

## Report of the Supervisory Board 2011

Dear Shareholders,

For Pfeiffer Vacuum, 2011 was the first fiscal year following the acquisition of “adixen”, the vacuum business unit of France-based competitor Alcatel-Lucent and represented a new chapter in the Company’s history. The year was dominated by the multitude of tasks associated with the consolidation of two Group divisions. This primarily concerns the integration of the foreign subsidiaries and the standardization of processes. The Supervisory Board gained an insight into the modern production facilities at the new location in Annecy, the largest of all production sites.

During the 2011 fiscal year, the Supervisory Board informed itself about the current position of the Company and the Corporate Group in six meetings, discussing it intensively with the Management Board. The Supervisory Board meetings took place on February 28, March 17, May 26, May 26 (constitutive), August 1 in Asslar and on November 1 in Annecy. In addition to the information provided at its meetings, all members of the Supervisory Board received detailed monthly and quarterly reports on the Company’s position, with the Chairman of the Supervisory Board additionally being provided with the minutes of all Management Board meetings. Aside from the meetings of the Supervisory Board, its Chairman was constantly kept abreast of all major business matters through discussions with the Management Board. No member of the Supervisory Board attended less than half of the meetings of the Supervisory Board in the 2011 fiscal year.

The Supervisory Board has a Management Board Committee, an Administration Committee, a Nomination Committee, and an Audit Committee. The Management Board and Nomination Committee met on March 17. Meetings of the Audit Committee were conducted on March 17 and November 2. Moreover, the Audit Committee maintained regular contact with the independent auditor, regularly discussing and deciding with him upon the course of the audit, the main focuses of the audit and particular questions relating to the audit.

In addition to the general development of business and the Company’s strategic alignment, the Supervisory Board meetings focused on the integration of adixen. This covered the integration and support of the foreign subsidiaries, the optimization of the working capital, the standardization of the reporting system, the sale of non-core activities and the strengthening and integration of regional management into the Pfeiffer Vacuum culture.

The Supervisory Board complied with all of the obligations and the German Corporate Governance Code (“DCGK”) vested in it and diligently and fully supervised the management of the Company.

The requirements with respect to risk management mandated under the German Control and Transparency Act (“KonTraG”) 1998 were discussed intensively together with the Management Board. The Supervisory Board repeatedly satisfied itself that sufficient insurance coverage is in force for insurable risks and that operating, financial and contractual risks are monitored through organizational processes and approval procedures. A detailed reporting system exists for the Company and the Corporate Group, and is subject to ongoing review, update and development. All employees in the operating units are sensitized to potential risks and are instructed to conduct appropriate reporting. Current issues in connection with risk management were explained to the Supervisory Board.

The Supervisory Board deliberated in detail on the German Corporate Governance Code. The Management and Supervisory Boards acknowledge the German Corporate Governance Code – with two exceptions – as being definitive for the Company and its management. The statement of compliance pursuant to § 161 of the German Stock Corporation Act (“AktG”) was submitted by the Management and Supervisory Boards sufficiently in advance of the

close of the fiscal year. In connection with good corporate governance, the Supervisory Board also dealt in detail with its own efficiency, with the review producing positive overall results.

At the meetings of the Supervisory Board and in individual discussions, the Supervisory and Management Boards deliberated at length regarding the Company's strategic alignment and planning. The Supervisory Board then discussed the budget for the 2012 fiscal year with the Management Board and adopted it.

In accordance with the resolution adopted by the Annual Shareholders Meeting on May 26, 2011, Ernst & Young GmbH, Wirtschaftsprüfungsgesellschaft, of Eschborn, Germany, was commissioned to audit the Annual Financial Statements of the Company and the Company's Consolidated Financial Statements with the latter being presented in accordance with International Financial Reporting Standards ("IFRS"), as well as the financial statements of the Company's subsidiaries where prescribed by law. Pursuant to § 315 a of the German Commercial Code ("HGB"), consolidated financial statements presented in accordance with the rules of the German Commercial Code were not prepared. The focuses of the audit defined by the Audit Committee with the independent auditor included certain line items in the balance sheet (the values of accounts receivable and inventories, the completeness and valuation of provisions, in particular warranty provisions, capitalization of development costs in accordance with IAS 38, deferred taxes, intrinsic value, goodwill, purchase price allocation of adixen), revenue recognition and periodic accruals for net sales, consolidation entries (in particular relating to the French acquisition), reconciliation to IFRS, the Notes to the Financial Statements and Management's Discussion & Analysis.

The Annual Financial Statements, Management's Discussion & Analysis as well as the Consolidated Financial Statements for the 2011 fiscal year presented in accordance with IFRS, all of which were prepared by the Management Board, were audited by the independent auditor and received his unqualified opinion.

The Annual Financial Statements, Management's Discussion & Analysis for the Company and the Corporate Group, as well as the audit reports from the independent auditor, were submitted to all members of the Supervisory Board in a timely fashion. They were discussed in detail at the Audit Committee meeting relating to the financial statements as well as at the Supervisory Board meeting relating to the financial statements on March 13, 2012. The independent auditor attended both meetings, reported on the major findings of his audit, in particular relating to the internal controlling and risk management system, and was available to answer additional questions from the Supervisory Board. On the basis of its own thorough review, the Supervisory Board concurs with the results of the audit conducted by the independent auditor. Given the concluding results of its review, the Supervisory Board raised no objections to the Annual or Consolidated Financial Statements. It has approved the Annual and Consolidated Financial Statements, with the Annual Financial Statements thus being formally adopted. The Supervisory Board discussed in detail with the Management Board its proposal regarding the distribution of a dividend and then concurred with the Management Board's proposal regarding appropriation of the Company's retained earnings.

The Supervisory Board would like to sincerely thank the Management Board, the Employee Council and the entire staff of the Corporate Group for their successful work in the 2011 fiscal year.

Asklar, March 13, 2012

Dr. Michael Oltmanns  
Chairman of the Supervisory Board