Intermediate Report

Intermediate Report
January 1 – September 30, 2014

IMPORTANT CONSOLIDATED FIGURES AT A GLANCE

EUR'000	Q1-Q3 / 2014	Q1-Q3 / 2013 adjusted[3]	Q1-Q3 / 2012 adjusted[3]
Sales revenues	**57,939**	**46,541**	**83,665**
Industrial Systems	29,377	20,740	36,541
Semiconductor Systems	28,562	25,801	47,124
Gross profit	**12,117**	**4,767**	**20,064**
in % sales revenues	20.9	10.2	24.0
R&D expenses	1,621	1,686	3,646
Operating result (EBIT)	**-5,100**	**-8,521**	**6,310**
in % sales revenues	-8.8	-18.3	7.5
Consolidated net result for the period	**-4,792**	**-6,534**	**4,241**
in % sales revenues	-8.3	-14.0	5.1
Earnings per Share (EPS) in EUR[1]	**-0.22**	**-0.31**	**0.19**
Capital expenditure	750	573	805
Total assets	**95,424**	**92,363[2]**	**103,721[2]**
Shareholders' equity	**45,495**	**50,307[2]**	**59,866[2]**
Equity ratio in %	47.7	54.5[2]	57.7[2]
Employees as of 30.09.	**405**	**441**	**517**
Incoming orders	**56,075**	**56,814**	**42,186**
Order backlog	**41,383**	**38,467**	**31,162**
Book-to-bill-ratio	0.97	1.22	0.50
Cash Flow from operating activities	**-8,251**	**-571**	**3,888**

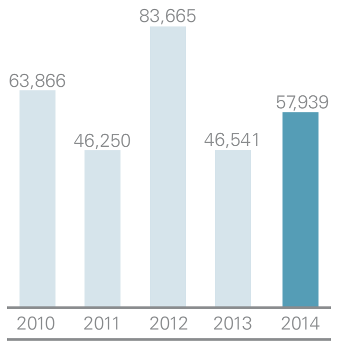
[1] Circulating shares on average 21,749,988

[2] As of December, 31

[3] Due to the disclosure of interest the comparative figures have been adjusted. We refer to the notes.

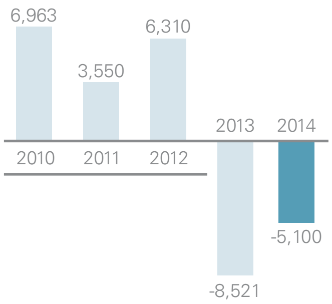
Sales revenues

Q1-Q3, EUR'000



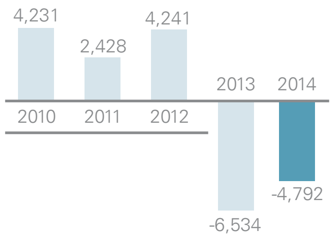
Operating result (EBIT)

Q1-Q3, EUR'000



Consolidated net result

Q1-Q3, EUR'000



Content

Foreword by the Management Board

DEAR SHAREHOLDERS AND BUSINESS PARTNERS OF PVA TEPLA,

Incoming orders did not match our expectations in the first nine months of the current fiscal year. We registered reticence among our customers to invest, particularly in the Vacuum Systems business unit. This is a result of the economic cool-down. The political and economic situation in Russia – a country where interesting projects are underway and which we continue to target – caused delays in the signing of agreements with Russian partners, or in cases made it even impossible. We will need to exercise patience in order to reach a final assessment of our opportunities in Russia. Incoming orders in the crystal growing systems business was positive, where demand for high-quality 300mm wafers increased. The development in plasma systems for the semiconductor industry is also satisfactory, but the photovoltaics industry remains difficult.
To be on the safe side, we do not anticipate any larger orders in the next two years. Order intake is generally at the previous year's level, adjusted for orders which cannot be realized by the customer. We already announced the write-offs in a press release in May.

We can now open up new markets thanks to several new developments such as hot presses for diffusion bonding processes. These high vacuum process systems enable the bonding of materials while meeting the highest mechanical, thermal and anti-corrosive demands. We also expect fresh impetus in the Plasma Systems business unit with the newly designed inline systems for the surface and coating processes of materials used in industry and the life sciences sector. In previous quarters, we mentioned a new system for the production of silicon carbide crystals, which will become increasingly important for wafers in high-performance electronics in the future. We are currently in talks and concrete negotiations with potential customers, particularly in Asia, regarding these systems.

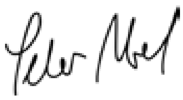
In the first nine months we achieved consolidated sales revenues of EUR 57.9 million with an operating result of EUR -5.1 million and are in the targeted range. For full-year 2014 we therefore forecast furthermore consolidated sales revenues of between EUR 70 million and EUR 80 million and an operating profit (EBIT) of around EUR -6 million. The operating break-even in the third quarter is satisfactory, and confirms that the optimization and cost-cutting measures introduced in recent months are paying off. At just under 21%, the gross margin is both above the previous year and above budget, which shows that our customers are prepared to pay a decent price for quality and high-tech solutions despite the economic situation. We currently project break-even sales revenues at around EUR 75 million, which is EUR 5 million lower than at the beginning of the year. Given the economic uncertainty and the modest order volume in the vacuum segment, we plan to further reduce our cost basis in the existing product business.

This stability-based approach will not restrict us in our ability to respond quickly to potential large orders.

Our strategic focus is to expand our technology portfolio either by further developing existing products, entering strategic partnerships or through M&A activities in future markets.

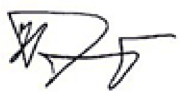
The extensive restructuring of PVA TePla AG concluded at the Annual General Meeting is on track and we will be able to start 2015 with a leaner organization.

On behalf of our division managers and all employees, we would like to thank you, our shareholders, for your trust in and commitment toward our Company.



Peter Abel
Chief Executive Officer

Oliver Höfer
Chief Operating Officer



Henning Döring
Chief Financial Officer

The Shares

PERFORMANCE

The price of PVA TePla shares declined in the first ten months of 2014, falling from EUR 2.55 on December 31, 2013 to EUR 1.92 on October 21, 2014. Stock markets were generally sharply lower in recent weeks due to the emerging cool-down of the global economy.

Shareholdings and Subscription Rights of Executive Body Members

MANAGEMENT BOARD

	Shares Sep. 30, 2014	Shares Dec. 31, 2013	Subscription rights Sep. 30, 2014	Subscription rights Dec. 31, 2013
Peter Abel (PA Beteiligungsgesellschaft)	5,708,000	5,616,275	0	0
Oliver Höfer	1,100	1,100	0	0
Henning Döring	0	0	0	0

SUPERVISORY BOARD

	Shares Sep. 30, 2014	Shares Dec. 31, 2013	Subscription rights Sep. 30, 2014	Subscription rights Dec. 31, 2013
Alexander von Witzleben	15,150	15,150	0	0
Dr. Gernot Hebestreit	0	0	0	0
Prof. Dr. Markus H. Thoma	0	0	0	0

Performance of PVA TePla Shares January, 2014 – October, 2014
in % / 1-day-interval


T&H 15t
SiCube

Interim Group Management Report

Interim Group Management Report

1. RESEARCH AND DEVELOPMENT

The costs for research and development (R&D) for the Group within the reporting period totaled EUR 1.6 million (previous year: EUR 1.7 million).

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. In the Semiconductor Systems division, the integration of process mapping for the rolled-out 80 Plus HS continued in the plasma systems business unit. Each treated substrate is mapped with the respective process parameters and is made available for evaluation, as is increasingly demanded by the automotive industry and mobile device manufacturers. This is what makes that system stand out from the competition and in addition to its high throughput rate in dry chemical plasma surface treatment it has become an integral part of quality assurance product tracing. These systems offer customers significant added value in terms of quality assurance. In the analytical systems business unit, the new auto focus systems developments in ultrasound measurement systems entered serial production. The higher scan speed and stability in data recording is becoming particularly important for wafer inspection, semiconductor packaging and the inspection of DCB (**D**irect **C**opper **B**ond = new technology for the production of integrated switches) modules in electrical drive concepts in the automotive industry.

2. ECONOMIC REPORT

When looking at the Semiconductor Systems division, it should be taken into account that the sales revenues, incoming orders and order backlog of the Solar Systems division were included in the previous year's figures.

Sales Revenues

In the first nine months of 2014, PVA TePla Group generated sales revenues of EUR 57.9 million, showing a positive trend compared to the previous year (EUR 46.5 million).

The Industrial Systems division generated sales revenues of EUR 29.4 million (previous year: EUR 20.7 million). Vacuum systems for the production of hard metals and brazing systems accounted for the majority of the sales revenues. Sales revenues in the Semiconductor Systems division amounted to EUR 28.6 million (previous year: EUR 25.8 million). The Plasma Systems business unit proved to be the best-performing business unit in terms of sales revenues within the Semiconductor Systems division.

Sales Revenues by Division EUR'000	Q1-Q3 / 2014	**Q1-Q3 / 2013**
Industrial Systems	29,377	20,740
Semiconductor Systems	28,562	25,801
Total Sales Revenues	**57,939**	**46,541**

Orders

Incoming orders for PVA TePla Group in the first nine months of 2014 were on par with the previous year's level at EUR 56.1 million (previous year: EUR 56.8 million*). The book-to-bill-ratio stood at 1.0 (previous year: 1.2*). The moderate recovery which was visible in the second half of 2013 did not continue in 2014.

Incoming orders for the Industrial Systems division totaled EUR 21.7 million in the first nine months of 2014, which was well below the previous year's EUR 36.9 million. It should be taken into account that PVA TePla received a large single-order last year. The order came from India and totaled EUR 7.3 million, and will be largely realized in 2015 and 2016. The majority of orders, particularly from the Korean market, concerned heat treatment systems for the production of hard metal and brazing systems. The Semiconductor Systems division generated incoming orders of EUR 34.4 million, a sharp year-on-year increase (previous year: EUR 19.9 million*). In the third quarter of 2014, Crystal Growing Systems received a large order from the Asian wafer industry. This order will primarily impact sales revenues and income in 2015. Orders for plasma systems accounted for most of the incoming orders in this division.

The order backlog, consolidated and net of sales recognized according to the percentage of completion method (PoC), came to EUR 41.4 million on September 30, 2014 (previous year: EUR 38.5 million*). Order backlog for the Industrial Systems division totaled EUR 21.1 million as of September 30, 2014 (previous year: EUR 27.0 million), in the Semiconductor Systems division, the order backlog was EUR 20.3 million, compared to the previous year's value of EUR 11.5* million.

Results of Operations

In the first nine months of 2014, operating profit (EBIT) amounted to EUR -5.1 million (September 30, 2013 [previous year]: EUR -8.5 million), while the consolidated net result for the period came in at EUR -4.8 million (previous year: EUR -6.5 million). The EBIT margin amounted to -8.8% (previous year: -18.3%). Return on sales amounted to -8.3% (previous year: -14.0%).

Based on consolidated sales revenues of EUR 57.9 million (previous year: EUR 46.5 million), gross profit amounted to EUR 12.1 million (previous year: EUR 4.8 million) and the gross margin stood at 20.9% (previous year: 10.2%). The gross margin improved considerably compared to the full fiscal year 2013 (13.3% or 19.7% adjusted for the special effects in the 2013 consolidated financial statements) and is nearing the budget figure planned for fiscal year 2014. At the Wettenberg production site (Industrial Systems division), the gross margin remained below average due to undercapacity and a cool-down in the order situation.

Selling and distribution expenses in the first three quarters of 2014 amounted to EUR 6.7 million (previous year: EUR 5.8 million). The rise is due to the increase in sales revenues and – as explained in the past – due to regional product mix: Commission payments for sales organizations in certain regions can lead to higher sales costs. General administrative expenses were down year on year from EUR 6.3 million to EUR 5.4 million due to the cost reduction measures implemented in fiscal year 2013. R&D costs amounted to EUR 1.6 million, close to the previous year's level (previous year: EUR 1.7 million). The net balance of other operating expenses and income came to EUR -3.5 million (previous year: EUR +0.5 million). Other operating income in the amount of EUR 1.6 million (previous year: EUR 2.0 million) mainly included income from grants in the context of R&D projects, income from exchange rate differences as well as the release of provisions. At EUR 5.1 million (previous year: EUR 1.5 million), other operating expenses were up considerably year on year, particularly due to the specific valuation allowances for future receivables on construction contracts and trade receivables mentioned in the interim report as of June 30, 2014.

Due to the undercapacity in the Industrial Systems division and additional expenses related to specific projects, EBIT in this division came to EUR -0.4 million (previous year: EUR -1.7 million). The Semiconductor Systems division generated EBIT of EUR -4.4 million (previous year: EUR -7.1 million). In this division, the operating result was negatively impacted by expenses related to value adjustments for future receivables on construction orders in the Solar Systems business unit and costs associated with closing the location in Denmark.

The net balance of interest income and interest expenses came to a total of EUR -0.9 million (previous year: EUR -0.5 million). Net profit before tax amounted to EUR -6.0 million (previous year: EUR -9.0 million) and net loss for the period amounted to EUR -4.8 million (previous year: EUR -6.5 million). Income taxes, which totaled EUR +1.2 million (previous year: EUR +2.5 million), comprised current tax expenses of EUR -0.1 million (previous year: EUR -0.6 million) and deferred tax assets of EUR 1.3 million (previous year: EUR 3.1 million).

* As announced in the press release dated May 30, 2014, order backlog in the second quarter of 2014 was adjusted for orders that cannot be realized at this time. For this reason, the incoming orders of the Semiconductor Systems division in the previous year were adjusted by EUR 8.5 million, and the division's order backlog by EUR 10.2 million.

Investments

Investments valued at a total of EUR 0.8 million in the first three quarters of 2014 (previous year: EUR 0.8 million). These investments were mainly attributable to plant and office equipment.

Liquidity

Operating cash flow was down considerably at EUR -8.3 million in the first nine months of 2014 (first nine months of 2013 [previous year]: EUR -0.6 million). Three factors were primarily responsible for this development: First, advance payments received on orders at the end of 2013 were proportionally higher than the historical average figures – i.e., up EUR 1.8 million on the previous year. Second, final settlements and payments of EUR 0.8 million related to the previous year's restructuring program were made in the first quarter. Third, pre-financing and advance work on orders were necessary in the first half of the year for orders that were delivered on in the third quarter and will be delivered on in the fourth quarter. Operating cash flow fluctuates heavily from one reporting date to the next in the Vacuum Systems and Crystal Growing Systems business units due to the project structure of orders and methods of payment. We receive considerable advance payments at the beginning of a project, which influence net cash flow positively if there are large orders. For example, we received an advance payment of EUR 5.3 million two days after the reporting date on October 2. Cash flow is negative during order processing, whereas near the delivery date, a payment is made, except for a small residual installment. The current liquidity requirements are currently covered by the drawdown of a – until the end of 2022 – committed and low-interest credit line related to investment property of EUR 5.7 million. We currently assume that the credit line will be repaid in full in the next months so that the debt – despite the long-term commitment – will be transferred to current financial liabilities.

Cash flow from investing activities amounted to EUR -0.8 million (previous year: EUR -0.8 million). Cash flow from financing activities was EUR 4.8 million (previous year: EUR -3.4 million). Total cash flow in the first nine months of 2014, including exchange rate differences, amounted to EUR -4.3 million (previous year: EUR -4.9 million). Free cash flow was EUR -9.0 million (previous year: EUR -1.1 million). The liquidity position of PVA TePla Group is positive. The net financial position (balance of cash and cash equivalents and current and non-current financial liabilities) amounted to EUR -10.4 million.

Asset Position

Total assets amounted to EUR 95.4 million as of September 30, 2014, up the figure of EUR 92.4 million as of December 31, 2013 [previous year].

The value of property, plant and equipment decreased slightly to EUR 30.2 million (previous year: EUR 31.0 million). The value of intangible assets remained unchanged at EUR 8.8 million (previous year: EUR 8.8 million). Deferred tax assets rose to EUR 7.7 million as a result of capitalized deferred taxes for losses carried forward (previous year: EUR 6.5 million). Overall, non-current assets totaled EUR 47.1 million versus EUR 46.7 million in the previous year.

Current assets increased by 5.8% to EUR 48.4 million (previous year: EUR 45.7 million). The largest change was caused by an increase in work in progress to EUR 12.1 million (previous year: EUR 8.1 million). In addition to further processing of customer orders, this also included reclassifications of future receivables on construction contracts in the amount of EUR 3.8 million due to irrecoverability of the receivables. These orders were offset by advance payments received amounting to EUR 3.1 million, which were disclosed with the stage of completion in the previous year's financial statements in accordance with IAS 11. Cash decreased to EUR 2.7 million (previous year: EUR 6.6 million) on account of a negative operating cash flow. The rise in coming receivables on construction contracts to EUR 11.9 million (previous year: EUR 8.1 million) is due to the increase in sales revenues.

Non-current liabilities (including non-current provisions) fell slightly to EUR 20.0 million (previous year: EUR 20.5 million). The slight increase in pensions provisions to EUR 11.5 million (previous year: EUR 11.4 million) is offset by the repayment of a non-current financial liability of EUR 0.5 million (previous year: EUR 0.5 million).

Current liabilities rose to EUR 29.9 million (previous year: EUR 21.5 million). Based on the negative operating cash flow, an unused long-term credit line related to investment property was utilized in the amount of EUR 5.7 million in order to finance working capital. Advance payments on orders rose to EUR 12.2 million (previous year: EUR 8.3 million). The rise was due in particular to the fact that construction contracts amounting to EUR 3.8 million arising from coming receivables on construction contracts were reclassified to work in progress. These orders were offset by advance payments received amounting to EUR 3.1 million, which were disclosed with the stage of completion in the previous year's financial statements in accordance with IAS 11. Trade payables decreased slightly to EUR 2.7 million as of the reporting date (previous year: EUR 3.2 million).

Shareholders' equity decreased to EUR 45.5 million (previous year: EUR 50.3 million) due to the consolidated result for the period of EUR -4.8 million (December 31, 2013: EUR -7.4 million). The equity ratio fell from 54.5% as of December 31, 2013 to 47.7%.

Employees

As of September 30, 2014, the Group employed 405 people (December 31, 2013: 424 employees; September 30, 2013: 441 employees). The number of employees decreased significantly over September 30, 2013 because of measures to reduce personnel costs.

3. SUPPLEMENTARY REPORT

There are no significant events to report since September 30, 2014.

4. RISKS, OPPORTUNITIES AND FORECAST REPORT

Risk and Opportunities Report

During the third quarter of fiscal year 2014, there were no significant changes to the opportunities and risks presented in the management report 2013 and the interim report as of June 30, 2014.

Demand in China is not expected to recover in the next few months. In subsegments such as the Chinese hard metals market, overcapacities have built up, which makes large-scale investments in plant and equipment appear unlikely in the near future. The situation in the Russian market is also unlikely to improve: The sanctions imposed on Russia by the west, the sharp devaluation of the ruble against the euro and the drop in oil prices all significantly restrict the scope for investments in the modernization of the Russian economy and for PVA TePla's high-tech systems.

In recent weeks, an increase in insolvencies or plans to sell off entire business units of large companies has been observed among the competition. In the short term, this could mean that the competition is unable to roll out cost-covering products. In the medium term, PVA TePla Group's market position can be expected to grow thanks to its comparatively strong equity ratio and liquidity situation. PVA TePla is currently in advanced negotiations with banks regarding a syndicate financing until 2017 in order to secure the cash and guarantee facilities which exceed the credit line related to investment property in the long term.

Forecast Report

The Management Board of PVA TePla continues to anticipate consolidated sales revenues of between EUR 70 million and EUR 80 million for fiscal year 2014 and operating profit (EBIT) of around EUR -6 million.

Wettenberg, November 6, 2014


EK7 2700

Interim Consolidated Financial Statements

Interim Consolidated Financial Statements

CONSOLIDATED BALANCE SHEET
as at September 30, 2014

ASSETS EUR'000	**Sep. 30, 2014**	Dec. 31, 2013 adjusted[1)]
Non-current assets		
Intangible assets	**8,772**	**8,766**
Goodwill	7,808	7,808
Other intangible assets	934	918
Payments in advance	30	40
Property, plant and equipment	**30,169**	**31,038**
Land, property rights and buildings, including buildings on third party land	25,976	26,732
Plant and machinery	2,703	2,775
Other plant and equipment, fixtures and fittings	1,453	1,494
Advance payments and assets under construction	37	37
Investment property	**372**	**388**
Non-current investments	**8**	**8**
Deferred tax assets	**7,731**	**6,459**
Total non-current assets	**47,052**	**46,659**
Current assets		
Inventories	**21,550**	**18,832**
Raw materials and operating supplies	7,429	8,335
Work in progress	12,121	8,075
Finished products and goods	2,000	2,422
Coming receivables on construction contracts	**11,869**	**8,081**
Trade and other receivables	**12,137**	**12,149**
Trade receivables	8,973	9,619
Payments in advance	953	883
Other receivables	2,211	1,647
Tax repayments	**116**	**76**
Cash	**2,700**	**6,566**
Total current assets	**48,372**	**45,704**
Total	**95,424**	**92,363**

1) Due to the disclosure of interest the comparative figures have been adjusted. We refer to the notes.

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

LIABILITIES AND SHAREHOLDERS' EQUITY EUR'000	Sep. 30, 2014	Dec. 31, 2013 adjusted[1]
Shareholders' equity		
Share capital	21,750	21,750
Revenue reserves	25,979	30,771
Other reserves	-2,151	-2,131
Minority interest	-83	-83
Total shareholders' equity	**45,495**	**50,307**
Non-current liabilities		
Non-current financial liabilities	6,031	6,540
Other non-current liabilities	866	688
Retirement pension provisions	11,544	11,377
Deferred tax liabilities	1,335	1,422
Other non-current provisions	255	490
Total non-current liabilities	**20,031**	**20,517**
Current liabilities		
Short-term financial liabilities	7,021	1,080
Trade payables	2,727	3,219
Obligations on construction contracts	0	97
Advance payments received on orders	12,167	8,282
Accruals	4,964	5,683
Other short-term liabilities	872	1,059
Provisions for taxes	75	204
Other short-term provisions	2,072	1,915
Total current liabilities	**29,898**	**21,539**
Total	**95,424**	**92,363**

[1] Due to the disclosure of interest the comparative figures have been adjusted. We refer to the notes.

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

CONSOLIDATED INCOME STATEMENT
January 1 - September 30, 2014

EUR'000	Jul. 1 - Sep. 30, 2014	Jul. 1 - Sep. 30, 2013 adjusted[1)]	Jan. 1 - Sep. 30, 2014	Jan. 1 - Sep. 30, 2013 adjusted[1)]
Sales revenues	**19,245**	**16,933**	**57,939**	**46,541**
Cost of sales	-15,074	-14,383	-45,822	-41,774
Gross profit	**4,171**	**2,550**	**12,117**	**4,767**
Selling and distributing expenses	-2,336	-1,566	-6,666	-5,831
General administrative expenses	-1,711	-1,585	-5,430	-6,290
Research and development expenses	-608	-103	-1,621	-1,686
Other operating income	898	437	1,604	2,001
Other operating expenses	-393	-98	-5,104	-1,482
Operating result (EBIT)	**21**	**-365**	**-5,100**	**-8,521**
Finance revenues	-38	115	27	348
Finance costs	-406	-445	-948	-854
Financial result and share of profits from associates	**-444**	**-330**	**-921**	**-506**
Net result before tax	**-423**	**-695**	**-6,021**	**-9,027**
Income taxes	-303	68	1,229	2,492
Consolidated net result for the period	**-726**	**-627**	**-4,792**	**-6,534**
of which attributable to				
Shareholders of PVA TePla AG	-726	-744	-4,792	-6,702
Minority interest	0	117	0	168
Consolidated net result for the period	**-726**	**-627**	**-4,792**	**-6,534**
Earnings per share				
Earnings per share (basic) in EUR	-0.03	-0.03	-0.22	-0.31
Earnings per share (diluted) in EUR	-0.03	-0.03	-0.22	-0.31
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)] Due to the disclosure of interest the comparative figures have been adjusted. We refer to the notes.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
January 1 - September 30, 2014

EUR´000	**Jan. 1 - Sep. 30, 2014**	Jan. 1 - Sep. 30, 2013 adjusted[1)]
Consolidated net result for the period	**-4,792**	**-6,534**
of which attributable to shareholders of PVA TePla AG	-4,792	-6,702
of which attributable to minority interest	0	168
Other comprehensive income		
Items that may be reclassified to profit or loss		
Currency changes	36	-141
Income taxes	-10	20
Changes recognized outside profit or loss (currency changes)	**26**	**-121**
Changes in fair values of derivative financial instruments	-63	9
Income taxes	17	-2
Changes recognized outside profit or loss (derivative financial instruments)	**-46**	**7**
Total of items that may be reclassified to profit or loss	**-20**	**-114**
Other comprehensive income after taxes (changes recognized outside profit or loss)	**-20**	**-114**
of which attributable to shareholders of PVA TePla AG	-20	-114
of which attributable to minority interest	0	0
Total comprehensive income	**-4,812**	**-6,649**
of which attributable to shareholders of PVA TePla AG	-4,812	-6,817
of which attributable to minority interest	0	168

[1)] Due to the disclosure of interest the comparative figures have been adjusted. We refer to the notes.

CONSOLIDATED CASH FLOW STATEMENT

January 1 - September 30, 2014

	EUR'000	Jan. 1 - Sep. 30, 2014	Jan. 1 - Sep. 30, 2013 adjusted[1)]
	Consolidated net result for the period	-4,792	-6,534
	Adjustments to the consolidated net result for the period for reconciliation to the cash flow operating activities:		
+	Income taxes	-1,229	-2,493
-	Finance revenues	-27	-348
+	Finance costs	948	854
=	**Operating result**	**-5,100**	**-8,521**
-	Income tax payments	-279	418
+	Amortization and depreciation	1,628	1,880
-/+	Gains/losses on disposals of non-current assets	10	52
+/-	Other non-cash expenses / income	566	-334
		-3,175	**-6,505**
-/+	Increase/decrease in inventories, trade receivables and other assets	-6,579	5,349
+/-	Increase/decrease in provisions	-405	475
+/-	Increase/decrease in trade payables and other liabilities	1,908	110
=	**Cash flow from operating activities**	**-8,251**	**-571**
-	Payments for the acquisition of consolidated companies and other business units	0	-288
+	Proceeds from disposals of intangible assets and property, plant and equipment	2	1
-	Payment of intangible assets and property, plant and equipment	-750	-573
+	Interest receipts	-56	24
=	**Cash flow from investing activities**	**-804**	**-836**
-	Payments to shareholders (dividends, capital repayments)	0	-2,175
+	Receipts from issuance of debt and borrowing of loans	6,000	0
-	Payments from redumption of debt and loans	-6,460	-673
+/-	Change in short-term bank liabilities	5,666	-30
-	Payment of interest	-455	-569
=	**Cash flow from financing activities**	**4,751**	**-3,447**
	Net change in cash and cash equivalents	-4,304	-4,854
+/-	Effect of exchange rate fluctuations on cash and cash equivalents	437	-77
+	Cash and cash equivalents at the beginning of the period	6,567	10,009
=	**Cash and cash equivalents at the end of the period**	**2,700**	**5,078**

[1)] Due to the disclosure of interest the comparative figures have been adjusted. We refer to the notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

January 1 - September 30, 2014

EUR'000	Shared issues		Revenue reserves	Other equity com-ponents	Pension provisions	Total	Minority interest	Total share-holders' interest
adjusted[1]	Number							
As at January 1, 2013	21,749,988	21,750	40,522	-241	-1,914	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 September 30, 2013	21,749,988	21,750	31,645	-355	-1,914	51,126	-83	51,043
As at January 1, 2013	21,749,988	21,750	40,522	-241	-1,914	60,117	-251	59,866
Total income			-7,576	-125	149	-7,552	168	-7,384
Dividend			-2,175	0	0	-2,175	0	-2,175
As at December 31, 2013	21,749,988	21,750	30,771	-366	-1,765	50,390	-83	50,307
As at January 1, 2014	**21,749,988**	**21,750**	**30,771**	**-366**	**-1,765**	**50,390**	**-83**	**50,307**
Total income			-4,792	-20	0	-4,812	0	-4,812
Dividend			0	0	0	0	0	0
As at September 30, 2014	**21,749,988**	**21,750**	**25,979**	**-386**	**-1,765**	**45,578**	**-83**	**45,495**

[1] Due to the disclosure of interest the comparative figures have been adjusted. We refer to 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, 2013.

REPORTING CURRENCY AND CURRENCY TRANSLATION

The reporting currency and currency translation principles applied are the same as those used for the 2013 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 2014	Q1-Q3 2013	**Sep. 30, 2014**	Dec. 31, 2013
USA (USD)	1.35556	1.3167	1.26855	1.3767
China (CNY)	8.33333	8.1833	7.80640	8.4104
Denmark (DKK)	7.45712	7.4571	7.44048	7.4598
Singapore (SGD)	1.70445	1.6477	1.61708	1.7461
Taiwan (TWD)	40.81633	39.2157	38.61004	41.3223
Japan (JPY)	138.88889	126.5823	138.88889	144.9275

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, 2014:

Name	Corporate domicile	Ownership interest
PVA TePla AG (parent company)	Wettenberg, Germany	
PVA TePla America Inc.	Corona / CA, USA	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.	Beijing, PR China	100 %
Munich Metrology GmbH	Kirchheim, Germany	100 %
Munich Metrology Taiwan Ltd.	Hsinchu, Taiwan	100 %
PVA Industrial Vacuum Systems GmbH	Wettenberg, Germany	100 %
PVA Crystal Growing Systems GmbH	Wettenberg, Germany	100 %

PVA Industrial Vacuum Systems GmbH, which was founded in April 2014 with share capital of EUR 25 thousand, was included in the group of consolidated companies for the first time. The company is active in the development, production, distribution, processes, goods, systems and services of material and vacuum technology. In fiscal year 2014, the company will serve only as a "shell company" under German corporate law and will become operational as of January 1, 2015 when the reorganization commences.

PVA Crystal Growing Systems GmbH was also founded in April 2014 with share capital of EUR 25 thousand. The company is active in the development, production, distribution, processes, goods, systems and services of material and crystal growing technology. In fiscal year 2014, this company, too, will serve only as a "shell company" under German corporate law and will become operational as of January 1, 2015 when the reorganization commences.

Service company Munich Metrology USA Inc. was dissolved in the second quarter of 2014. No income or expenses arose in fiscal year 2014.

In September 2014, JenaWave GmbH was merged with PVA TePla Metrology Systems GmbH, Kirchheim, with retroactive effect as of January 1, 2014. PVA Vakuum Anlagenbau Jena GmbH was also merged with PVA Jena Immobilien GmbH in September with retroactive effect as of January 1, 2014. PVA Jena Immobilien GmbH was then subsequently renamed PVA Vakuum Anlagenbau Jena GmbH. The mergers were both undertaken to streamline the business portfolio without impacting the operating business.

No further changes have occurred since the 2013 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, 2013. The single entity financial statements included in the interim financial statements are prepared with consistent accounting policies according to IAS 27 (Separate Financial Statements) and IFRS 10 (Consolidated Financial Statements).

ACCOUNTING AND VALUATION PRINCIPLES

The accounting and valuation principles applied in this interim financial report as of September 30, 2014 are the same as those applied in the consolidated financial statements as of December 31, 2013.

ROUNDINGS

The tables and figures used in the interim financial statements 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, 2014, financial assets included other non-current receivables in the amount of EUR 8 thousand (December 31, 2013 [previous year]: EUR 8 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, 2014	Dec. 31, 2013
Capitalized production costs including contract profits	15,149	15,035
for which advance payments received	-3,280	-6,954
Total	**11,869**	**8,081**

As of December 31, 2013 coming receivables on construction contracts amounted to EUR 8,081 thousand. This figure included coming receivables on construction contracts of EUR 5,844 thousand for which advanced payments in the amount of EUR 3,093 thousand were received. In May 2014, these coming receivables on construction contracts were impaired and have since been accounted for using the principles of IAS 2 (inventory valuation).

The net realizable value in the amount of EUR 3,822 thousand was determined taking into account the payments received.

OTHER CURRENT RECEIVABLES

Other current receivables are composed as follows:

EUR'000	Sep. 30, 2014	Dec. 31, 2013
Receivables from investment incentives	236	369
Value added tax due	759	443
Accounts payable with debit balances	56	29
Deferred prepayments	650	299
Others	510	507
Total	**2,211**	**1,647**

SHAREHOLDERS' EQUITY

Share Capital
As of September 30, 2014, 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, 2014.

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 2014.

NON-CURRENT FINANCIAL LIABILITIES

Non-current financial liabilities totaled EUR 6,031 thousand (previous year: EUR 6,540 thousand) – all of which were liabilities to banks. Non-current financial liabilities are composed as follows:

EUR'000	Sep. 30, 2014	Dec. 31, 2013
Non-current financial liabilities	13,050	7,617
Portion of non-current financial liabilities due in less than one year	-7,019	-1,077
Non-current financial liabilities less current portion	**6,031**	**6,540**

The increase in financial liabilities is, on the one hand, a result of the refinancing of two fixed-interest real estate loans, which were secured by land charges, for a new building in Wettenberg for EUR 5,684 thousand which were combined into a new loan of EUR 6,000 thousand with a term until January 2023. At the same time, a remaining discount applied to the discharged loans of EUR 216 thousand was recognized in the financial result in the income statement. On the other hand, a previously unutilized long-term loan to finance the building at the Wettenberg site was utilized for financing working capital.

PENSION PROVISIONS

The slight rise in pension provisions results from the planned addition. Since the 2013 annual financial statements, the interest portion included in pension expenses is no longer split as an expense between the functional units but is now reported in the financial result. The previous-year figures were adjusted accordingly.

CURRENT FINANCIAL LIABILITIES

Current financial liabilities reported primarily relate to the current positions of non-current financial liabilities here totaling EUR 7,019 thousand (previous year: EUR 1,077 thousand). Current liabilities to banks amounted to EUR 2 thousand (previous year: EUR 3 thousand). Current financial liabilities include the previously unutilized long-term loan to finance the building at the Wettenberg site that was utilized for financing working capital. Otherwise we refer to the explanations of the liquidity in the management report.

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:

ADVANCE PAYMENTS RECEIVED ON ORDERS

EUR'000	Sep. 30, 2014	Dec. 31, 2013
Advance payments received (progress billing)	0	393
less contract costs incurred (incl. share of profit)	0	-296
Total	**0**	**97**

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, 2014 was EUR 12,167 thousand (previous year: EUR 8,282 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, 2014	Dec. 31, 2013
Obligations to employees	2,924	2,859
Obligations to suppliers	1,733	2,443
Other commitments	307	381
Total	**4,964**	**5,683**

OTHER CURRENT LIABILITIES

Other current liabilities decreased to EUR 872 thousand (previous year: EUR 1,059 thousand) and are composed as follows:

OTHER PROVISIONS

EUR'000	Sep. 30, 2014	Dec. 31, 2013
Payroll and church tax liabilities	369	491
Other liabilities	503	568
Total	**872**	**1,059**

Other provisions were divided into non-current (EUR 255 thousand; previous year: EUR 490 thousand) and current provisions (EUR 2,072 thousand; previous year: EUR 1,915 thousand), and are composed as follows:

EUR'000	Sep. 30, 2014	Dec. 31, 2013
Warranty	713	1,054
Subsequent costs	732	537
Archiving	182	182
Penalties	142	0
Others	558	632
Total	**2,327**	**2,405**

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.

OTHER FINANCIAL OBLIGATIONS

There were no notable changes in other financial obligations from leases and other contracts as compared to the 2013 consolidated financial statements.

C. NOTES ON SELECTED INCOME STATEMENT ITEMS

SALES REVENUES

Sales revenues are recognized as soon as the goods are delivered or the services are performed. The transfer of risk has taken place and no technical risks or specific opposing contractual regulations exist.

Customer-specific construction contracts are generally recognized in accordance with IAS 11 on the basis of the progress of work (percentage of completion method) provided that a reliable estimate of the outcome of the contract – the products to be delivered, the terms of payment and the manner in which the work is to progress – is clearly defined in the contracts and the fulfillment of the contractual arrangements by both the purchaser and the seller is considered to be probable.

If the outcome of a construction contract cannot be estimated reliably, proceeds are recognized only to the extent of the contract costs incurred which can probably be covered ("zero profit margin method").

If a contracting entity pulls out completely contract production is discontinued pursuant to IAS 11 (PoC method or ZPM method). The amount capitalized to this date – after any necessary valuation allowances – is measured in accordance with the general provisions of the measurement of inventories (IAS 2).

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.). Sales revenues can be broken down into the following categories:

EUR'000	Jan. 1 - Sep. 30, 2014	Jan. 1 - Sep. 30, 2013
Systems	44,756	32,399
After-sales	9,651	10,476
Contract processing	2,427	2,943
Others	1,105	724
Total	**57,939**	**46,541**

Revenues in the first nine months of 2014 were mainly comprised of systems business, which accounted for 77% of PVA TePla Group's total sales revenues. Sales revenues from After-sales business accounted for 17% of total sales revenues. The share of contract processing sales revenues is slightly down on the previous year at 4% of total current sales revenues for 2014.

RESEARCH AND DEVELOPMENT EXPENSES

Research and development expenses reported in the income statement amounted to EUR 1,621 thousand in the first nine months of 2014 and EUR 1,686 thousand in the first nine months of 2013. Income from research and development project grants of EUR 203 thousand in 2014 and EUR 743 thousand in 2013 was recognized separately under "Other operating income".

INCOME TAXES

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

A tax rate of rounded 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 Company also plans to merge Munich Metrology GmbH with PVA TePla Metrology Systems GmbH effective January 1, 2015. According to current planning, losses carried forward of EUR 1,830 thousand will cease to exist. Consequently, deferred tax assets on losses carried forward in the amount of EUR 512 thousand were adjusted as of September 30, 2014.

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. 1 - Sep. 30, 2014**	Jan. 1 - Sep. 30, 2013
Current tax expenses	-110	-639
Deferred tax expenses (-) / income	1,339	3,132
Total income taxes	**1,229**	**2,493**

EARNINGS PER SHARE

Consolidated net result for the period before minority interests amounted to EUR -4,792 thousand (January 1 – September 30, 2013 [previous year]: EUR -6,534 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 2014.

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, 2014 and 2013:

	Jan. 1 - Sep. 30, 2014	Jan. 1 - Sep. 30, 2013
Numerator: Consolidated net result for the period before minority interests (EUR '000)	-4,792	-6,534
Denominator: Weighted number of shares outstanding – basic	21,749,988	21,749,988
Earnings per share (EUR)	**-0.22**	**-0.31**

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, 2014.

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 2013 and is structured in the same way.

E. ADDITIONAL DISCLOSURES

SEGMENT REPORTING

Since January 1, 2014, PVA TePla Group has been divided into two divisions: Industrial Systems and Semiconductor Systems. Performance is assessed and decisions regarding the assignment of resources to the segments are made on the basis of PVA TePla AG's two divisions. The following segment reporting therefore follows the Group's organizational structures of the two divisions based on PVA TePla's Group internal management system. Please refer to the explanations in the management report for details on the segments' products and services.

The following tables give an overview of PVA TePla AG's segments. 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** is as follows:

EUR'000	External sales revenues		Internal sales revenues		Total sales revenues		Operating result (EBIT)	% of sales revenues	Operating result (EBIT)	% of sales revenues
	2014	2013	2014	2013	2014	2013	2014		2013	
Industrial Systems	11,193	7,986	95	140	11,288	8,126	194	1.7	850	10.5
Semiconductor Systems	8,052	8,947	42	142	8,094	9,089	49	0.6	-1,188	-13.1
Segment total	**19,245**	**16,933**	**137**	**282**	**19,382**	**17,215**	**243**	**1.3**	**-338**	**-2.0**
Consolidation	0	0	0	0	0	0	-222	-	-30	-
Group	**19,245**	**16,933**	**137**	**282**	**19,382**	**17,215**	**21**	**0.1**	**-368**	**-2.1**

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

EUR'000	External sales revenues		Internal sales revenues		Total sales revenues		Operating result (EBIT)	% of sales revenues	Operating result (EBIT)	% of sales revenues
	2014	2013	2014	2013	2014	2013	2014		2013	
Industrial Systems	29,377	20,740	613	439	29,990	21,179	-440	-1.5	-1,510	-7.1
Semiconductor Systems	28,562	25,801	160	424	28,722	26,225	-4,428	-15.7	-7,046	-26.9
Segment total	**57,939**	**46,541**	**773**	**863**	**58,711**	**47,404**	**-4,922**	**-8.4**	**-8,556**	**-18.0**
Consolidation	0	0	0	0	0	0	-178	-	34	-
Group	**57,939**	**46,541**	**773**	**863**	**58,711**	**47,404**	**-5,100**	**-8.8**	**-8,522**	**-18.0**

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

EUR'000	Jul. 1 - Sep. 30, 2014	Jul. 1 - Sep. 30, 2013	Jan. 1 - Sep. 30, 2014	Jan. 1 - Sep. 30, 2013
Total segment results	243	-338	-4,922	-8,556
Consolidation	-222	-30	-178	34
Consolidated operating profit (EBIT)	21	-368	-5,100	-8,522
Financial result	-444	-330	-921	-506
Results before taxes	-423	-695	-6,021	-9,027
Income taxes	-303	68	1,229	2,492
Consolidated net result for the period	**-726**	**-627**	**-4,792**	**-6,534**

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. PVA TePla has been applying IFRS 13 since January 1, 2013.

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 of September 30, 2014 in EUR'000	Total	Level 1	Level 2	Level 3
Financial liabilities measured at fair value:				
Derivative financial instruments	**-958**	0	-958	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 2013 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.

Forwards Exchange Contracts
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 275 thousand or USD 380 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, 2014 is EUR -25 thousand.

Interest Rate 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, 2014 was EUR 5,827 thousand. The fair value of these instruments is reported under other financial liabilities, totaling EUR -933 thousand as of the reporting date.

Effective March 3, 2014, PVA TePla AG terminated two fixed-interest real estate loans, which were secured by charges and land, for a new building in Wettenberg for EUR 5,684 thousand and combined them into a new loan of EUR 6,000 thousand with a term until January 2023. The new loan is with interest hedges of more than EUR 6,000 thousand synchronized.

The existing interest rate swaps were designed as hedges for the new loan (underlying transaction) taken out in connection with the refinancing of the new building in Wettenberg. As of the date of designation, March 3, 2014, the swaps had a negative market value of EUR -861 thousand. The applicable fair value of the existing hedges has been released in the second quarter on a pro rata basis, which was an approximate solution in the first step. In the third quarter we measured effectiveness of the hedging relationship. This caused a reclassification of the changes in fair value to the other comprehensive income. The corresponding counter entry leads to a negative interest income in the third quarter. The effectiveness of the hedge will be measured every quarter again.

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. 1 - Sep. 30, 2014	Jan. 1 - Sep. 30, 2013
Administration	60	62
Sales	48	51
Engineering, research and development	89	106
Production and service	215	258
Total number of employees	**412**	**477**

EXECUTIVE BODIES OF THE COMPANY

In the period from January 1 to September 30, 2014, the Management Board of PVA TePla AG consisted of the following persons:

Dr. Arno Knebelkamp, Mülheim
(Chairman/CEO until June 13, 2014)

Peter Abel, Wettenberg
(since April 1, 2014 responsible for strategic corporate planning; since June 13, 2014 Chairman/CEO)

Oliver Höfer, Jena
(Chief Operating Officer/COO)

Henning K. G. Döring, Giessen
(since April 1, 2014 Chief Financial Officer)

Members of the Supervisory Board for the period from January 1 to June 30, 2014 were as follows:

Alexander von Witzleben, Weimar (Chairman)

Dr. Gernot Hebestreit, Leverkusen (Deputy Chairman)

Prof. Dr. Günter Bräuer, Cremlingen (until June 13, 2014)

Prof. Dr. Markus H. Thoma, Schöffengrund
(since June 13, 2014)

With the exception of the appointment of a new Chairman and a new Chief Financial Officer as well as the change in the supervisory board there were no other 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, 2014.

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).

PVA TePla AG's relevant transactions with related parties principally encompass acquisition of operating and office equipment from IT companies in which the Chairman has shareholdings. In the first nine months of 2014, the value of purchases from these companies amounted to EUR 640 thousand and the value of sales to EUR 25 thousand up to now. The net amounts of outstanding receivables and liabilities as of the reporting date on September 30, 2014 were EUR 0 thousand and EUR 58 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, 2014.

SIGNIFICANT POST-BALANCE SHEET DATE EVENTS

Please refer to section 3 of this interim management report. There have been no significant events since September 30, 2014.

AUDITOR

At the Annual General Meeting on June 13, 2014, the shareholders approved the Supervisory Board's proposal and, as in the previous year, appointed Ebner Stolz GmbH & Co. KG. Wirtschaftsprüfungsgesellschaft / Steuerberatungsgesellschaft, Frankfurt am Main, Germany, as auditor of the annual and consolidated financial statements for the fiscal year 2014.

RESPONSIBILITY STATEMENT

To the best of my knowledge, we 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 6, 2014

Peter Abel
Chief Executive Officer

Oliver Höfer
Chief Operating Officer

Henning Döring
Chief Financial Officer

FINANCIAL CALENDAR

Date		
November 25-26, 2014	German Equity Forum	Frankfurt

IMPRINT

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