Report of the Management Board to the Annual Shareholders Meeting pursuant to § 203, Sub-Para. 2, Sent. 2, § 186, Sub-Para. 4, Sent. 2, German Stock Corporation Act, on Point 8 of the Agenda

The authorization for the Management Board resolved by the Annual Shareholders Meeting on May 20, 2010, to increase the capital stock of the Company one or more times through the issuance of new no-par bearer shares of stock in consideration of contributions in cash and/or kind up to a total of € 11,482,368.00 by May 19, 2015, was partially exercised through the increase of the capital stock of the Company by € 2,296,471.04 to € 25,261,207.04 in consideration of contributions in cash in the amount of € 22,964,736.00, which was resolved by the Management Board in November 2010 with the consent of the Supervisory Board. This means that authorized capital pursuant to § 5, Sub-Para. 5, of the Articles of Association of only € 9,185,896.96 is still available.

An authorized capital in the amount of one half of the capital stock is legally permissible. The capital stock of the Company amounts to € 25,261,207.04. In order to preserve the Company's latitude with respect to any increases of capital, the amount of the existing authorized capital is to be revoked and new authorized capital in the amount of € 12,630,603.24 – representing approximately 50% of the capital stock existing at the time this resolution is adopted – is to be created.

This authorization will provide the Company with a farther reaching option for raising equity capital. This represents an important means of adjusting the correlation between equity and borrowed capital to reflect the Company's further growth. Subject to the consent of the Supervisory Board, the Management Board will thus be able to respond with greater flexibility to and optimally utilize favorable market conditions. In particular with a view to the development of opportunities for acquiring equity investments, greater freedom of action appears to be appropriate.

The stated strategy of Pfeiffer Vacuum Technology AG also includes strengthening its competitiveness through the acquisition of enterprises, the equity investments in enterprises or elements of enterprises, thereby enabling steady, long-term increases in profit and returns. This will also enhance the value of Pfeiffer Vacuum shares as well. In order to have equity capital available to also finance larger projects, it is necessary that an authorization of the proposed scope be adopted. The reason for the designated amount of the authorized capital is to assure the Company's ability to finance even larger corporate acquisitions in consideration of contributions in cash or in kind. Since an increase of capital would have to be effected swiftly in connection with an acquisition, it is typically not feasible to resolve this increase of capital directly at an Annual Shareholders Meeting, which is only conducted once a year. On the contrary, it is for this reason that it is necessary to create authorized capital which the Management Board can swiftly utilize.

The shareholders are fundamentally granted a right of subscription when the authorized capital is utilized.

However to simplify execution, the subscription right of the shareholders can be excluded with respect to fractional amounts stemming from the subscription ratio that could no longer be equally distributed among all shareholders.

The proposed authorization will also enable the Company to have at its disposal treasury shares of the Company up to a proportionate amount of € 500,000.00, without having to acquire them on the stock exchange, in order to be able to offer them at preferential terms to employees of the Company and the companies affiliated with it as employee shares. It is in the interest of the Company and its shareholders to issue employee shares, as this promotes the identification of the employees with the Company and their assumption of joint responsibility. In order to be able to offer employees shares from authorized capital, it is necessary to exclude the right of subscription of the shareholders. At the present point in time, it is not yet possible to provide information relating to the issue prices of the shares to be issued, as the date and scope of the respective utilization of the authorized capital have not yet been determined.

Should the capital stock be increased in consideration of contributions in cash, the Management Board should additionally be authorized, subject to the consent of the Supervisory Board, to exclude the right of subscription of the shareholders should the issue price not be materially lower than the trading price of the Company's shares vested with the same entitlements. However the authorization is subject to the stipulation that the shares issued under exclusion of the right of subscription pursuant to § 186, Sub-Para. 3, Sent. 4, of the German Stock Corporation Act will not exceed a total of 10% of the capital stock, neither at the time the authorization goes into effect nor at the time it is exercised. Included in the limitation to 10% of the capital stock are those shares

- that have been or might potentially be issued in the future to cover bonds containing conversion or option rights, provided the bonds have been or will be issued subject to the exclusion of subscription rights analogously to § 186, Sub-Para. 3, Sent. 4, German Stock Corporation Act, during the term of said authorization;

- that may have been sold as treasury shares subject to the exclusion of the right of subscription of the shareholders pursuant to § 186, Sub-Para. 3, Sent. 4, German Stock Corporation Act, during the term of the authorization.

The authorization to exclude the right of subscription in an amount of up to a total of 10% of the capital stock for the purpose of issuing new shares at an issue price that is not materially lower than the trading price of shares of the Company vested with the same rights will enable the Management Board to issue shares for the purpose of placement at an issue price that is similar to the trading price. This will afford the opportunity of achieving higher proceeds in connection with an increase of capital than would be possible, if shares were issued with a right of subscription. This reflects the shareholders' need for protection against dilution of their shareholdings through the possibility of subsequently acquiring shares on the stock exchange at the current trading price.

Should shares be issued in consideration of contributions in kind in the case of an increase of capital, the Management Board will be authorized, subject to the consent of the Supervisory Board, to exclude the right of subscription of the shareholders in the amount of up to € 2,526,120.70, representing 10 % of the capital stock existing at the time of this resolution. This will enable the Management Board to have treasury shares of the Company available, without having to acquire them on the stock exchange, for employment in suitable individual instances in connection with mergers, the acquisition of enterprises, of elements of enterprises or of the equity investments in enterprises. The Company must always be in a position to act swiftly and flexibly in changing markets in the interests of its shareholders. This also includes the acquisition of enterprises, elements of enterprises or equity investments in enterprises for the purpose of improving the Company's competitive position. In this connection, it has been found that increasingly larger entities are involved in connection with the acquisition of enterprises or elements of enterprises or equity investments in enterprises. In many instances, this involves the payment of very high levels of consideration. This consideration often no longer can or should be effected in cash – in particular with a view to an optimum financing structure. Sellers occasionally insist upon receiving consideration in the form of shares of the acquiring company. The option of being able to offer treasury shares as an acquisition currency thus creates an advantage in competing for interesting potential acquisitions. In any event, the Company's administration intends to utilize the option of an increase of capital from the authorized capital in consideration of contributions in kind under the exclusion of the right of subscription only, if there is an appropriate correlation between the value of the new shares and the value of the consideration. In this connection, the issue price of the new shares to be issued should fundamentally reflect the trading price of the shares. This will prevent shareholders who are excluded from the right of subscription from being economically disadvantaged. With due consideration to all of these circumstances, the authorization to exclude the right of subscription within the proscribed limits is appropriate and in the interest of the Company.

Moreover, the Management Board will be authorized, subject to the consent of the Supervisory Board, to define the further content of the rights vested in the shares and the terms and conditions of issuance of the shares.

In every individual instance, the Management Board will carefully review whether it will utilize the authorization to increase capital under the exclusion of the right of subscription of the shareholders. This possibility will be utilized when the Management and Supervisory Boards judge this to be in the interest of the Company and thus its shareholders.

The Management Board will report on any utilization of the authorized capital at the next subsequent Annual Shareholders Meeting. There are currently no concrete plans for utilizing the authorization.