

# Economic Potential **Vacuum- technology**

Half Year Financial Report

SECOND QUARTER 2015



# Half Year Financial Report / Second Quarter 2015

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## Key Figures

		<b>Q2 2015</b>	Q2 2014	Change	<b>Q1-Q2 2015</b>	Q1-Q2 2014	Change
<b>Sales and profit</b>							
Total sales	K€	117,647	99,597	18.1%	224,542	198,147	13.3%
Germany	K€	19,809	16,914	17.1%	38,048	36,519	4.2%
Other countries	K€	97,838	82,683	18.3%	186,494	161,628	15.4%
Operating profit	K€	14,011	10,381	35.0%	30,451	20,585	47.9%
EBIT margin	%	11.9	10.4	1.5Pp	13.6	10.4	3.2Pp
Net income	K€	9,746	7,060	38.0%	21,179	13,922	52.1%
Return on sales	%	8.3	7.1	1.2Pp	9.4	7.0	2.4Pp
Operating cash flow	K€	5,762	12,452	-53.7%	25,443	15,059	69.0%
Capital expenditures	K€	2,133	2,211	-3.5%	3,230	4,531	-28.7%
Earnings per share	€	0.99	0.72	37.5%	2.15	1.41	52.5%
<b>Workforce</b>							
Workforce (average)		2,299	2,249	2.2%	2,286	2,254	1.4%
Germany		863	842	2.5%	859	841	2.1%
Other countries		1,436	1,407	2.1%	1,427	1,413	1.0%
Sales per employee	K€	51	44	15.9%	98	88	11.4%
				<b>June 30, 2015</b>	December 31, 2014	Change	
<b>Balance sheet</b>							
Balance sheet total	K€	449,529			429,078		4.8%
Cash and cash equivalents	K€	98,151			101,468		-3.3%
Number of shares issued		9,867,659			9,867,659		0.0%
Shareholders' equity	K€	285,044			279,728		1.9%
Equity ratio	%	63.4			65.2		-1.8Pp

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This half year financial report has been prepared in accordance with International Financial Reporting Standards (IFRS). Throughout this report, all percentages are calculated based on amounts in thousands €.

The Half Year Financial Report as of June 30, 2015, is unaudited.

## The Company

Pfeiffer Vacuum – a name that stands for innovative solutions, high technology and dependable products, along with first class service. For more than 125 years, we have been setting standards in vacuum technology with these attributes. One very special milestone was the invention of the turbopump at our Company more than 50 years ago. Thanks to our know-how, we continue to be the technology and world market leader in this field. To no small degree, this also manifests itself in our strong profitability.

Our extensive line of solutions, products and services ranges from vacuum pumps, measurement and analysis equipment right through to complex vacuum systems. And quality always plays a key role in this connection: Products from Pfeiffer Vacuum are being constantly optimized through close collaboration with customers from a wide variety of industries, through ongoing development work and through the enormous enthusiasm and commitment of our people. These are virtues that we will continue to embrace!

## Pfeiffer Vacuum

Headquarters	Asslar
Established	1890
Purpose of the Company	To develop, manufacture and market components and systems for vacuum generation, measurement and analysis
Manufacturing sites	Asslar, Germany; Göttingen, Germany; Annecy, France; Asan, Republic of Korea; Cluj, Romania
Workforce (June 30, 2015)	2,299
Sales and service	20 subsidiaries and a multitude of agencies worldwide
Quality management	Certified under ISO 9001
Environmental management	Certified under ISO 14001
Stock exchange listing	Deutsche Börse, Prime Standard/TecDAX
Accounting	IFRS

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For more information please visit [www.group.pfeiffer-vacuum.com](http://www.group.pfeiffer-vacuum.com).

## Share Performance

Pfeiffer Vacuum shares have been traded on the Deutsche Börse Stock Exchange in Frankfurt since April 15, 1998. Pfeiffer Vacuum satisfies the high transparency requirements of the Prime Standard and has been included without interruption in the TecDAX, the index of the 30 most important technology issues traded on the stock exchange in Frankfurt, since its inception.

### Basic information about Pfeiffer Vacuum shares

Deutsche Börse Symbol	PFV
ISIN	DE0006916604
Bloomberg Symbol	PFV.GY
Reuters Symbol	PV.DE
Number of shares issued	9,867,659
Freefloat as at June 30, 2015	100 %
Market capitalization as at June 30, 2015	€ 788.6 million

On January 2, 2015, the opening share price of Pfeiffer Vacuum shares was € 68.90 and the closing share price was € 79.92 on June 30, 2015. This represents an increase by around 16.0 %. On May 21, 2015 the high for the first half year 2015 was reached with € 89.70. The low for the first six months in 2015 was € 65.69 on January 6, 2015. In the same period the TecDAX, starting at 1,382 points on January 2, 2015 and closing at 1,642 points on June 30, 2015, increased by 18.8 %.

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As a still strong dividend issuer in the TecDAX, Pfeiffer Vacuum distributed repeatedly an above average high dividend to its shareholders in 2015. At the Annual General Meeting on May 21, 2015, a vast majority of shareholders followed the common proposal of Management and Supervisory Board and resolved a dividend of € 2.65 for the fiscal year 2014. Thus, the payout ratio increased to around 81 % of consolidated net income. A total of € 26.1 million was paid to the shareholders.

Unchanged compared to December 31, 2014, the free-float is 100 %. This free-float is also the basis for the calculation of market capitalization as at June 30, 2015.

## Interim Management Report

Based on a total demand slightly stronger compared to the first quarter of 2015, sales revenues were recorded at € 117.6 million in Q2 2015 (Q1 2015: € 106.9 million), and accordingly totaled € 224.5 million for the first six months of 2015. Following € 198.1 million in the first half of 2014, this represents a significant increase by € 26.4 million, or 13.3 %, respectively. This positive development was mainly caused by the stronger demand in the semiconductor market and in analytics. The sales increase connected with positive economies of scale had also a positive impact on the gross margin. Thus, gross margin increased to 37.7 % in the first six months of the current fiscal year, after 35.5 % in the first half year 2014. After € 70.3 million in the first half year 2014 gross profit was € 84.6 million in current period. Compared to the first six months of 2014 selling and marketing expenses, general and administrative expenses as well as R & D expenses slightly increased. However, relative to sales, the operating costs remained at previous year's level or even declined slightly. An improved foreign exchange result in the first six months of 2015 also had a positive impact on the operating profit of € 30.5 million which was noticeable above previous year's level (€ 20.6 million). This corresponded to an EBIT margin of 13.6 % which represented a significant improvement in comparison to the first half year 2014 where an EBIT margin of 10.4 % was achieved. Moreover it has to be considered that the foreign exchange results in Q2 2015 had been negative and thus burdened the operating profit in particularly this quarter. Financial result totaled € -0.2 million and was therefore vastly flat compared to prior year (€ -0.3 million). The tax ratio was 30.0 %, following 31.5 % last year. In total, net income was noticeable above the prior year level. After € 13.9 million a total of € 21.2 million was currently recorded, representing an increase by 52.1 %. This led to earnings per share of € 2.15 (H1/2014: € 1.41).

### Overall Economic Environment and Industry Situation

Overall economic environment in the first half year 2015 largely developed without noteworthy changes compared to the close of fiscal 2014. For the time being the Greek debt crisis does not show any considerable strain to the economic development in Europe. Thus, the European economy and also the U.S. economy showed a stable positive trend which overlaid the slightly declining development in Asia, particularly in China. Accordingly demand in the vacuum industry is mostly unchanged compared to 2014. In addition, semi business and analytics showed positive impulses in demand which positively impacted the order intake and sales development.

### Business

Our business operations include the development, manufacture, sale and service of vacuum pumps, vacuum measurement, components and analysis equipment and instruments, as well as vacuum systems.

### Sales

Presented below are net sales by segment, by region, by product and by market for the periods ended June 30, 2015 and 2014.

## Interim Management Report

### Sales by Segment (Companies)

Pfeiffer Vacuum's subsidiaries in the individual countries are independent legal entities with their own management which distribute the products and provide services. Accordingly, we identify our operating segments geographically. Due to the similarity of their economic characteristics, including nature of products sold, type of customers, methods of product distribution and economic environment, the Company basically aggregates its European and Asian subsidiaries into one reporting segment, "Europe (without Germany, France)" and "Asia (without Republic of Korea)". In contrast, the companies in France and the Republic of Korea were each presented separately as an individual segment. This was caused by the different functions of the French entities, including research and development as well as production, and the production function of the Korean entities, respectively.

### Sales by Segment

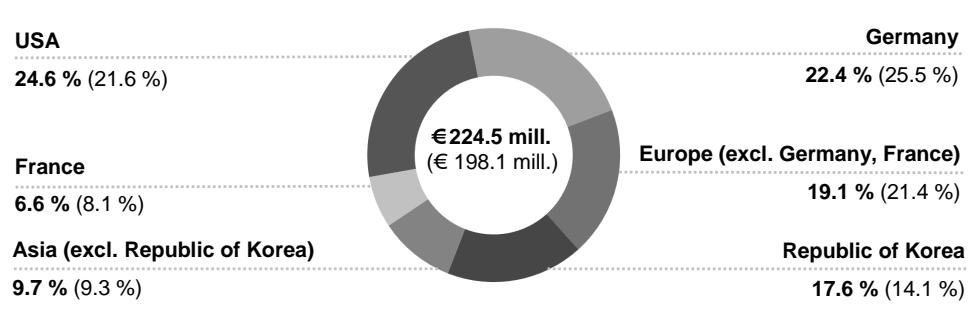
	Three months ended June 30,		Six months ended June 30,	
	2015 in K€	2014 in K€	2015 in K€	2014 in K€
USA	29,336	23,030	55,186	42,704
Germany	26,376	23,463	50,436	50,483
Europe (without Germany, France)	21,737	21,127	42,822	42,359
Republic of Korea	19,282	14,810	39,496	28,031
Asia (without Republic of Korea)	12,554	10,061	21,734	18,514
France	8,362	7,106	14,868	16,056
<b>Total</b>	<b>117,647</b>	<b>99,597</b>	<b>224,542</b>	<b>198,147</b>

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In analyzing the sales by segment a very positive development in the USA and the Republic of Korea can be noticed. Sales in the Republic of Korea increased by 40.9 % in the first half year 2015 as a result of the higher demand in the semiconductor industry. A positive development of demand in semiconductor industry and also in the analytical market caused the sales in the USA to increase by 29.2 %. In addition, sales development in both countries was positively impacted by foreign exchange rate changes. Our entities in the rest of Asia also showed pleasing sales increases. In contrast, the development in Europe stagnated.

The following graphic shows the still balanced split of consolidated sales by segments.

### Sales by Segment H1/2015 (H1/2014)



## Interim Management Report

### Sales by Region

In the following table we are also summarizing sales by region. The table includes all sales in a given region, regardless of which company in the Pfeiffer Vacuum Group actually generated these sales.

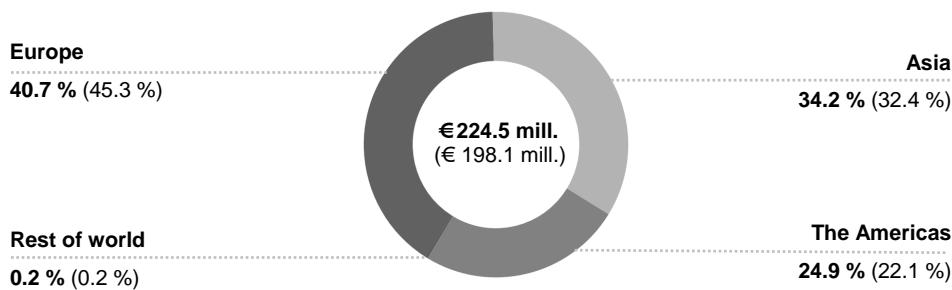
### Sales by Region

	Three months ended June 30,		Six months ended June 30,	
	2015	2014	2015	2014
	in K€	in K€	in K€	in K€
Europe	47,309	43,186	91,385	89,798
Asia	40,495	32,425	76,897	64,171
The Americas	29,617	23,805	55,793	43,805
Rest of world	226	181	467	373
<b>Total</b>	<b>117,647</b>	<b>99,597</b>	<b>224,542</b>	<b>198,147</b>

The table above shows that the positive development in the US and Asia already presented in the sales by segment analysis was also noticeable in the sales by region. This development in the first half year was strongly affected by the good second quarter with sales increase by around 25 % in both regions. Also in Europe the second quarter 2015 proceeded very positively with a sales increase by € 4.1 million. Thus the somewhat weaker development in the first quarter was more than compensated. As result sales in Europe in the first half year 2015 increased by 1.8 %, or € 1.6 million, in total.

The following graphic shows the still balanced split of sales by region with a slight increase in the Americas.

### Sales by Region H1/2015 (H1/2014)



## Interim Management Report

### Sales by Products

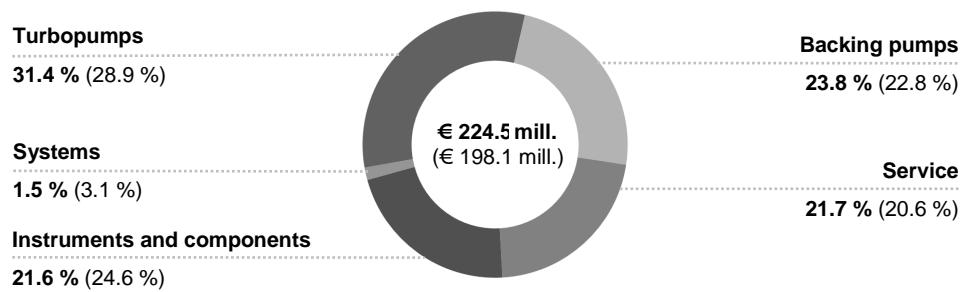
#### Sales by Products

	Three months ended June 30,		Six months ended June 30,	
	2015 in K€	2014 in K€	2015 in K€	2014 in K€
Turbopumps	37,784	26,142	70,605	57,267
Backing pumps	28,556	24,094	53,552	45,076
Service	25,070	20,362	48,816	40,811
Instruments and components	23,417	24,662	48,206	48,776
Systems	2,820	4,337	3,363	6,217
<b>Total</b>	<b>117,647</b>	<b>99,597</b>	<b>224,542</b>	<b>198,147</b>

The development of sales by product shows a pleasing picture for turbopumps, backing pumps and service. In the first half year turbopumps sales increased by 23.3 %, backing pumps by 18.8 % and service by 19.6 %. Sales of backing pumps and service were mainly driven by the stronger demand in the semiconductor industry, while the sales development of turbopumps was primarily impacted by higher demand from the analytic market. In contrast instruments and components sales were virtually on the previous year's level and the project driven systems business declined by € 2.9 million.

The relative split of sales by products was still well balanced with no single product being overweight.

#### Sales by Products H1/2015 (H1/2014)



## Interim Management Report

### Sales by Market

#### Sales by Market

	Three months ended June 30,		Six months ended June 30,	
	2015 in K€	2014 in K€	2015 in K€	2014 in K€
Semiconductors	38,539	29,285	75,287	57,578
Industry	27,439	27,354	52,664	54,433
Analytics	22,749	16,926	44,666	35,573
Coating	16,961	11,246	27,164	23,506
R & D	11,959	14,786	24,761	27,057
<b>Total</b>	<b>117,647</b>	<b>99,597</b>	<b>224,542</b>	<b>198,147</b>

With a sales increase by € 17.7 million, or 30.8 %, semiconductors showed the strongest absolute and relative sales improvement in the first half year 2015. But also the market segments analytics and coating recorded satisfactory increases by € 9.1 million, and € 3.7 million, respectively. In contrast our heterogeneous market segments industry and R & D developed weaker. Particularly the sales in the R & D market in the second quarter have not proved satisfactory declining by € 2.8 million.

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The sales split by markets was as follows:

#### Sales by Market H1/2015 (H1/2014)



## Interim Management Report

### Order Intake and Order Backlog

Following an order intake of € 195.9 million in the first six months of 2014 this number stood at € 245.0 million in the first half of 2015. This represents an increase by € 49.1 million or 25.0 % which was mainly caused by the positive development in the semiconductor market and analytics. In the second quarter order intake of € 124.7 million saw a stronger trend compared to the immediately preceding first quarter (€ 120.3 million). The book to bill ratio, the ratio between new orders and sales, was 1.06 (Q2/2014: 0.96), meaning that order intake was higher than sales. On a year to date basis, the book to bill ratio was 1.09 on June 30, 2015 (0.99 for the first half year of 2014).

Order backlog increased from € 59.3 million at the end of December 2014 to € 79.8 million as at June 30, 2015. Resulting from the book to bill ratio above 1 the order backlog was also higher compared to March 31, 2015 (€ 72.7 million).

Orders are only recorded in order backlog when they are based upon binding contracts. The value of orders on hand should not be used to predict future sales and order volumes.

### Cost of Sales, Gross Profit and Gross Margin

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In the first six months of 2015 cost of sales totaled € 139.9 million (2014: € 127.9 million). This increase was disproportionately lower compared to the sales development. Accounting for € 84.6 million, gross profit was € 14.4 million above previous year's number (€ 70.3 million). The effect from the cost of sales resulted also in a positive growth of the gross margin from 35.5 % in the first half year 2014 to now 37.7 %. There has also been a very pleasing development of the gross margin in the second quarter of the current fiscal year. Here a gross margin of 38.3 % was recorded, compared to 34.5 % in Q 2 2014.

### Selling and Marketing Expenses

With € 28.7 million, selling and marketing expenses of the first six months of the current fiscal year were up € 3.2 million from the comparable number in the previous fiscal year (€ 25.5 million). However, relative to sales, selling and marketing expenses remained vastly at previous year's level (12.8 %).

### General and Administrative Expenses

General and administrative expenses increased from € 15.3 million in the first two quarters of 2014 to € 16.7 million in the current fiscal year. Relative to sales, this ratio declined slightly from 7.7 % to 7.4 %.

## **Interim Management Report**

### **Research and Development Expenses**

With € 12.9 million in the first half of 2015, research and development expenses were up € 1.1 million from the prior year's level of € 11.8 million. However, R&D ratio, the ratio between R & D expenses and sales, decreased slightly from 6.0 % to 5.8 %.

We will maintain the expenses allocated for research and development at a high level and invest in order to be able to sustain our position on the world market, to expand market shares and to open up new markets. All expenditures for research and development are expensed as they are incurred.

### **Other Operating Income/Other Operating Expenses**

Balance of other operating income and expenses totaled € +4.2 million in the first two quarters of 2015 after a net gain of € 2.9 million was recorded in the prior year period. The amounts in 2015 included predominantly net foreign exchange gains of € 2.4 million (2014: € 1.4 million) and expense subsidies affecting net income of € 1.8 million (2014: € 1.5 million).

### **Operating Profit**

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Following € 20.6 million in the first half of 2014, operating profit in the first six months of 2015 increased noticeably by € 9.9 million to €30.5 million. The EBIT margin, the ratio between operating profit and sales, increased from 10.4 % in the first six months of 2014 to 13.6 % in the first half 2015. This was mainly achieved due to considerably higher sales which resulted in a positive development of gross profit. Increased operating costs particularly selling and marketing expenses burdened the operating profit while net foreign exchange gains in total led to a positive impact on EBIT.

### **Financial Results**

With € -0.2 million in the first half year 2015 net financial result was approximately on the prior year's level (€ -0.3 million). There were no significant changes in the composition of the financial results.

### **Income Taxes**

With 30.0 % in the first half year 2015 the tax rate was 1.5 % points below the prior year level (31.5 %).

## Interim Management Report

### Net income / Earnings per share

Totaling € 21.2 million net income for the first half year of 2015 was up significantly by € 7.3 million from the prior year results of € 13.9 million. Return on sales (after taxes) stood – after 7.0 % in 2014 – at 9.4 % in the first two quarters of 2015. Earnings per share developed parallel to net income. After € 1.41 in the first half year of 2014 an amount of € 2.15 was recorded for the current fiscal year. This represents a very pleasing increase by 52.5 %.

### Financial Position

Pfeiffer Vacuum's balance sheet total increased by € 20.4 million, or 4.8 %, from € 429.1 million as at December 31, 2014, to € 449.5 million, as at June 30, 2015. On the assets side of the balance sheet, this was predominantly attributable to the increase by € 19.8 million in inventory and by € 90 million in trade accounts receivable. Both increases are caused by the sound development of sales and order intake. In contrast cash and cash equivalents decreased by € 3.3 million. This was mainly due to the dividend payment to the Pfeiffer Vacuum Technology AG shareholders following the Annual Shareholders' Meeting in May 2015 (€ 26.1 million) which was compensated by operating cash flow of € 25.4 million. For further details with regard to the development of cash and cash equivalents please refer to the following section "Cash Flow". Other material changes related to tangible and intangible assets (decline by € 3.8 million in total, resulting mainly from scheduled depreciation and amortization).

As at June 30, 2015, shareholders' equity totaled € 285.0 million. This represents an increase of € 5.3 million from the level on December 31, 2014 (€ 279.7 million). This development was mainly due to the net income recorded for the first half year of 2015 (€ 21.2 million) and contrary to the dividend payment of € 26.1 million. In addition other equity components saw a net increase by € 10.3 million. This was attributable to positive exchange rate impacts totaling € 8.0 million and to pensions related revaluation impacts recorded directly in equity (€ +3.2 million). The equity ratio was 63.4 % after 65.2 % at the end of fiscal 2014 and accordingly is still above average. Other material line items related to provisions for pensions of € 42.4 million (€ 44.2 million as per December 31, 2014) and the long and short-term financial liabilities of € 31.0 million in total (€ 31.2 million end of 2014). Induced by the positive business development trade accounts payable (€ 30.6 million) increased by € 11.2 million compared to prior year's level of € 19.4 million.

## Interim Management Report

### Cash Flow

Totaling € 25.4 million in the first half 2015, operating cash flow was up by € 10.3 million from the comparable prior year period (€ 15.1 million). In addition to the raised net income the increase in payables and provisions had a positive impact on the operating cash flow of € 17.3 million (2014: negative impact of € 5.7 million). On the other hand the development of inventories and receivables including other assets burdened operating cash flow in the current reporting period by € 23.8 million (2014: negative impact of € 5.0 million).

As in the prior year period capital expenditures were the major determinant for the cash flow from investing activities in 2015 (€ 3.2 million; prior year: € 4.5 million).

Net cash used in financing activities in the current fiscal year totaled € 26.3 million (2014: € 26.4 million). The dividend payment to the Pfeiffer Vacuum Technology AG shareholders caused the main cash outflow of € 26.1 million in current year and in 2014. In addition there were somemimmaterial changes in the financial liabilities.

Considering exchange rate impacts, total cash outflow thus amounted to € 3.3 million (2014: € 16.8 million) and resulted in a slight decrease in cash and cash equivalents by 3.3 % to € 98.2 million.

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### Workforce

As of June 30, 2015, the company employed a workforce of 2,299 people, 863 of them in Germany and 1,436 in other countries.

### Workforce

	Germany		Other countries		Total	
	2015	2014	2015	2014	2015	2014
June 30,						
Manufacturing and Service	480	473	874	853	1,354	1,326
Research and Development	87	86	85	86	172	172
Sales and Marketing	204	190	339	334	543	524
Administration	92	93	138	134	230	227
<b>Total</b>	<b>863</b>	<b>842</b>	<b>1,436</b>	<b>1,407</b>	<b>2,299</b>	<b>2,249</b>

## **Interim Management Report**

### **Risk and Opportunities Report**

During the first six months of the 2015 fiscal year, there were no changes in the risks and opportunities as described in our Annual Report (Geschäftsbericht) for the year ended December 31, 2014. The Annual Report is available on our homepage at [www.group.pfeiffer-vacuum.com](http://www.group.pfeiffer-vacuum.com).

### **Major Events in Fiscal 2015**

After the end of the first half year 2015, there has not been any significant change in the industry environment or in the Company's position.

### **Outlook**

As communicated at the Shareholders' Meeting on May 21, 2015 we confirm our forecast and continue to expect full-year sales in a range between € 430 and € 450 million and a noticeable improvement of the operating profit and EBIT margin compared to last year. This forecast is based on very good order intake in the first half year of the current year associated with our knowledge about customer's projects and strong demand from the analytic market and semiconductors anymore.

## Consolidated Interim Financial Statements

### Consolidated Statements of Income (unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2015 in K€	2014 in K€	2015 in K€	2014 in K€
Net sales	117,647	99,597	224,542	198,147
Cost of sales	-72,619	-65,255	-139,925	-127,881
<b>Gross profit</b>	<b>45,028</b>	<b>34,342</b>	<b>84,617</b>	<b>70,266</b>
Selling and marketing expenses	-14,871	-12,765	-28,749	-25,515
General and administrative expenses	-8,756	-7,706	-16,657	-15,272
Research and development expenses	-6,547	-5,864	-12,912	-11,828
Other operating income	161	2,400	7,805	3,951
Other operating expenses	-1,004	-26	-3,653	-1,017
<b>Operating profit</b>	<b>14,011</b>	<b>10,381</b>	<b>30,451</b>	<b>20,585</b>
Financial expenses	-171	-260	-336	-513
Financial income	83	186	141	252
<b>Earnings before taxes</b>	<b>13,923</b>	<b>10,307</b>	<b>30,256</b>	<b>20,324</b>
Income taxes	-4,177	-3,247	-9,077	-6,402
<b>Net income</b>	<b>9,746</b>	<b>7,060</b>	<b>21,179</b>	<b>13,922</b>
<b>Earnings per share (in €):</b>				
Basic	0.99	0.72	2.15	1.41
Diluted	0.99	0.72	2.15	1.41

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See accompanying notes to the interim financial statements.

## Consolidated Interim Financial Statements

### Consolidated Statements of Comprehensive Income (unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2015 in K€	2014 in K€	2015 in K€	2014 in K€
<b>Net income</b>	<b>9,746</b>	7,060	<b>21,179</b>	13,922
<b>Other comprehensive income</b>				
<b>Amounts to be reclassified to income statement in future periods (if applicable)</b>				
Currency changes	-3,474	1,597	8,008	1,234
Results from cash flow hedges	-	-	96	-
Related deferred income tax effects	-	-	-32	-
<b>-3,474</b>	<b>1,597</b>		<b>8,072</b>	1,234
<b>Amounts not to be reclassified to income statement in future periods</b>				
Valuation of defined benefit plans	3,252	-6,225	3,107	-6,219
Related deferred income tax effects	-938	1,792	-893	1,791
<b>2,314</b>	<b>-4,433</b>		<b>2,214</b>	-4,428
<b>Other comprehensive income net of tax</b>	<b>-1,160</b>	-2,836	<b>10,286</b>	-3,194
<b>Total comprehensive income net of tax</b>	<b>8,586</b>	4,224	<b>31,465</b>	10,728

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See accompanying notes to the interim financial statements.

## Consolidated Interim Financial Statements

### Consolidated Balance Sheets (unaudited)

	June 30, 2015	December 31, 2014
	in K€	in K€
<b>Assets</b>		
Intangible assets	76,784	77,857
Property, plant and equipment	82,363	85,135
Investment properties	508	520
Shares in associated companies	1,600	1,600
Deferred tax assets	21,783	22,202
Other non-current assets	5,312	4,819
<b>Total non-current assets</b>	<b>188,350</b>	192,133
Inventories	84,009	64,245
Trade accounts receivable	62,647	53,649
Income tax receivables	3,541	6,325
Prepaid expenses	2,917	1,230
Other accounts receivable	9,914	10,028
Cash and cash equivalents	98,151	101,468
<b>Total current assets</b>	<b>261,179</b>	236,945
<b>Total assets</b>	<b>449,529</b>	429,078
<b>Shareholders' equity and liabilities</b>		
Share capital	25,261	25,261
Additional paid-in capital	96,245	96,245
Retained earnings	175,231	180,201
Other equity components	-11,693	-21,979
<b>Equity of Pfeiffer Vacuum Technology AG shareholders</b>	<b>285,044</b>	279,728
Financial liabilities	20,704	20,697
Provisions for pensions	42,410	44,203
Deferred tax liabilities	7,283	7,614
<b>Total non-current liabilities</b>	<b>70,397</b>	72,514
Trade accounts payable	30,592	19,414
Customer deposits	4,279	3,029
Other accounts payable	20,789	18,544
Provisions	24,103	22,367
Income tax liabilities	4,016	2,974
Financial liabilities	10,309	10,508
<b>Total current liabilities</b>	<b>94,088</b>	76,836
<b>Total shareholders' equity and liabilities</b>	<b>449,529</b>	429,078

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See accompanying notes to the interim financial statements.

## Consolidated Interim Financial Statements

### Consolidated Statements of Shareholders' Equity (unaudited)

	Share Capital in K€	Additional Paid-in Capital in K€	Retained Earnings in K€	Other Equity Components in K€	Equity of <b>Pfeiffer Vacuum Technology AG Shareholders</b> in K€
<b>Balance on Jan. 01, 2014</b>	<b>25,261</b>	<b>96,245</b>	<b>173,931</b>	<b>-19,427</b>	<b>276,010</b>
Net income	-	-	13,922	-	13,922
Other comprehensive income	-	-	-	-3,194	-3,194
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>13,922</b>	<b>-3,194</b>	<b>10,728</b>
Dividend payment	-	-	-26,149	-	-26,149
<b>Balance on June 30, 2014</b>	<b>25,261</b>	<b>96,245</b>	<b>161,704</b>	<b>-22,621</b>	<b>260,589</b>
<b>Balance on Jan. 01, 2015</b>	<b>25,261</b>	<b>96,245</b>	<b>180,201</b>	<b>-21,979</b>	<b>279,728</b>
Net income	-	-	21,179	-	21,179
Other comprehensive income	-	-	-	10,286	10,286
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>21,179</b>	<b>10,286</b>	<b>31,465</b>
Dividend payment	-	-	-26,149	-	-26,149
<b>Balance on June 30, 2015</b>	<b>25,261</b>	<b>96,245</b>	<b>175,231</b>	<b>-11,693</b>	<b>285,044</b>

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See accompanying notes to the interim financial statements.

## Consolidated Interim Financial Statements

### Consolidated Statements of Cash Flows (unaudited)

	Six months ended June 30,	
	2015	2014
	in K€	in K€
<b>Cash flow from operating activities:</b>		
Net income	21,179	13,922
Depreciation/amortization	10,145	10,151
Other non-cash income/expenses	603	1,666
Effects of changes of assets and liabilities:		
Inventories	-19,019	-7,231
Receivables and other assets	-4,803	2,213
Provisions, including pensions, and income tax liabilities	3,249	-2,401
Payables, other liabilities	14,089	-3,261
<b>Net cash provided by operating activities</b>	<b>25,443</b>	<b>15,059</b>
<b>Cash flow from investing activities:</b>		
Capital expenditures	-3,230	-4,531
Proceeds from disposals of fixed assets	68	54
<b>Net cash used in investing activities</b>	<b>-3,162</b>	<b>-4,477</b>
<b>Cash flow from financing activities:</b>		
Dividend payment	-26,149	-26,149
Redemptions of financial liabilities	-195	-236
<b>Net cash used in financing activities</b>	<b>-26,344</b>	<b>-26,385</b>
Effects of foreign exchange rate changes on cash and cash equivalents	746	-984
<b>Net decrease in cash and cash equivalents</b>	<b>-3,317</b>	<b>-16,787</b>
Cash and cash equivalents at beginning of period	101,468	95,129
<b>Cash and cash equivalents at end of period</b>	<b>98,151</b>	<b>78,342</b>

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See accompanying notes to the interim financial statements.

## **Notes to the Consolidated Interim Financial Statements (unaudited)**

### **1. The Company and Basis of Presentation**

The parent company within the Pfeiffer Vacuum Group ("the Company" or "Pfeiffer Vacuum") is Pfeiffer Vacuum Technology AG, domiciled at Berliner Strasse 43, 35614 Asslar, Germany. Pfeiffer Vacuum Technology AG is a stock corporation organized under German law and recorded in the Register of Companies at the Local Court of Wetzlar under Number HRB 44. The Company is listed on the Deutsche Börse Stock Exchange in Frankfurt am Main, Germany, where it is included in the TecDAX index.

Pfeiffer Vacuum is one of the leading full-line vacuum technology manufacturers, offering custom solutions for a wide range of needs in connection with the generation, control and measurement of vacuum. The product portfolio includes turbopumps, a range of backing pumps, such as rotary vane, Roots and dry pumps, complete pumping stations, as well as custom vacuum systems, vacuum chambers and components.

Pfeiffer Vacuum markets and distributes its products through its own network of sales companies and independent marketing agents. Moreover, there are service support centers in all major industrial locations throughout the world. The Company's primary markets are located in Europe, the United States and Asia.

The Consolidated Financial Statements of Pfeiffer Vacuum Technology AG have been prepared in accordance with International Financial Reporting Standards (IFRS) and the interpretations of the IFRS Interpretations Committee (IFRS IC) as applicable in the European Union (EU). This includes the International Accounting Standards (IAS), which continue to retain their validity, the interpretations of the Standing Interpretations Committee (SIC) and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC).

Pfeiffer Vacuum prepares its Consolidated Interim Report ("Interim Report") in euros (€). Unless otherwise indicated, the presentation is in thousands of euros (K €).

### **2. Accounting and Valuation Methods**

In preparing this interim report as of June 30, 2015, IAS 34 "Interim Financial Reporting" was applied. In doing so, the same accounting and valuation methods as in the Consolidated Financial Statements for the fiscal year ended December 31, 2014 were used. Please refer to the detailed description of these methods in the Notes to the Consolidated Financial Statements 2014, which are available in the internet at [www.group.pfeiffer-vacuum.com](http://www.group.pfeiffer-vacuum.com).

## Notes to the Consolidated Interim Financial Statements (unaudited)

### 3. Intangible Assets

Intangible assets consist of the following:

#### Intangible assets

	June 30, 2015	December 31, 2014
	in K€	in K€
Goodwill	56,728	55,155
Software	2,127	1,964
Other intangible assets	17,929	20,738
<b>Total intangible assets</b>	<b>76,784</b>	77,857

### 4. Property, Plant and Equipment

Property, plant and equipment comprise the following:

#### Property, Plant and Equipment

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	June 30, 2015	December 31, 2014
	in K€	in K€
Land and buildings	40,703	41,522
Technical equipment and machinery	26,731	29,148
Other equipment, factory and office equipment	10,804	10,650
Construction in progress	4,125	3,815
<b>Total property, plant and equipment</b>	<b>82,363</b>	85,135

### 5. Inventories

Inventories consist of the following:

#### Inventories

	June 30, 2015	December 31, 2014
	in K€	in K€
Raw materials	33,394	23,205
Work-in-process	20,458	15,262
Finished products	30,157	25,778
<b>Total inventories, net</b>	<b>84,009</b>	64,245

## Notes to the Consolidated Interim Financial Statements (unaudited)

### 6. Paid Dividends

At the Annual Shareholders' Meeting on May 21, 2015, the shareholders resolved a dividend of € 2.65 per share for the year 2014. Thus, a total of € 26,149,296.35 was paid to the shareholders.

### 7. Pension Benefits

Pension expense for all plans included the following components:

#### Pension Expense for All Plans

	Three months ended June 30,		Six months ended June 30,	
	2015 in K€	2014 in K€	2015 in K€	2014 in K€
Service cost	889	749	1,785	1,494
Interest cost	222	232	458	465
<b>Net pension cost</b>	<b>1,111</b>	<b>981</b>	<b>2,243</b>	<b>1,959</b>

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### 8. Warranty

Warranty provisions developed as follows:

#### Warranty provisions

	Six months ended June 30,	
	2015 in K€	2014 in K€
Balance on January 1	12,599	12,136
Currency changes	322	235
Additions	6,374	4,632
Utilization	-4,100	-4,481
<b>Balance on June 30</b>	<b>15,195</b>	<b>12,522</b>

## Notes to the Consolidated Interim Financial Statements (unaudited)

### 9. Earnings per Share

The following table sets forth the computation of basic and diluted earnings per share:

#### Earnings per Share

	Three months ended June 30,		Six months ended June 30,	
	2015	2014	2015	2014
Net income (in K€)	9,746	7,060	21,179	13,922
Weighted average number of shares	9,867,659	9,867,659	9,867,659	9,867,659
Number of conversion rights	-	-	-	-
Adjusted weighted average number of shares	9,867,659	9,867,659	9,867,659	9,867,659
<b>Earnings per share in € (basic/diluted)</b>	<b>0.99</b>	<b>0.72</b>	<b>2.15</b>	<b>1.41</b>

### 10. Segment Reporting

#### Segment Reporting June 30, 2015

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	Germany in K€	France in K€	Europe (excl. G and F) in K€	USA in K€	Repu- blic of Korea in K€	Asia (excl. Korea) in K€	Other/ Consoli- dation in K€	Group in K€
Net sales	107,184	85,929	44,303	55,687	42,103	23,452	-134,116	224,542
Third party	50,436	14,868	42,822	55,186	39,496	21,734	-	224,542
Intercompany	56,748	71,061	1,481	501	2,607	1,718	-134,116	-
Operating profit	18,400	5,391	2,033	2,209	2,023	706	-311	30,451
Financial results	-	-	-	-	-	-	-195	-195
Earnings before taxes	18,400	5,391	2,033	2,209	2,023	706	-506	30,256
Segment assets	111,288	126,469	38,903	71,392	53,883	47,594	-	449,529
Thereof assets according to IFRS 8.33 (b) <sup>1</sup>	51,244	63,086	4,813	11,006	20,099	14,719	-	164,967
Segment liabilities	74,667	60,713	6,819	5,718	12,449	4,119	-	164,485
Capital expenditures:								
Property, plant & equipment <sup>2</sup>	772	684	284	80	267	578	-	2,665
Intangible assets	314	224	21	-	6	-	-	565
Depreciation <sup>2</sup>	2,156	2,888	286	155	710	424	-	6,619
Amortization	365	2,070	95	276	463	257	-	3,526

<sup>1</sup> Non-current assets other than financial instruments, deferred tax assets and prepaid pension cost

<sup>2</sup> Including investment properties

## Notes to the Consolidated Interim Financial Statements (unaudited)

### Segment Reporting June 30, 2014

	<b>Germany</b> in K€	<b>France</b> in K€	<b>Europe (excl. G and F)</b> in K€	<b>USA</b> in K€	<b>Repu- blic of Korea</b> in K€	<b>Asia (excl. Korea)</b> in K€	<b>Other/ Consoli- dation</b> in K€	<b>Group</b> in K€
Net sales	97,601	77,065	43,494	43,235	30,514	20,439	-114,201	198,147
Third party	50,483	16,056	42,359	42,704	28,031	18,514	-	198,147
Intercompany	47,118	61,009	1,135	531	2,483	1,925	-114,201	-
Operating profit	14,735	1,696	2,650	2,296	-2,335	1,381	162	20,585
Financial results	-	-	-	-	-	-	-261	-261
Earnings before taxes	14,735	1,696	2,650	2,296	-2,335	1,381	-99	20,324
Segment assets	122,548	120,430	33,322	51,038	50,430	37,716	-	415,484
Thereof assets according to IFRS 8.33 (b) <sup>1</sup>	53,826	70,321	4,976	9,615	20,021	12,137	-	170,896
Segment liabilities	78,853	51,861	6,976	3,730	9,410	4,065	-	154,895
Capital expenditures:								
Property, plant & equipment <sup>2</sup>	1,042	875	298	533	132	1,514	-	4,394
Intangible assets	101	36	-	-	-	-	-	137
Depreciation <sup>2</sup>	2,218	2,963	264	98	614	465	-	6,622
Amortization	320	2,102	96	293	463	255	-	3,529

<sup>1</sup> Non-current assets other than financial instruments, deferred tax assets and prepaid pension cost

<sup>2</sup> Including investment properties

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### **11. Income Tax Expense**

Under German corporate tax law, taxes on income are composed of corporate taxes, trade taxes and an additional surtax.

The Company's effective tax rate was 30.0 % for the first six months of 2015 and for the second quarter, respectively (2014: 31.5 %).

### **12. Independent Auditor**

At the Annual General Meeting on May 21, 2015, the Supervisory Board proposed and the Shareholders elected Ernst & Young GmbH, Wirtschaftsprüfungsgesellschaft, Eschborn, Germany, as the independent auditor of both the accounts of the Company and the consolidated accounts for the 2015 fiscal year.

## Notes to the Consolidated Interim Financial Statements (unaudited)

### 13. Major Related Party Transactions

Besides the transactions between the subsidiaries that are eliminated during the consolidation process and regular compensation of Management and Supervisory Board members there were no related party transactions in the first half of 2015.

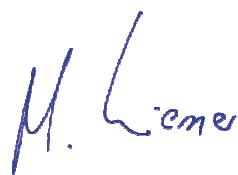
Asslar, August 3, 2015

**Pfeiffer Vacuum Technology AG**

Management Board



Manfred Bender



Dr. Matthias Wiemer

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## Certification of the Legal Representatives

We hereby certify that, to the best of our knowledge and in accordance with the principles of due group interim reporting, the Consolidated Interim Financial Statements provide a true and fair view of the Group's net worth, financial position and results of operations, that the Consolidated Interim Management Report presents the course of business, including the results of operations and the Group's position, such as to provide a true and fair view and that the major opportunities and risks relating to the anticipated development of the Group in the remaining financial year are described.

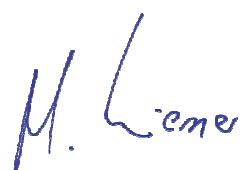
Asslar, August 3, 2015

**Pfeiffer Vacuum Technology AG**

Management Board



Manfred Bender



Dr. Matthias Wiemer

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## **Additional Information**

### **Financial Calendar 2015**

- 3<sup>rd</sup> Quarter 2015 (9-Months) Results  
Tuesday, November 3, 2015

### **Contact**

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*This version of the Half Year Financial Report is a translation of the German version.  
Only the German version is binding.*