTHER FINANCIAL OBLIGATIONS

There were no notable changes in other financial obligations from leases and other contracts as compared to the 2012 consolidated financial statements.

C. NOTES ON SELECTED INCOME STATEMENT ITEMS

SALES REVENUES

PVA TePla principally generates its sales revenues through the sale of systems. Additional sales revenues are generated from services and by supplying spare parts (referred to collectively as after-sales service), as well as providing services for customers in the Company's own facilities (contract processing, mainly carried out by PVA Löt- und Werkstofftechnik GmbH and in the field of plasma treatment by PVA TePla America Inc. and PlaTeG GmbH). Sales revenues can be broken down into these categories as follows:

EUR ´000	Jan. 01 - Sep. 30, 2013	Jan. 01 - Sep. 30, 2012
Systems	32,399	67,176
After-sales	10,476	13,384
Contract processing	2,943	2,625
Others	724	481
Total	**46,541**	**83,665**

Revenues in the first nine months of 2013 were mainly comprised of systems business, which accounted for 69% of PVA TePla Group's total sales revenues. Sales revenues from After-sales business accounted for 23% of total. The share of contract processing sales revenues is slightly up on the previous year at 6.5% of total current sales revenues for 2013.

RESEARCH AND DEVELOPMENT EXPENSES

Research and development expenses reported in the income statement amounted to EUR 1,690 thousand in the first nine months of 2013 and EUR 3,646 thousand in the first nine months of 2012. Income from research and deve-

lopment project grants of EUR 477 thousand in 2013 and EUR 1,212 thousand in 2012 was recognized separately under "Other operating income".

INCOME TAXES

Taxes on income are calculated on a best estimate basis for the projected weighted average tax rate for the full fiscal year.

A tax rate of 28% is applied for domestic companies. This includes corporation tax of 15%, a solidarity surcharge of 5.5% on corporation tax, and trade tax of 12%.

Deferred taxes were measured after they had been incurred using the tax rates stated above or country-specific tax rates for companies outside of Germany.

The actual tax charge is based on probable future tax liabilities and repayment claims.

Income tax expenses are broken down as follows:

EUR ´000	Jan. 01 - Sep. 30, 2013	Jan. 01 - Sep. 30, 2012
Current tax expenses	-639	-978
Deferred tax expense (-) / income	3,132	-120
Total income taxes	**2,493**	**-1,098**

EARNINGS PER SHARE

Consolidated net result for the period before minority interests amounted to EUR -6,702 thousand (previous year: EUR +4,168 thousand). As in the previous year, an average of 21,749,988 bearer shares without par value was in circulation in the first nine months of 2013 .

The earnings per share figure is calculated by dividing consolidated net result by the weighted average number of shares outstanding during the year.

Calculation of earnings per share for January 1 to September 30, 2013 and 2012:

EUR ´000	Jan. 01 - Sep. 30, 2013	Jan. 01 - Sep. 30, 2012
Numerator: Consolidated net loss/profit for the period before minority interests (EUR '000)	-6,702	4,168
Denominator: Weighted number of shares outstanding - basic	21,749,988	21,749,988
Earnings per share (in EUR)	**-0.31**	**0.19**

At the balance sheet date, no stock options were issued to employees and members of the Management and Supervisory Boards entitling them to purchase PVA TePla AG shares. As a result, there were no dilution effects in regards to earnings per share as of September 30, 2013.

D. NOTES ON THE CASH FLOW STATEMENT

The cash flow statement was prepared in line with the same principles as in the consolidated financial statements 2012 and is structured in the same way.

E. ADDITIONAL DISCLOSURES

SEGMENT REPORTING

PVA TePla Group is divided into three divisions: Industrial Systems, Semiconductor Systems and Solar Systems. Performance is assessed and decisions regarding the assignment of resources to the segments are made on the basis of PVA TePla AG's three divisions. The following segment reporting therefore follows the Group's organizational structures of the three divisions based on PVA TePla's Group internal management system. Cross-segment transactions – this mainly concerns PVA Vakuum Anlagenbau Jena GmbH, which is assigned to Semiconductor Systems for organizational purposes but also works for Solar Systems – are broken down accordingly for segment reporting.

The following tables provide an overview of the operational segments of PVA TePla AG. Segment reporting in accordance with IFRS 8 also includes a reconciliation of the total result of the segments to the consolidated result for the period.

The segment information for the **third quarter** are as follows:

EUR ´000	External sales revenues		Internal sales revenues		Total sales revenues		EBIT	% of revenues	EBIT	% of revenues
	2013	2012	2013	2012	2013	2012	2013		2012	
Industrial Systems	7,986	10,510	140	521	8,126	11,031	165	2.1	7	0.1
Semiconductor Systems	8,664	10,952	128	73	8,792	11,025	-642	-7.4	336	3.1
Solar Systems	283	1,972	14	0	297	1,972	46	16.2	948	48.1
Segment total	**16,933**	**23,434**	**282**	**594**	**17,215**	**24,028**	**-431**	**-2.5**	**1,291**	**5.5**
Consolidation	0	0	0	0	0	0	-29	-	8	-
Group	**16,933**	**23,434**	**282**	**594**	**17,215**	**24,028**	**-460**	**-2.7**	**1,299**	**5.5**

The segment information for the **first nine months of the year** are as follows:

EUR ´000	External sales revenues		Internal sales revenues		Total sales revenues		EBIT	% of revenues	EBIT	% of revenues
	2013	2012	2013	2012	2013	2012	2013		2012	
Industrial Systems	20,740	36,541	439	1,382	21,179	37,922	-1,741	-8.4	2,816	7.7
Semiconductor Systems	25,044	40,532	410	398	25,453	40,929	-1,790	-7.1	5,368	13.2
Solar Systems	757	6,593	14	0	772	6,593	-5,310	-701.3	-2,035	-30.9
Segment total	**46,541**	**83,665**	**863**	**1,780**	**47,404**	**85,444**	**-8,841**	**-19.0**	**6,149**	**7.4**
Consolidation	0	0	0	0	0	0	35	-	55	-
Group	**46,541**	**83,665**	**863**	**1,780**	**47,404**	**85,444**	**-8,806**	**-18.9**	**6,204**	**7.4**

The reconciliation of the segment results (EBIT) to the consolidated net result for the period is as follows:

EUR ´000	July 01 - Sep. 30, 2013	July 01 - Sep. 30, 2012	Jan. 01 - Sep. 30, 2013	Jan. 01 - Sep. 30, 2012
Total Segment results	-431	1,291	-8,841	6,149
Consolidation	-29	8	35	55
Consolidated operating profit (EBIT)	-460	1,299	-8,806	6,204
Financial result	-235	-227	-221	-865
Net profit before taxes	-695	1,072	-9,027	5,339
Income taxes	68	18	2,493	-1,098
Consolidated net result for the period	**-627**	**1,090**	**-6,534**	**4,241**

Business relationships between the segments were eliminated on consolidation.

FINANCIAL INSTRUMENTS

In May 2011, the IASB published IFRS 13 "Fair Value Measurement". It combines the rules on measuring fair value, which were included in the individual IFRS up to that point, into one standard and replaces it with one standardized provision. IFRS 13 must be prospectively applied for fiscal years starting on or after January 1, 2013. The first-time application of this standard has no material effects on the measurement of PVA TePla AG's assets and liabilities.

Of the financial instruments recognized as of the reporting date, only derivative financial instruments are measured at fair value. The fair value of a financial instrument is the price that would be received for the sale of an asset or paid for the transfer of a liability between market participants in an arm's length transaction on the measurement date. In view of varying external factors, the reported fair values can now be regarded as indicators for actual values realizable in the market.

The following table shows the classification of PVA TePla AG's derivative financial instruments into the three levels of the fair value hierarchy:

As at Sep. 30, 2013 (EUR ´000)	Total	Level 1	Level 2	Level 3
Financial liabilities measured at faire value				
Derivative Financial instruments	**861**	0	861	0

Level 1: Fair value is measured on the basis of listed, unadjusted prices in active markets for these or identical assets and liabilities.
Level 2: The fair value of these assets and liabilities is measured on the basis of parameters for which directly or indirectly derived listed prices are available in an active market.
Level 3: Fair value measurement for these assets and liabilities is based on parameters for which no market data is available.

The fair values of both forward exchange contracts and interest hedges were determined on the basis of discounted expected future cash flows, using market interest rates applicable to the remaining terms of the financial instruments. In the first nine months of the year, as in the 2012 consolidated financial statements, no reclassifications were made within the level hierarchy.

DERIVATIVE FINANCIAL INSTRUMENTS

In PVA TePla Group, derivative financial instruments are used exclusively to hedge risks from underlying transactions. In particular, these include risks from sales in foreign currencies and interest rate risks.

Currency forwards and hedging
As the majority of sales are conducted in the respective currency of the supplying country (EUR in the Eurozone, USD in the US), exchange risks only arise in a limited number of cases. If material contracts are concluded in a foreign currency, the exchange risks occurring as a result are covered by corresponding hedging transactions.

Forward exchange contracts with a total open volume of EUR 497 thousand or USD 650 thousand were concluded to hedge USD payment claims for deliveries of the Semiconductor Systems division. The maturities of the forward exchange contracts were established according to the dates the payments are expected to be received. These forward exchange contracts were measured at fair value on the basis of the forward exchange rate applicable on the reporting date for the remaining term. Their total present value on September 30, 2013 is EUR 17 thousand.

Interest hedges

To hedge the interest rate risk for financing investments in buildings at the Wettenberg and Jena sites, interest rate hedges originally totaling EUR 11,600 thousand were concluded. The open amount of these hedges as of the reporting date on September 30, 2013 was EUR 6,653 thousand. The fair value of these instruments is reported under other financial liabilities, totaling EUR -878 thousand as of the reporting date.

The loan, which was originally for EUR 10,000 thousand to finance the building at the Wettenberg site on which the above interest rate hedge is based, had not been utilized as of September 30, 2013. Accordingly, the fair value of the interest rate derivatives and deferred taxes on these were not reported under other provisions. As in the prior year, the changes in fair value were recognized through profit and loss in finance revenue in the amount of EUR +324 thousand in the first nine months of the year (previous year: EUR -159 thousand). Total changes in fair value came to EUR -868 thousand as of the reporting date.

PERSONNEL

The average number of employees by function has changed as follows in the reporting period:

Number of employees by function (average for the period)	Jan. 01 - Sep. 30, 2013	Jan. 01 - Sep. 30, 2012
Administration	62	63
Sales	51	53
Engineering, research and development	106	112
Production and service	258	284
Total number of employees	**477**	**512**

EXECUTIVE BODIES OF THE COMPANY

In the period from January 1 to September 30, 2013, the Management Board of PVA TePla AG consisted of the following persons:

Dr. Arno Knebelkamp, Mülheim
(Chairman/CEO) Graduate chemist

Arnd Bohle, Bochum (until June 19, 2013)
(Chief Financial Officer/CFO) Business graduate

Members of the Supervisory Board for the period from January 1 to September 30, 2013 were as follows:

Alexander von Witzleben, Weimar (Chairman)

Dr. Gernot Hebestreit, Leverkusen (Deputy Chairman)

Prof. Dr. Günter Bräuer, Cremlingen

There were no changes with regard to the functions and memberships of other bodies of the members of executive bodies at PVA TePla AG as of the reporting date September 30, 2013.

RELATED PARTIES

Business transactions with related parties are on the one hand transactions with companies in which executive officers of PVA TePla AG have significant shareholdings or over which they exercise significant influence. On the other hand, these are business transactions with companies controlled by parties that may exercise significant influence on PVA TePla (particularly via participating interests in the Company).

In the reporting period, only the relationship to the majority shareholder Peter Abel is relevant in this context. PVA TePla AG's relevant transactions with related parties principally encompass purchases from IT companies. In the first nine months of 2013, the value of purchases from these companies amounted to EUR 461 thousand and the value of sales to EUR 1 thousand up to now. The net amounts of outstanding receivables and liabilities as of the reporting date on September 30, 2013 were EUR 0 thousand and EUR 31 thousand respectively. All transactions are conducted at arm's length conditions.

DISCLOSURES UNDER SECTION 160 (1) NO. 8 AKTG

No new disclosures were received in the period from January 1 to September 30, 2013.

SIGNIFICANT POST-BALANCE SHEET DATE EVENTS

Please refer to section 9 of this interim report. There have been no significant events after September 30, 2013.

AUDITOR

At the Annual General Meeting on June 19, 2013, the shareholders approved the Supervisory Board's proposal and, as in the previous year, appointed Ebner Stolz Mönning Bachem GmbH & Co. KG, Wirtschaftsprüfungsgesellschaft / Steuerberatungsgesellschaft, Frankfurt am Main, Germany, as auditor of the annual and consolidated financial statements for the fiscal year 2013.

RESPONSIBILITY STATEMENT

To the best of my knowledge I assure that in accordance with the applicable reporting principles, the interim reporting of the Consolidated Financial Statements gives a true and fair view of the net assets, financial position and profit or loss of the Group, and that the interim Group Management Report gives a true and fair view of the development and performance of the business and the position of the Group, together with a description of the principle opportunities and risks associated with the expected development of the Group for the remainder of the fiscal year.

Wettenberg, November 7, 2013

Dr. Arno Knebelkamp
Chief Executive Officer

FINANCIAL CALENDAR

Date	
November 11-13, 2013	German Equity Forum in Frankfurt

IMPRINT

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