

Press release

Wettenberg, March 27, 2014

PVA TePla: Publication of the 2013 annual report and outlook for 2014

Review of fiscal 2013

- Consolidated sales revenues EUR 64.1 million (previous year: EUR 103.3 million)
- Incoming orders of EUR 88.6 million (previous year: EUR 59.2 million)
- Equity ratio of 54.5% (previous year: 57.7%)

PVA TePla AG, based in Wettenberg, a producer of systems for manufacturing industrially used crystals as well as vacuum and high-temperature systems, generated consolidated sales revenues of just EUR 64.1 million and operating earnings (EBIT) of EUR -9.5 million in 2013 due to a persistently weak order situation in 2012 and through to mid-2013. To compensate for the weak utilization, previously announced extensive cost reduction programs were implemented in the first half of 2013. Overall, these led to extraordinary expenses totaling EUR 6.3 million, although they had a noticeable positive effect on operating earnings in the second half of 2013.

As at December 31, 2013, total assets stood at EUR 92.4 million, down on the previous year's figure of EUR 103.7 million due to the lower business volume. As a result of the

net loss for the year and the dividend payment, equity decreased from EUR 59.9 million to EUR 50.3 million. The equity ratio fell from 57.7% to 54.5%.

The operating cash flow remained positive at EUR 1.8 million in fiscal 2013 (previous year: EUR 4.4 million). In total, the extraordinary effects with an impact on liquidity, particularly for severance pay in the context of the personnel measures, were thus fully absorbed by the operating cash flow. Cash and cash equivalents amounted to EUR 6.6 million (previous year: EUR 10.0 million).

The annual report is now available to download on the company's website www.pvatepla.com. A press conference and analysts' meeting to comment on the past fiscal year and the prospects for further development will be held in Frankfurt on March 28, 2014.

Outlook for fiscal 2014

In view of an order backlog of EUR 53.9 million as at December 31, 2013 (previous year: EUR 30.7 million) and the fact that orders received in the first half of 2014 are still to have an impact on sales revenues and earnings in series-production and project business, we are expecting consolidated sales revenues of EUR 90 million to EUR 100 million and a positive operating EBIT margin between 2% and 4% for fiscal 2014. As a result of the above-mentioned cost reduction measures, the breakeven sales revenue figure in the existing structures has been reduced to around EUR 80 million. For instance, at 22.4%, the gross margin in the fourth quarter of 2013 was well up on the third quarter, and almost back to the level of the gross margin for 2012 as a whole.

Planned structural changes: PVA TePla AG to become a holding company

Subject to approval from the Annual General Meeting in June 2014, a complete reorganization is planned with the aim of making the PVA TePla Group a more streamlined and powerful presence on the market. Operating units of PVA TePla AG are to become independent companies. The limited companies (GmbHs) will thus operate in their business areas with greater autonomy, although they will remain wholly owned by PVA TePla AG and transfer their earnings to the holding company on the basis of affiliation agreements. There are also plans to merge several existing subsidiaries within the Group and combine them into larger entities. In future, PVA TePla AG is therefore set to operate as a strategic holding company.

Changes in the Management Board

The current CEO Dr. Arno Knebelkamp has asked for early release from his contract, and will resign from Management Board at his own request and by mutual agreement on June 13, 2014, the day of the Annual General Meeting. He will continue to be associated with the company in a consultancy capacity.

At its meeting on March 26, 2014, the Supervisory Board appointed the founder of PVA TePla, Peter Abel, to the Management Board with effect from April 1, 2014. Mr. Abel was previously at the helm of the company until 2011. He will take over as CEO on June 13, the day of the Annual General Meeting.

The Supervisory Board greatly regrets that Dr. Arno Knebelkamp will be leaving the company for personal reasons following the successful restructuring of the company.

By resolution of the Supervisory Board, former Head of Group Accounting Henning Döring (aged 37) is to become a new member of the Management Board with responsibility for finance with effect from April 1, 2014. After taking a degree in

business administration, Henning Döring worked for the auditing firm KPMG as a Certified Public Accountant, and has been at PVA TePla AG since 2012.

Consequently, the Management Board of PVA TePla will consist of three members as at June 13, 2014: Peter Abel (CEO - corporate development), Oliver Höfer (COO - production and technology) and Henning Döring (CFO - finance).

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