



INTERNATIONAL UNITED STRONG

ANNUAL FINANCIAL STATEMENTS AS OF DEC. 31, 2017
(according to German Commercial Code, „HGB“)

Pfeiffer Vacuum Technology AG

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**These versions of the Annual Financial Statements, MD&A and related documents are translations from the German versions.
Only the respective German versions are binding.**

I. Pfeiffer Vacuum Technology AG, Asslar Balance Sheet as of December 31, 2017

Assets	€	€	Dec.31, 2016 €
A. Fixed assets			
I. Intangible assets			
1. Purchased franchises, industrial and similar rights and assets, and licenses in such rights and assets	781,339.00		835,466.00
		781,339.00	835,466.00
II. Property, plant and equipment			
1. Land, land rights and buildings, including buildings on third-party land	12,002,031.40		13,133,534.75
2. Other equipment, furniture and fixtures	932,820.00		1,037,249.00
3. Prepayments and assets under construction	47,816.12		47,816.12
		12,982,667.52	14,218,599.87
III. Financial assets			
1. Shares in affiliates	224,009,479.03		150,201,896.11
2. Loans to affiliates	5,150,000.00		6,166,306.41
3. Equity investments	0.00		1,600,000.00
		229,159,479.03	157,968,202.52
		242,923,485.55	173,022,268.39
B. Current assets			
I. Receivables and other assets			
1. Receivables from affiliates	61,668,097.90		33,903,317.86
2. Other assets	1,800,174.03		3,790,610.22
		63,468,271.93	37,693,928.08
II. Cash and cash equivalents		24,282,638.58	28,933,585.87
		87,750,910.51	66,627,513.95
C. Prepaid expenses		80,242.25	172,068.27
		<u>330,754,638.31</u>	<u>239,821,850.61</u>

I. Pfeiffer Vacuum Technology AG, Asslar Balance Sheet as of December 31, 2017

Shareholders' equity and liabilities	€	€	Dec. 31, 2016 €
A. Equity			
I. Share capital (contingent capital € 6,315,299.84)	25,261,207.04		25,261,207.04
II. Additional paid-in capital	99,676,621.19		99,676,621.19
III. Retained earnings thereof profit brought forward € 75,820,213.56 (prior year: € 74,762,823.70)	<u>108,163,724.23</u>		<u>111,343,785.96</u>
	233,101,552.46		236,281,614.19
B. Provisions			
1. Provisions for pensions and similar obligations	2,067,367.86		1,625,452.59
2. Tax provisions	0.00		432,854.03
3. Other provisions	<u>4,301,299.15</u>		<u>1,431,342.43</u>
	6,368,667.01		3,489,649.05
C. Liabilities			
1. Liabilities to banks	60,000,000.00		0.00
2. Trade accounts payable	59,758.44		11,391.75
3. Liabilities to affiliates	31,195,526.71		0.00
4. Other liabilities thereof for taxes € 29,133.69 (prior year: € 39,195.62)	<u>29,133.69</u>		<u>39,195.62</u>
	91,284,418.84		50,587.37
	<u>330,754,638.31</u>		<u>239,821,850.61</u>

II. Pfeiffer Vacuum Technology AG, Asslar

Income statement for fiscal year 2017

	€	2016 €
1. Sales revenues	4,619,278.22	4,049,804.68
2. Income from profit and loss transfer agreement	38,660,624.32	40,782,810.19
3. Income from equity investments thereof from affiliates € 7,143,682.20 (prior year: € 5,517,000.00)	7,143,682.20	5,517,000.00
4. Other operating income	<u>873,541.56</u>	<u>17,563.61</u>
	51,297,126.30	50,367,178.48
5. Cost of purchased materials and services	534,416.56	376,243.30
6. Personnel expenses		
a) Wages and salaries	4,054,002.71	1,988,795.84
b) Social security, pension and other benefit costs thereof for old-age pensions € 780,467.56 (prior year: € 154,737.44)	834.885.68	213,136.99
	<u>4,888,888.39</u>	<u>2,201,932.83</u>
7. Amortization and depreciation of intangible assets and property, plant and equipment	1,676,328.02	1,675,378.73
8. Other operating expenses	7,459,370.66	2,543,673.45
9. Income from loans of financial assets thereof from affiliates € 242,420.45 (prior year: € 457,008.92)	242,420.45	457,008.92
10. Other interest and similar income	18,264.19	18,480.64
11. Interest and similar expenses	<u>594,818.90</u>	<u>617,990.79</u>
	-334,134.26	-142,501.23
12. Income taxes	9,524,657.10	12,466,072.63
13. Taxes passed on to affiliates	<u>5,600,000.00</u>	<u>5,700,000.00</u>
	<u>#WERT!</u>	<u>6,766,072.63</u>
14. Income after income taxes	#WERT!	36,661,376.31
15. Other taxes	<u>135,820.64</u>	<u>80,414.05</u>
16. Net income	32,343,510.67	36,580,962.26
17. Profit brought forward from the previous year	<u>75,820,213.56</u>	<u>74,762,823.70</u>
18. Retained earnings	<u><u>108,163,724.23</u></u>	<u><u>111,343,785.96</u></u>

III. Notes to the Annual Financial Statements for Fiscal Year 2017

Pfeiffer Vacuum Technology AG, Asslar

Pfeiffer Vacuum Technology AG, domiciled in Asslar, 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 present Annual Financial Statements were prepared in accordance with §§ 242 et seq. and §§ 264 et seq. of the German Commercial Code ("HGB") and in accordance with the relevant provisions of the German Stock Corporation Act ("AktG") and the supplementary provisions of the Articles of Association. The rules for large corporations are applicable. The income statement has been prepared using the total expenditure format.

Information that must be disclosed in the balance sheets or the income statement, or alternatively in the notes to the financial statements, is set out in its entirety in the notes to the financial statements.

1. Accounting and valuation Methods

The following accounting and valuation methods, which remained essentially unchanged, were used for the preparation of the Annual Financial Statements.

1.1 Fixed assets

Property, plant and equipment and purchased intangible assets are valued at acquisition cost and, if depreciable, taking scheduled depreciation/amortization into account. They are depreciated/amortized on a straight-line basis over their expected useful lives.

Financial assets in the form of equity interests are generally stated at cost of acquisition. Loans are accounted for at their nominal value.

Unscheduled depreciation/amortization is deducted in non-current assets in the event of expected permanent impairment losses and in financial assets additionally in the event of temporary impairment losses. If the reason for impairment no longer applies, appropriate write-ups are made.

1.2 Current assets

Receivables and other assets are stated at their nominal values or at the lower attributable value on the balance sheet date.

Cash and cash equivalents include cash on hand and bank balances. They are stated at their nominal value.

1.3 Deferred tax assets

Deferred tax assets result from temporary and quasi-permanent valuation differences between the accounting and tax valuation of pensions, property, plant and equipment and intangible assets. Deferred tax assets are generally calculated using a company-specific tax rate of 28.8%, but deferred tax assets are not capitalized as the available capitalization option is exercised.

1.4 Provisions and liabilities

Provisions take account of all identifiable risks and uncertain obligations and are recognized in each case at the settlement amount that is reasonably necessary in accordance with prudent business judgment (including future cost and price increases).

The recognition of pension obligations is based on an actuarial report. Valuation is based on the projected unit credit method, taking into account expected future salary and pension increases as well as fluctuation rates. Discounting is performed in accordance with the average market interest rate published by the Deutsche Bundesbank in accordance with the German Regulation on the Discounting of Provisions from the last ten financial years for an assumed residual term of 15 years of 3.68% (previous year: 4.01%) and using the 2005 G mortality tables published by Prof. Dr. Heubeck in 2005. As a result of the statutory netting obligation under commercial law with the plan assets valued at fair value (assets in Pfeiffer Vacuum Trust e.V., which are withdrawn from the recourse of all other creditors and which serve exclusively to meet pension obligations) only the net pension liability is shown in the balance sheet. In the income statement, the income from the plan assets and the expenses from the changed discounting of the pension obligation are shown on a net basis.

Liabilities are stated at their settlement amount.

1.5 Foreign currency translation

Assets and liabilities denominated in foreign currencies were generally translated at the year-end average spot rate. For remaining terms of more than one year, the realization principle (§ 252 Sub-Para. 1 No. 4, half-sentence 2, German Commercial Code ("HGB")) and the procurement cost principle (§ 253 Sub-Para. 1 sentence 1, German Commercial Code ("HGB")) were applied.

2. Notes to the balance sheets

2.1 Assets

2.1.1 Fixed assets

The development of individual fixed asset items is shown in Appendix 1 to the Notes to the Annual Financial Statements.

2.1.2 Shares in affiliates

The direct and indirect shares in affiliated companies are shown in Appendix 2 to the Notes to the Annual Financial Statements.

The changes result in particular from increases in capital at Pfeiffer Vacuum GmbH, Asslar, Germany, in conjunction with the acquisition of Nor-Cal Products Holdings, Inc., Yreka, USA and its subsidiaries. Furthermore, additional shares in Dreebit GmbH, Dresden, Germany, were acquired in the reporting year. The shares were shown under equity investments in the previous year and are reported under shares in affiliated companies after the acquisition of the additional shares.

2.1.3 Loans to affiliates

The loans recorded in the balance sheet as of December 31, 2017 (K€ 5,150) relate to various companies in the Pfeiffer Vacuum Group and have decreased by K€ 1,016 compared with the previous year (K€ 6,166) due to repayments in the amount of K€ 3,316 and new allocations in the amount of K€ 2,300.

2.1.4 Special asset pension trust

Since the application of the German Accounting Laws Modernization Acts ("BilMoG"), the assets in Pfeiffer Vacuum Trust e.V. are reported netted against the Company's pension obligations, as these assets are to be classified as plan assets. Accordingly, only a net pension liability is reported in the year under review.

2.1.5 Receivables and other assets

As of the balance sheet date, there were receivables from affiliated companies in the amount of K€ 61,668 (previous year: K€ 33,903). This amount mainly includes receivables from profit and loss transfer agreements from Pfeiffer Vacuum GmbH and receivables from trade tax passed on also to Pfeiffer Vacuum GmbH. Receivables from affiliated companies include trade accounts receivable amounting to K€ 871 (previous year: K€ 397).

Other assets mainly include receivables from tax authorities from VAT refunds (K€ 851; previous year: K€ 581) and income tax refunds (K€ 896; previous year: K€ 548). In the previous year, the purchase price reduction claims against the seller of the adixen business unit recorded here in the previous year were realized in the year under review.

As in the previous year, there are no amounts with a remaining term of more than one year.

2.2 Shareholders' equity and liabilities

2.2.1 Share capital

The share capital of Pfeiffer Vacuum Technology AG remains unchanged at K€ 25,261 as of December 31, 2017. The shares are bearer shares and are divided into 9,867,659 no-par value shares. The calculated proportion of the share capital attributable to the individual shares is € 2.56.

2.2.2 Treasury shares

At the Annual Shareholders Meeting on May 21, 2015, the shareholders authorized the Management Board to acquire treasury shares pursuant to § 71, Sub-Para. 1, No. 8, German Stock Corporation Act. This authorization allows the Company to acquire treasury shares representing up to € 2,526,120.70 of the capital stock (986,766 shares equal to 10% of capital stock at the time of the resolution), requires the consent of the Supervisory Board for execution, and is valid through May 20, 2020.

2.2.3 Authorized capital

The Annual Shareholders Meeting on May 24, 2016, authorized the Management Board to increase the Company's share capital by € 12,630,602.24, or 4,933,829 shares, in consideration for contributions in cash and/or kind once or in partial amounts (authorized capital). This authorization is valid through May 23, 2021, and is subject to the consent of the Supervisory Board.

2.2.4 Contingent capital

According to the resolution of the Annual Shareholders Meeting on May 22, 2014, the Management Board is authorized to issue fractional bonds with option or conversion rights or conversion obligations, profit participation rights or participating bonds (or combinations of these instruments) with an aggregate nominal value of up to € 200,000,000.00 and to grant the holders conversion rights for up to 2,466,914 no-par bearer shares of the Company having a pro-rata amount of up to € 6,315,299.84 of the share capital. This authorization is valid until May 21, 2019, and requires the consent of the Supervisory Board.

2.2.5 Additional paid-in capital

The paid-in capital of K€ 99,677 as at December 31, 2017 is unchanged compared to the previous year.

2.2.6 Retained earnings

In accordance with the resolution of the Annual General Meeting on May 23, 2017, a total of K€ 35,524 of retained earnings of the previous year amounting to K€ 111,344 was distributed. The remaining amount of K€ 75,820 was carried forward to new account. Taking into account the net income for the year in the amount of K€ 32,344, this resulted in retained earnings of K€ 108,164.

2.2.7 Provisions for pensions

According to the mandatory netting of pension obligations with the corresponding plan assets required by BilMoG from 2010 onwards, net pension obligations of K€ 2,067 (previous year: K€ 1,625) are reported as of December 31, 2017. This item consists of the settlement amount of the pension obligations of K€ 10,284 and the fair market value of plan assets of K€ 8,217 (previous year: K€ 9,508 and K€ 7,882 respectively). The acquisition costs of the plan assets amount to K€ 8,234 (previous year: K€ 7,933). Since 2015, the provisions for pensions have included individual contractual commitments to members of the Management Board, and additionally pension commitments to employees of the Company.

In the evaluation of pension obligations as of December 31, 2017, a discount rate of 3.68% (previous year: 4.01%), salary dynamics of unchanged 3.00%, a pension trend of unchanged 2.00% and a fluctuation rate of unchanged 3.00% were taken into account. Plan assets were measured on the basis of stock exchange or market prices determined at the end of the year.

The difference between the recognition of provisions in accordance with the corresponding average market interest rate from the past ten fiscal years and the recognition of provisions in accordance with the corresponding average market interest rate from the past seven fiscal years was determined in accordance with § 253 Sub-Para. 6 sentence 1, German Commercial Code ("HGB") and amounts to K€ 1,479 (previous year: K€ 1,171) as at the balance sheet date.

2.2.8 Other provisions

Other provisions comprise K€ 3,132 for personnel expenses (previous year: K€ 1,100), K€ 517 for pending incoming invoices (previous year: K€ 56) and K€ 407 for year-end financial statement costs (previous year: K€ 178).

2.2.9 Liabilities

The remaining terms of the liabilities and the collateral are shown in Appendix 3 to the Notes to the Annual Financial Statements.

The liabilities to banks reported as of December 31, 2017 result from the financing of an acquisition in the USA.

Liabilities to affiliated companies relate to Pfeiffer Vacuum SAS, Annecy, France, and result from a cash pooling agreement concluded in the year under review. Open amounts are subject to interest at market rates.

2.3 Additional Notes and Supplemental Information to the Balance Sheet

2.3.1 Commitments according to §§ 251, 268 Sub-Para. 7 German Commercial Code ("HGB")

Pfeiffer Vacuum Technology AG is liable for guarantee loans of various subsidiaries in the amount of K€ 2,082 (previous year: K€ 1,790). Due to the good asset, financial and earnings situation of the subsidiaries, the risk of utilization of guarantee loans is considered to be low.

2.3.2 Commitments and other financial obligations

The commitments/other financial obligations as of the balance sheet date amount to K€ 269 (previous year: K€ 221).

3. Notes to the Statements of Income

The presentation of the income statement remains unchanged according to the total cost method. The structure of the income statement has been adapted to the special features of the Company in order to improve clarity.

3.1 Sales revenues

Sales revenues mainly include rental income (K€ 2,160; previous year: K€ 2,156) and costs passed on to subsidiaries (K€ 2,431; previous year: K€ 1,865).

Sales revenues in the amount of K€ 853 (previous year: K€ 422) are attributable to costs passed on to subsidiaries not domiciled in Germany. All other sales revenues were generated in Germany.

3.2 Income from profit and loss transfer agreement

Income from the profit and loss transfer agreement relates exclusively to Pfeiffer Vacuum GmbH, Asslar.

3.3 Other operating income

In the current financial year, other operating income mainly comprises income from the dissolution of provisions (K€ 54; previous year: K€ 14) and currency translation gains (K€ 800; previous year: K€ 3). An amount of K€ 54 (previous year: K€ 14) of other operating income is attributable to other financial years.

3.4 Cost of purchased materials and services

The cost of purchased materials and services includes third-party service costs (K€ 377; previous year: K€ 279), third-party maintenance costs (K€ 93; previous year: K€ 33) and insurance premiums (K€ 64; previous year: K€ 64).

3.5 Other operating expenses

Other operating expenses essentially comprise legal and consulting expenses (K€ 3,911; previous year: K€ 861), auditing services (K€ 958; previous year: K€ 440), expenses for services by third parties (K€ 906; previous year: K€ 528), compensation for the Supervisory Board (K€ 309; previous year: K€ 315), travel expenses (K€ 188; previous year: K€ 153), contributions (K€ 133; previous year: K€ 72) and maintenance costs by third parties (K€ 8; previous year: K€ 12). The other operating expenses include K€ 860 foreign exchange losses (previous year: K€ 7). Other operating expenses comprise items of extraordinary significance amounting to K€ 3,635 (previous year: K€ 0) incurred in connection with the takeover bids and the acquisitions made in the year under review.

3.6 Other interest and similar income

The item other interest and similar income includes interest from tax refunds for previous years in the amount of K€ 18. There was no income from discounting in the year under review (previous year: K€ 15).

3.7 Interest and similar expenses

In accordance with the legal requirements, expenses from discounting were offset against income from plan assets in the income statement. Having recorded expenses from discounting in the amount of K€ 372 (previous year: K€ 355) and income from the plan assets of K€ 127 (previous year: K€ 60), a net amount of K€ 245 (previous year: K€ 295) is included in the net interest expenses.

3.8 Income taxes

Composition of Income Taxes (in K€)		
	2017	2016
Trade taxes	4,292	5,433
Corporate taxes	4,960	6,667
Solidarity surcharge	273	366
Total	9,525	12,466

A total of K€ 5,600 of this was passed on to Pfeiffer Vacuum GmbH (previous year: K€ 5,700). The income tax expenses include income relating to other periods in the amount of K€ 423 as a result of tax refunds for previous years (previous year: expenses relating to other periods as a result of back tax payments for previous years K€ 434).

4. Additional Notes and Supplemental Information

4.1 Management Board

Since November 27, 2017, the Management Board has consisted of Dr. Eric Taberlet, Diplom-Ingenieur, (Chairman of the Management Board and CEO), Ms. Nathalie Benedikt, Diplom-Betriebswirtin (Chief Financial Officer), Dr. Ulrich von Hülßen, Diplom-Physiker, and Dr. Matthias Wiemer, Diplom-Ingenieur.

On this date, the Supervisory Board appointed Dr. Taberlet the new Chairman of the Management Board. On the same date, Ms. Nathalie Benedikt was appointed as the Chief Financial Officer. Parallel to the appointment of Dr. Taberlet and Ms. Benedikt, the former Chairman of the Management Board, Mr. Manfred Bender, was dismissed for good cause.

Already effective August 1, 2017, the Supervisory Board has appointed Dr. Ulrich von Hülßen as an additional member of the Management Board.

The distribution of responsibilities within the Management Board is detailed in the Corporate Governance Report as an element of the Management's Discussion and Analysis (MD&A).

Remuneration of the members of the Management Board amounted to K€ 1,386 (previous year: K€ 1,671). The short-term variable compensation paid in 2017 for the 2016 fiscal year amounted to K€ 843. In 2017, the short-term variable compensation component was paid from a provision created in the previous year, without affecting net income. Again in 2017, total remuneration and additional pension expenses of K€ 1,200 were passed on to subsidiaries. For active members of the Board of Management, a pension provision before offsetting against plan assets has been set up in the amount of K€ 1,821 (previous year: K€ 4,294). The compensation of the Management Board is explained in detail in the Management's Discussion and Analysis (MD&A).

The current pension payments to former members of the Management Board in 2017 remain unchanged at K€ 358. After K€ 5,147 at the end of 2016, the provision set up for this group of persons amounts to K€ 8,397 as of December 31, 2017 (before offsetting against plan assets).

The members of the Management Board are members of supervisory organs of various group subsidiaries. In addition, the member of the Management Board recalled during the reporting period, Manfred Bender, is a member of the supervisory board of the Volksbank Heuchelheim eG, Heuchelheim, Germany, and chairman of the supervisory board of Schunk GmbH, Heuchelheim.

4.2 Supervisory Board

Pursuant to § 96, Sub-Para. 1, § 101, Sub-Para. 1, German Stock Corporation Act ("AktG"), § 4, German One-Third Participation Act ("DrittelbG") of 2004, and § 9, Sub-Para. 1, Articles of Association and Bylaws, the Supervisory Board comprises four members elected by the Annual Shareholders Meeting and two members elected by the Company's employees.

Upon resignation of former Supervisory Board members Dr. Michael Oltmanns and Dr. Wolfgang Lust on October 25, 2017, a judicial appointment of two Supervisory Board members was to take place upon request of major shareholder Pangea GmbH, Maulburg, effective October 26, 2017 until the next Annual General Meeting. The court, however, only granted the request to the extent that Ayla Busch, who also sought the position of Supervisory Board Chair, was appointed as a member of the Supervisory Board. The constituent meeting of the Supervisory Board thus took place with five Board members on October 26, 2017 and Ayla Busch was voted Chairwoman of the Supervisory Board. The vacant Board position is to be newly filled not later than at the Annual General Meeting in May 2018.

Membership during the course of the year 2017 was therefore as follows:

- Ms. Ayla Busch (Chairwoman), from October 26, 2017
Co-CEO of Busch SE, Maulburg
- Dr. Michael Oltmanns (Chairman), until October 25, 2017
Attorney of Law and Tax Advisor
- Götz Timmerbeil (Vice Chairman),
Certified Public Accountant and Tax Advisor
- Filippo Th. Beck,
Attorney of Swiss law,
- Helmut Bernhardt (Employee Representative),
Development Engineer
- Manfred Gath (Employee Representative),
Chairman of the Employee Council
- Dr. Wolfgang Lust, until October 25, 2017
Entrepreneur

The court appointment of Ms. Ayla Busch expires at the end of the Annual General Meeting in May 2018.

The members of the Supervisory Board received remuneration of K€ 309 (previous year: K€ 315) in the period under review. The compensation of the Supervisory Board is explained in detail in the Management's Discussion and Analysis.

Götz Timmerbeil exercised the following additional supervisory board mandates in the year under review:

- VfL Handball Gummersbach GmbH, Gummersbach (chairman of the advisory board)
- Arena Gummersbach GmbH & Co. KG, Gummersbach (vice chairman)

Filippo Th. Beck exercised the following additional supervisory organ mandates in the year under review:

- Candoria Group, Baar (Switzerland): member of supervisory organ of Candoria Holding AG, President of supervisory organ of Progres Holding AG and the Candoria Luxembourg Holding SA, Luxemburg
- Tenro Group, Bottmingen (Switzerland), member of the supervisory organ in various companies belonging to the group
- Biamathea AG, Basel (Switzerland), member of the supervisory organ
- Polyterra Liegenschaften AG in liquidation, Küsnacht (Switzerland), member of the supervisory organ and liquidator
- IKFE Properties I AG, Zürich (Switzerland), President of supervisory organ
- Tainn Immobilien AG, Bern (Switzerland), member of supervisory organ

Dr. Michael Oltmanns (member of Supervisory Board until October 25, 2017) exercised the following additional supervisory board mandates in the year under review:

- Becker Mining Systems AG, Friedrichsthal (chairman)
- HPC AG, Mannheim (chairman)
- Kathrein SE, Rosenheim (chairman of the supervisory body)

The remaining members of the Supervisory Board belong solely to the Supervisory Board of Pfeiffer Vacuum Technology AG, Asslar.

4.3 Employees

In fiscal 2017, the Company employed an average of three employees (previous year: three employees).

4.4 Profit appropriation proposal

The Management and the Supervisory Boards propose that a dividend of K€ 19,735 be distributed from the retained earnings of K€ 108,164 and that the remaining amount be carried forward to new account. This corresponds to a distribution of € 2.00 per no-par share.

4.5 Consolidated Financial Statements

Die Pfeiffer Vacuum Technology AG prepares Consolidated Financial Statements for the largest and smallest circle of companies in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The companies presented in Appendix 2 to the Notes are included in these financial statements. The Consolidated Financial Statements are published in the electronic Federal Gazette ("Bundesanzeiger").

4.6 Profit and loss transfer agreement between Pfeiffer Vacuum Technology AG and Pfeiffer Vacuum GmbH

In August 2002, Pfeiffer Vacuum Technology AG concluded a profit and loss transfer agreement with Pfeiffer Vacuum GmbH (as subsidiary company). Pfeiffer Vacuum Technology AG recorded a profit and loss transfer from Pfeiffer Vacuum GmbH of K€ 38,661 in the income statement for 2017 under income from profit and loss transfer agreements (previous year: K€ 40,783).

4.7 Information on shareholdings

The relevant information on shareholdings is given in Appendix 4 of the Notes to the Annual Financial Statements.

4.8 Declaration pursuant to § 161 German Stock Corporation Act ("AktG"), German Corporate Governance Code

The recommendations and suggestions contained in the Code have been a firm element of our corporate governance for many years.

Pursuant to § 161 of the German Stock Corporation Act, the Management and Supervisory Boards issued the statement of compliance for the year 2017 on October 26, 2017, amended January 24, 2018, and made it permanently available for shareholders and interested parties at the Company's homepage (group.pfeiffer-vacuum.com). With the following two exceptions, this statement reflects compliance with the recommendations of the German Corporate Governance Code Government Commission as amended in February 2017:

The German Corporate Governance Code recommends a determined limit to the duration of a member's participation in the Supervisory Board (item 5.4.1). The Supervisory Board does not regard the duration of a member's participation as an attribute which specifically qualifies a candidate for any position and therefore disregards this criterion when selecting the most suitable candidate.

The German Corporate Governance Code recommends that variable remuneration components for members of the Management Board should in principle have a multi-year assessment basis which is essentially future-oriented (Paragraph 4.2.3). However, the regulation on variable remuneration, which is applied for Manfred Bender, Dr. Ulrich von Hülßen und Dr. Matthias Wiemer, does not provide for an "essentially future-oriented" assessment basis. This deviation is based on the fact that the provision of the Code was newly created until February 2017 and the contracts were not able to be amended in the meantime. However, an adjustment by the Supervisory Board will be made in the near future.

4.9 Audit fees for independent auditor

The audit fees billed by the auditor for the fiscal year pursuant to § 285 No. 17 of the German Commercial Code ("HGB") are recorded in the Notes to the Consolidated Financial Statements of Pfeiffer Vacuum Technology AG.

5. Subsequent Events

The Management Board and Supervisory Boards have decided on a new strategy supporting three year investment plan, providing for significantly increased annual investments, with a total volume of € 150 million for the Pfeiffer Vacuum Group.

Significant changes to the branch environment have not occurred since the beginning of the 2018 fiscal year.

Asslar, Germany, March 16, 2018

Pfeiffer Vacuum Technology AG

Management Board

Dr. Eric Taberlet Nathalie Benedikt Dr. Matthias Wiemer Dr. Ulrich von Hülsem

Appendix 1 to the Notes

Fixed assets

	Acquisition costs				Accumulated amortization and depreciation				Net book values			
	EURO				EURO				EURO			
	Balance as at Jan. 1, 2017	Additions	Reclassifications	Disposals	Balance as at Dec. 31, 2017	Balance as at Jan. 1, 2017	Additions	Reclassifications	Disposals	Balance as at Dec. 31, 2017	Net book value Dec. 31, 2017	Net book value Dec. 31, 2016
Intangible assets												
	1,538,343.19	297,514.66	0.00	0.00	1,835,857.85	702,877.19	351,641.66	0.00	0.00	1,054,518.85	781,339.00	835,466.00
	1,538,343.19	297,514.66	0.00	0.00	1,835,857.85	702,877.19	351,641.66	0.00	0.00	1,054,518.85	781,339.00	835,466.00
Intangible assets												
Property, plant and equipment												
	35,198,682.84	30,268.07	0.00	0.00	25,228,950.91	22,065,148.09	1,161,771.42	0.00	0.00	23,226,919.51	12,002,031.40	13,133,534.75
	2,302,799.81	59,013.58	0.00	-7,304.07	2,354,509.32	1,265,550.81	162,914.94	0.00	-6,776.43	1,421,689.32	932,820.00	1,037,249.00
	47,816.12	0.00	0.00	0.00	47,816.12	0.00	0.00	0.00	0.00	0.00	47,816.12	47,816.12
3. Prepayments and assets under construction	37,549,298.77	89,281.65	0.00	-7,304.07	37,631,276.35	23,330,698.90	1,324,686.36	0.00	-6,776.43	24,648,608.83	12,982,667.52	14,218,599.87
Property, plant and equipment												
Financial assets												
	150,201,896.11	73,452,432.77	2,500,000.00	-1,244,849.85	224,909,479.03	0.00	0.00	900,000.00	0.00	900,000.00	224,009,479.03	150,201,896.11
	6,166,306.41	2,300,000.00	0.00	-3,316,306.41	5,150,000.00	0.00	0.00	0.00	0.00	0.00	5,150,000.00	6,166,306.41
	2,500,000.00	0.00	-2,500,000.00	0.00	0.00	900,000.00	0.00	-900,000.00	0.00	0.00	0.00	1,600,000.00
Financial assets	158,868,202.52	75,752,432.77	0.00	-4,561,156.26	230,059,479.03	900,000.00	0.00	0.00	0.00	900,000.00	229,159,479.03	157,968,202.52
Total fixed assets	197,955,844.48	76,139,229.08	0.00	-4,568,460.33	269,526,613.23	24,933,576.09	1,676,328.02	0.00	-6,776.43	26,603,127.68	242,923,485.55	173,022,268.39

Shareholdings

Directly held shares	Share capital	Total equity	Net income 2017	Share in %
Pfeiffer Vacuum SAS, France	K€ 9,424	K€ 79,781	K€ 10,752	100.0
Pfeiffer Vacuum Semi Korea Ltd., Republic of Korea	KKRW 24,651,830	KKRW 35,615,607	KKRW 11,079,570	100.0
Dreebit GmbH, Germany	K€ 26	K€ 2,845	K€ 131	100.0
Pfeiffer Vacuum GmbH, Germany	K€ 7,700	K€ 149,531 *	K€ 40,313 *	100.0
Pfeiffer Vacuum Holding B.V., Netherlands	K€ 454	K€ 5,431	K€ 1,307	100.0
Pfeiffer Vacuum Components & Solutions GmbH, Germany	K€ 451	K€ 11,038	K€ 2,163	100.0
Pfeiffer Vacuum Korea Ltd., Republic of Korea	KKRW 425,000	KKRW 7,277,650	KKRW 1,580,904	24.5

Values based on International Financial Reporting Standards (IFRS)

* Before profit and loss transfer

Appendix 2 to the Notes

Shareholdings

Indirectly held shares	Share capital	Total equity	Net income 2017	Share in %
Advanced Test Concepts, LLC, USA	KUSD 525	KUSD 2,344	KUSD -532	100.0
Pfeiffer Vacuum Romania S.r.l., Romania	KRON 15,750	KRON 23,695	KRON 214	100.0
Pfeiffer Vacuum Singapore Pte. Ltd., Singapore	KSGD 4,700	KSGD 12,336	KSGD 702	100.0
Pfeiffer Vacuum Taiwan Corporation Ltd., Taiwan	KNTD 77,000	KNTD 130,353	KNTD 40,278	100.0
Pfeiffer Vacuum Austria GmbH, Austria	K€ 146	K€ 3,305	K€ 973	100.0
Pfeiffer Vacuum Benelux B.V., Netherlands	K€ 18	K€ 5,136	K€ 925	100.0
Pfeiffer Vacuum Inc., USA	KUSD 23,550	KUSD 120,105	KUSD 846	100.0
Pfeiffer Vacuum (India) Private Ltd., India	KINR 10,056	KINR 208,993	KINR 51,931	100.0
Pfeiffer Vacuum Italia S.p.A., Italy	K€ 384	K€ 4,222	K€ 310	100.0
Pfeiffer Vacuum Korea Ltd., Republic of Korea	KKRW 425,000	KKRW 7,277,650	KKRW 1,580,904	75.5
Pfeiffer Vacuum Ltd., Great Britain	KGBP 350	KGBP 3,841	KGBP 669	100.0
Nor-Cal Products Holdings, Inc., USA	KUSD 73,706	KUSD 35,715	KUSD -182	100.0
Nor-Cal Products Inc., USA	KUSD 63	KUSD 69,809	KUSD 1,286	100.0
Nor-Cal Products Viet Nam Co., Ltd., Vietnam	KVND 16,613,114	KVND 79,757,613	KVND 7,315,953	100.0
Nor-Cal Products Europe Ltd., Great Britain	KGBP 65	KGBP 40	KGBP 191	100.0
Nor-Cal Products Asia Pacific Pte. Ltd., Singapore	KUSD 20	KUSD 1,567	KUSD 705	100.0
Nor-Cal Products Korea Co. Ltd., Republic of Korea	KKRW 0	KKRW 2,117,888	KKRW 473,331	100.0
Pfeiffer Vacuum New Hampshire Realty Holdings, LLC, USA	KUSD 3,538	KUSD 7,940	KUSD -34	100.0
Pfeiffer Vacuum Indiana Realty Holdings, LLC, USA	KUSD 1,560	KUSD 1,617	KUSD 57	100.0
Pfeiffer Vacuum California Realty Holdings, LLC, USA	KUSD 4,018	KUSD 4,164	KUSD 146	100.0
Pfeiffer Vacuum Malaysia SDN. BHD., Malaysia	KMYR 8,173	KMYR 6,004	KMYR -2,169	100.0
Pfeiffer Vacuum (Xi'an) Co. Ltd., China	KCNY 25,900	KCNY 10,409	KCNY -3,037	100.0
Pfeiffer Vacuum Scandinavia AB, Sweden	KSEK 100	KSEK 38,559	KSEK 14,364	100.0
Pfeiffer Vacuum (Schweiz) AG, Switzerland	KCHF 500	KCHF 2,775	KCHF 843	99.4
Pfeiffer Vacuum (Shanghai) Co. Ltd., China	KCNY 35,389	KCNY 46,164	KCNY 6,668	100.0

Values based on International Financial Reporting Standards (IFRS)

Appendix 3 to the Notes

Schedule of liabilities in K€

Type of liability	Total Dec. 31, 2017	Thereof with a remaining term of			Secured amounts	Type of collateral
		up to 1 year	1 to 5 years	over 5 years		
To banks	60,000	-	60,000	-	-	-
	(prior year)	-	-	-	-	-
From trade payables	60	60	-	-	-	-
	(prior year)	(11)	-	-	-	-
Liabilities to affiliates	31,196	31,196	-	-	-	-
	(prior year)	-	-	-	-	-
Other liabilities	29	29	-	-	-	-
	(prior year)	(39)	-	-	-	-
- thereof for taxes	29	29	-	-	-	-
	(prior year)	(39)	-	-	-	-

Publication according to § 26 (1) of German Securities Trading Act ("WpHG")

No.	Corporation	Holding (%)	Date	Published by	Content of publication															
1	Allianz Global Investors GmbH, Frankfurt, Germany	4.97	Mar. 02 2018	DGAP	<div><div><div><div>1. Details of issuer</div><div>Pfeiffer Vacuum Technology AG Berliner Str. 43 35614 Asslar Germany</div></div><div><div>2. Reason for notification</div><div><div><div>X</div>Acquisition/disposal of shares with voting rights</div><div>Acquisition/disposal of instruments</div><div>Change of breakdown of voting rights</div><div>Other reason:</div></div></div><div><div>3. Details of person subject to the notification obligation</div><div><div>Name:</div>Allianz Global Investors GmbH</div><div><div>City and country of registered office:</div>Frankfurt/ Main Germany</div></div><div><div>4. Names of shareholder(s)</div><div>holding directly 3% or more voting rights, if different from 3.</div></div><div><div>5. Date on which threshold was crossed or reached:</div><div>28 Feb 2018</div></div><div><div>6. Total positions</div><table><thead><tr><th></th><th>% of voting rights attached to shares (total of 7.a.)</th><th>% of voting rights through instruments (total of 7.b.1 + 7.b.2)</th><th>total of both in % (7.a. + 7.b.)</th><th>total number of voting rights of issuer</th></tr></thead><tbody><tr><td>Resulting situation</td><td>4.97 %</td><td>0.00 %</td><td>4.97 %</td><td>9867659</td></tr><tr><td>Previous notification</td><td>5.0009 %</td><td>0.00 %</td><td>5.0009 %</td><td>/</td></tr></tbody></table></div></div></div>		% of voting rights attached to shares (total of 7.a.)	% of voting rights through instruments (total of 7.b.1 + 7.b.2)	total of both in % (7.a. + 7.b.)	total number of voting rights of issuer	Resulting situation	4.97 %	0.00 %	4.97 %	9867659	Previous notification	5.0009 %	0.00 %	5.0009 %	/
	% of voting rights attached to shares (total of 7.a.)	% of voting rights through instruments (total of 7.b.1 + 7.b.2)	total of both in % (7.a. + 7.b.)	total number of voting rights of issuer																
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Publication according to § 26 (1) of German Securities Trading Act (“WpHG”)

No.	Corporation	Holding (%)	Date	Published by	Content of publication																																																																					
					<p>7. Notified details of the resulting situation</p> <p>a. Voting rights attached to shares (Sec.s 33, 34 WpHG)</p> <table border="1"> <thead> <tr> <th>ISIN</th><th>absolute</th><th>direct</th><th>indirect</th><th>in %</th></tr> <tr> <th></th><th>(Sec. 33 WpHG)</th><th>(Sec. 34 WpHG)</th><th>(Sec. 34 WpHG)</th><th>(Sec. 34 WpHG)</th></tr> </thead> <tbody> <tr> <td>DE0006916604</td><td>0</td><td>489952</td><td></td><td>0.00 %</td></tr> <tr> <td>Total</td><td>489952</td><td></td><td></td><td>4.97 %</td></tr> </tbody> </table> <p>b.1. Instruments according to Sec. 38 para. 1 No. 1 WpHG</p> <table border="1"> <thead> <tr> <th>Type of instrument</th><th>Expiration or maturity date</th><th>Exercise or conversion period</th><th>Voting rights absolute</th><th>Voting rights in %</th></tr> </thead> <tbody> <tr> <td></td><td></td><td></td><td></td><td></td></tr> <tr> <td>Total</td><td></td><td></td><td></td><td></td></tr> </tbody> </table> <p>b.2. Instruments according to Sec. 38 para. 1 No. 2 WpHG</p> <table border="1"> <thead> <tr> <th>Type of instrument</th><th>Expiration or maturity date</th><th>Exercise or conversion period</th><th>Cash or physical settlement</th><th>Voting rights absolute</th><th>Voting rights in %</th></tr> </thead> <tbody> <tr> <td></td><td></td><td></td><td></td><td></td><td></td></tr> <tr> <td>Total</td><td></td><td></td><td></td><td></td><td></td></tr> </tbody> </table> <p>8. Information in relation to the person subject to the notification obligation</p> <p>Person subject to the notification obligation is not controlled and does itself not control any other undertaking(s) holding directly or indirectly an interest in the (underlying) issuer (1.).</p> <p><input checked="" type="checkbox"/> Full chain of controlled undertakings starting with the ultimate controlling natural person or legal entity:</p> <table border="1"> <thead> <tr> <th>Name</th><th>% of voting rights (if at least held 3% or more)</th><th>% of voting rights through instruments (if at least held 5% or more)</th><th>Total of both (if at least held 5% or more)</th></tr> </thead> <tbody> <tr> <td>Allianz SE</td><td>%</td><td>%</td><td>%</td></tr> <tr> <td>Allianz Asset Management AG</td><td>%</td><td>%</td><td>%</td></tr> <tr> <td>Allianz Global Investors GmbH</td><td>4.97 %</td><td>%</td><td>%</td></tr> </tbody> </table> <p>9. In case of proxy voting according to Sec. 34 para. 3 WpHG</p> <p>Date of general meeting: _____</p> <p>Holding position after general meeting: _____ % (equals voting rights)</p> <p>10. Other explanatory remarks:</p>	ISIN	absolute	direct	indirect	in %		(Sec. 33 WpHG)	(Sec. 34 WpHG)	(Sec. 34 WpHG)	(Sec. 34 WpHG)	DE0006916604	0	489952		0.00 %	Total	489952			4.97 %	Type of instrument	Expiration or maturity date	Exercise or conversion period	Voting rights absolute	Voting rights in %						Total					Type of instrument	Expiration or maturity date	Exercise or conversion period	Cash or physical settlement	Voting rights absolute	Voting rights in %							Total						Name	% of voting rights (if at least held 3% or more)	% of voting rights through instruments (if at least held 5% or more)	Total of both (if at least held 5% or more)	Allianz SE	%	%	%	Allianz Asset Management AG	%	%	%	Allianz Global Investors GmbH	4.97 %	%	%
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Publication according to § 26 (1) of German Securities Trading Act (“WpHG”)

No.	Corporation	Holding (%)	Date	Published by	Content of publication
2	Allianz Global Investors Kapitalanlagegesellschaft mbH, Frankfurt, Germany	2.99	Jan. 17, 2012	EANS	Allianz Global Investors Kapitalanlagegesellschaft mbH, Frankfurt am Main, Germany, notified Pfeiffer Vacuum pursuant to § 21 (1) of the German Securities Trading Act that its percentage of voting rights in our corporation fell below the threshold of 3% on January 12, 2012 and stood at 2.99% (equivalent to 295,977 votes) as of that date. 1.14 percentage points of these voting rights (equivalent to 112,554 votes) are attributable to Allianz Global Investors Kapitalanlagegesellschaft mbH, Frankfurt am Main, Germany, pursuant to § 22 (1) sentence 1, no. 6, German Securities Trading Act.
3	Ameriprise Financial Inc., Minneapolis, USA	2.53	April 9, 2015	DGAP	Ameriprise Financial Inc., Minneapolis, USA, notified Pfeiffer Vacuum Technology AG pursuant to § 21 (1) of the German Securities Trading Act that its percentage of voting rights in our corporation fell below the threshold of 3% on March 30, 2015 and stood at 2.53% (equivalent to 249,588 votes) as of that date. These 2.53 percentage points are attributable to Ameriprise Financial Inc., Minneapolis, USA, pursuant to § 22 (1), sentence 1, no. 6, in conjunction with sentence 2, German Securities Trading Act.
4	BNP Paribas Investment Partners S.A., Paris, France	2.28	Nov. 24, 2014	DGAP	BNP Paribas Investment Partners S.A., Paris, France, notified Pfeiffer Vacuum Technology AG pursuant to § 21 (1) of the German Securities Trading Act that its percentage of voting rights in our corporation fell below the threshold of 3% on November 21, 2014 and stood at 2.28% percent (equivalent to 225,116 votes) as of that date. These 2.28 percentage points (equivalent to 225,116 votes) are attributable to BNP Paribas Investment Partners S.A. pursuant to § 22 (1), sentence 1, no. 1, German Securities Trading Act, of which 1.84 percentage points (equivalent to 181,564 votes) are attributable to BNP Paribas Investment Partners S.A. pursuant to § 22 (1), sentence 1, no. 6, in conjunction with sentence 2, German Securities Trading Act.
5	BNP Paribas Investment Partners UK Ltd, London, Great Britain	2.97	Nov. 21, 2014	DGAP	Correction of a notification dated October 30, 2014 BNP Paribas Investment Partners UK Limited, London, GB, notified Pfeiffer Vacuum Technology AG pursuant to § 21 (1) of the German Securities Trading Act that its percentage of voting rights in our corporation fell below the threshold of 3% on October 30, 2014 and stood at 2.97% (equivalent to 292,977 votes) as of that date. These 2.97 percentage points (equivalent to 292,977 votes) are attributable to BNP Paribas Investment Partners UK Limited, London, GB, pursuant to § 22 (1), sentence 1, no. 6, German Securities Trading Act.

Publication according to § 26 (1) of German Securities Trading Act (“WpHG”)

No.	Corporation	Holding (%)	Date	Published by	Content of publication
6	BNP Paribas Asset Management SAS, Paris, France	2.99	Nov. 21, 2014	DGAP	<p>Correction of a notification dated November 5, 2014 BNP Paribas Asset Management SAS, Paris, France, notified Pfeiffer Vacuum Technology AG pursuant to § 21 (1) of the German Securities Trading Act that its percentage of voting rights in our corporation fell below the threshold of 3% on November 5, 2014 and stood at 2.99% (equivalent to 295,081 votes) as of that date.</p> <p>1.14 percentage points of these voting rights (equivalent to 112,712 votes) are attributable to BNP Paribas Asset Management SAS, Paris, France, pursuant to § 22 (1), sentence 1, no. 6, German Securities Trading Act.</p>

Publication according to § 26 (1) of German Securities Trading Act (“WpHG”)

No.	Corporation	Holding (%)	Date	Published by	Content of publication															
7	Dr.-Ing. Karl Busch, Ayan Busch, Ayla Busch, Sami Busch, Kaya Busch and Busch GbR, Busch SE and Pangea GmbH, all in Maulburg, Germany	30.70	June 19, 2017	DGAP	<p>1. Details of issuer Pfeiffer Vacuum Technology AG Berliner Str. 43 35614 Asslar Germany</p> <p>2. Reason for notification <input checked="" type="checkbox"/> Acquisition/disposal of shares with voting rights <input type="checkbox"/> Acquisition/disposal of instruments <input type="checkbox"/> Change of breakdown of voting rights <input type="checkbox"/> Other reason:</p> <p>3. Details of person subject to the notification obligation Name: Herr Dr. Ing. Karl Busch, Frau Ayan Busch, Frau Ayla Busch, Herr Sami Busch, Herr Kaya Busch City and country of registered office:</p> <p>4. Names of shareholder(s) holding directly 3% or more voting rights, if different from 3. Pangea GmbH</p> <p>5. Date on which threshold was crossed or reached 09 Jun 2017</p> <p>6. Total positions</p> <table border="1"> <thead> <tr> <th></th><th>% of voting rights attached to shares (total of 7.a.)</th><th>% of voting rights through instruments (total of 7.b.1 + 7.b.2)</th><th>total of both in % (7.a. + 7.b.)</th><th>total number of voting rights of issuer</th></tr> </thead> <tbody> <tr> <td>Resulting situation</td><td>30.53 %</td><td>0.17 %</td><td>30.70 %</td><td>9867659</td></tr> <tr> <td>Previous notification</td><td>29.98 %</td><td>0.02 %</td><td>30.001 %</td><td>7</td></tr> </tbody> </table>		% of voting rights attached to shares (total of 7.a.)	% of voting rights through instruments (total of 7.b.1 + 7.b.2)	total of both in % (7.a. + 7.b.)	total number of voting rights of issuer	Resulting situation	30.53 %	0.17 %	30.70 %	9867659	Previous notification	29.98 %	0.02 %	30.001 %	7
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Publication according to § 26 (1) of German Securities Trading Act (“WpHG”)

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Publication according to § 26 (1) of German Securities Trading Act (“WpHG”)

No.	Corporation	Holding (%)	Date	Published by	Content of publication
8	Capital Research and Management Company, Los Angeles, USA	2.68	Dec. 2, 2014	DGAP	Capital Research and Management Company, Los Angeles, USA, notified Pfeiffer Vacuum Technology AG pursuant to § 21 (1) of the German Securities Trading Act, in conjunction with § 22 (1), sentence 1, no. 6, German Securities Trading Act, that its percentage of voting rights in our corporation fell below the threshold of 3% on November 24, 2014 and stood at 2.68% (equivalent to 264,558) as of that date. 2.68 percentage points of these voting rights (equivalent to 264,558 votes) are attributable to Capital Research and Management Company, Los Angeles, USA, pursuant to § 22 (1), sentence 1, no. 6, German Securities Trading Act.
9	Credit Suisse Group AG, Zurich, Switzerland	2.98	May 29, 2015	DGAP	Credit Suisse Group AG, Zurich, Switzerland, notified Pfeiffer Vacuum Technology AG pursuant to § 21 (1) of the German Securities Trading Act that its percentage of voting rights in our corporation fell below the threshold of 3% on May 25, 2015 and stood at 2.98% (equivalent to 294,178 votes) as of that date. 2.98 percentage points of these voting rights (equivalent to 228,688 votes) are attributable to the Credit Suisse Group AG pursuant to § 22 (1), sentence 1, no. 1, German Securities Trading Act.
10	Credit Suisse AG, Zurich, Switzerland	2.98	May 29, 2015	DGAP	Credit Suisse AG, Zurich, Switzerland, notified Pfeiffer Vacuum Technology AG pursuant to § 21 (1) of the German Securities Trading Act that the percentage of its voting rights in our corporation fell below the threshold of 3% on May 25, 2015 and stood at 2.98% (equivalent to 294,178 votes) as of that date. 2.32 percentage points of these voting rights (equivalent to 228,688 votes) are attributable to Credit Suisse AG pursuant to § 22 (1), sentence 1, no. 1, German Securities Trading Act.

Publication according to § 26 (1) of German Securities Trading Act (“WpHG”)

No.	Corporation	Holding (%)	Date	Published by	Content of publication
11	Henderson Global Investors (Holdings) Limited, London, Great Britain	1.97	June 10, 2015	DGAP	Henderson Global Investors (Holdings) Limited, London, Great Britain, notified Pfeiffer Vacuum Technology AG pursuant to § 21 (1) of the German Securities Trading Act that the percentage of its voting rights in our corporation fell below the threshold of 3% on June 5, 2015 and stood at 1.97% (equivalent to 194,745 votes) as of that date. These 1.97 percentage points (equivalent to 194,745 votes) are attributable to Henderson Global Investors (Holdings) Limited, London, Great Britain, pursuant to § 22 (1), sentence 1, no. 6, German Securities Trading Act, in conjunction with sentence 2, German Securities Trading Act.
12	Henderson Global Investors Limited, London, Great Britain	1.97	June 10, 2015	DGAP	Henderson Global Investors Limited, London, Great Britain, notified Pfeiffer Vacuum Technology AG pursuant to § 21 (1) of the German Securities Trading Act that the percentage of its voting rights in our corporation June 5, 2015 fell below the threshold of 3% on and stood at 1.97% (equivalent to 194,745 votes). These 1.97 percentage points (equivalent to 194,745 votes) are attributable to Henderson Global Investors Limited, London, Great Britain, pursuant to § 22 (1), sentence 1, no. 6, German Securities Trading Act.
13	Henderson Group plc, London, Great Britain	1.97	June 10, 2015	DGAP	Henderson Group plc, London, Great Britain, notified Pfeiffer Vacuum Technology AG pursuant to § 21 (1) of the German Securities Trading Act that the percentage of its voting rights in our corporation fell below the threshold of 3% on June 5, 2015 and stood at 1.97% (equivalent to 194,745 votes) as of that date. These 1.97 percentage points (equivalent to 194,745 votes) are attributable to Henderson Group plc, London, Great Britain, pursuant to § 22 (1), sentence 1, no. 6, German Securities Trading Act, in conjunction with sentence 2, German Securities Trading Act.

Publication according to § 26 (1) of German Securities Trading Act (“WpHG”)

No.	Corporation	Holding (%)	Date	Published by	Content of publication
14	Massachusetts Financial Services Company (MFS), Boston, USA	2.81	Sept. 24, 2015	DGAP	<p>Massachusetts Financial Services Company (MFS), Boston, USA, notified Pfeiffer Vacuum Technology AG pursuant to § 21 (1) of the German Securities Trading Act that the percentage of its voting rights in our corporation fell below the threshold of 3% on September 18, 2015 and stood at 2.81% (equivalent to 276,892 votes) as of that date.</p> <p>1.83 percentage points of these voting rights (equivalent to 180,993 votes) are attributable to Massachusetts Financial Services Company (MFS) pursuant to § 22 (1), sentence 1, no. 6.</p> <p>Additional 0.97 percentage points (equivalent to 95,899 votes) are attributable to Massachusetts Financial Services Company (MFS) pursuant to § 22 (1), sentence 1, no. 6, German Securities Trading Act, in conjunction with sentence 2.</p>

Publication according to § 26 (1) of German Securities Trading Act ("WpHG")

No.	Corporation	Holding (%)	Date	Published by	Content of publication															
15	Ministry of Finance on behalf of the State of Norway, Oslo, Norway	3.45	June, 9, 2017	DGAP	<p>1. Details of issuer Pfeiffer Vacuum Technology AG Berliner Str. 43 35614 Asslar Germany</p> <p>2. Reason for notification <input checked="" type="checkbox"/> Acquisition/disposal of shares with voting rights <input type="checkbox"/> Acquisition/disposal of instruments <input type="checkbox"/> Change of breakdown of voting rights <input type="checkbox"/> Other reason:</p> <p>3. Details of person subject to the notification obligation Name: Ministry of Finance on behalf of the State of Norway City and country of registered office: Oslo, Norway</p> <p>4. Names of shareholder(s) holding directly 3% or more voting rights, if different from 3. Norges Bank</p> <p>5. Date on which threshold was crossed or reached 06 Jun 2017</p> <p>6. Total positions</p> <table border="1"> <thead> <tr> <th></th><th>% of voting rights attached to shares (total of 7.a.)</th><th>% of voting rights through instruments (total of 7.b.1 + 7.b.2)</th><th>total of both in % (7.a. + 7.b.)</th><th>total number of voting rights of issuer</th></tr> </thead> <tbody> <tr> <td>Resulting situation</td><td>3.36 %</td><td>0.08 %</td><td>3.45 %</td><td>9,867,659</td></tr> <tr> <td>Previous notification</td><td>2.999 %</td><td>0.07 %</td><td>3.07 %</td><td>7</td></tr> </tbody> </table>		% of voting rights attached to shares (total of 7.a.)	% of voting rights through instruments (total of 7.b.1 + 7.b.2)	total of both in % (7.a. + 7.b.)	total number of voting rights of issuer	Resulting situation	3.36 %	0.08 %	3.45 %	9,867,659	Previous notification	2.999 %	0.07 %	3.07 %	7
	% of voting rights attached to shares (total of 7.a.)	% of voting rights through instruments (total of 7.b.1 + 7.b.2)	total of both in % (7.a. + 7.b.)	total number of voting rights of issuer																
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Publication according to § 26 (1) of German Securities Trading Act (“WpHG”)

No.	Corporation	Holding (%)	Date	Published by	Content of publication																																																											
					<p>7. Notified details of the resulting situation</p> <p>a. Voting rights attached to shares (Sec.s 21, 22 WpHG)</p> <table border="1"> <thead> <tr> <th>ISIN</th><th>absolute</th><th>direct</th><th>indirect</th><th>in %</th></tr> <tr> <th></th><th>(Sec. 21 WpHG)</th><th>(Sec. 22 WpHG)</th><th>(Sec. 21 WpHG)</th><th>(Sec. 22 WpHG)</th></tr> </thead> <tbody> <tr> <td>DE0006916604</td><td></td><td>331.792</td><td></td><td>3.36 %</td></tr> <tr> <td>Total</td><td></td><td>331.792</td><td></td><td>3.36 %</td></tr> </tbody> </table> <p>b.1. Instruments according to Sec. 25 para. 1 No. 1 WpHG</p> <table border="1"> <thead> <tr> <th>Type of instrument</th><th>Expiration or maturity date</th><th>Exercise or conversion period</th><th>Voting rights absolute</th><th>Voting rights in %</th></tr> </thead> <tbody> <tr> <td>Shares on Loan (right to recall)</td><td></td><td>at any time</td><td>8.195</td><td>0.08 %</td></tr> <tr> <td>Total</td><td></td><td></td><td>8.195</td><td>0.08 %</td></tr> </tbody> </table> <p>b.2. Instruments according to Sec. 25 para. 1 No. 2 WpHG</p> <table border="1"> <thead> <tr> <th>Type of instrument</th><th>Expiration or maturity date</th><th>Exercise or conversion period</th><th>Cash or physical settlement</th><th>Voting rights absolute</th><th>Voting rights in %</th></tr> </thead> <tbody> <tr> <td></td><td></td><td></td><td>Total</td><td></td><td>%</td></tr> </tbody> </table> <p>8. Information in relation to the person subject to the notification obligation</p> <p><input type="checkbox"/> Person subject to the notification obligation is not controlled and does itself not control any other undertaking(s) holding directly or indirectly an interest in the (underlying) issuer (1.).</p> <p><input checked="" type="checkbox"/> Full chain of controlled undertakings starting with the ultimate controlling natural person or legal entity:</p> <table border="1"> <thead> <tr> <th>Name</th><th>% of voting rights (if at least held 3% or more)</th><th>% of voting rights through instruments (if at least held 5% or more)</th><th>Total of both (if at least held 5% or more)</th></tr> </thead> <tbody> <tr> <td>State of Norway</td><td>%</td><td>%</td><td>%</td></tr> <tr> <td>Norges Bank</td><td>3.36 %</td><td>%</td><td>%</td></tr> </tbody> </table> <p>9. In case of proxy voting according to Sec. 22 para. 3 WpHG</p> <p>Date of general meeting: _____</p> <p>Holding position after general meeting: _____ % (equals voting rights)</p> <p>10. Other explanatory remarks:</p> <p>_____</p>	ISIN	absolute	direct	indirect	in %		(Sec. 21 WpHG)	(Sec. 22 WpHG)	(Sec. 21 WpHG)	(Sec. 22 WpHG)	DE0006916604		331.792		3.36 %	Total		331.792		3.36 %	Type of instrument	Expiration or maturity date	Exercise or conversion period	Voting rights absolute	Voting rights in %	Shares on Loan (right to recall)		at any time	8.195	0.08 %	Total			8.195	0.08 %	Type of instrument	Expiration or maturity date	Exercise or conversion period	Cash or physical settlement	Voting rights absolute	Voting rights in %				Total		%	Name	% of voting rights (if at least held 3% or more)	% of voting rights through instruments (if at least held 5% or more)	Total of both (if at least held 5% or more)	State of Norway	%	%	%	Norges Bank	3.36 %	%	%
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No.	Corporation	Holding (%)	Date	Published by	Content of publication
16	Montanaro Asset Management Limited, London, Great Britain	2.94	July 7, 2014	DGAP	Montanaro Asset Management Limited, London, Great Britain, notified Pfeiffer Vacuum Technology AG pursuant to § 21 (1) of the German Securities Trading Act that the percentage of its voting rights in our corporation fell below the threshold of 3% on June 26, 2014 and stood at 2.94% (equivalent to 290,358 votes) as of that date. These 2.94 percentage points (equivalent to 290,358 votes) are attributable to Montanaro Asset Management Limited, London, Great Britain, pursuant to § 22 (1), sentence 1, no. 6, German Securities Trading Act.
17	Montanaro European Smaller Companies plc, Dublin, Ireland	2.98	Feb. 13, 2014	DGAP	Montanaro European Smaller Companies plc, Dublin, Ireland, notified Pfeiffer Vacuum Technology AG pursuant to § 21 (1) of the German Securities Trading Act that the percentage of its voting rights in our corporation fell below the threshold of 3% on February 10, 2014 and stood at 2.98% (equivalent to 293,744 votes) as of that date.
18	Sun Life Assurance Company of Canada - U.S. Operations Holdings, Inc., Wellesley Hills, USA	2.81	Sept. 24, 2015	DGAP	Sun Life Assurance Company of Canada - U.S. Operations Holdings, Inc., Wellesley Hills, USA, notified Pfeiffer Vacuum Technology AG pursuant to § 21 (1) of the German Securities Trading Act that the percentage of its voting rights in our corporation fell below the threshold of 3% on September 18, 2015 and stood at 2.81% (equivalent to 276,892 votes) as of that date. These 2.81 percentage points (equivalent to 276,892 votes) are attributable to Sun Life Assurance Company of Canada - U.S. Operations Holdings, Inc., Wellesley Hills, USA, pursuant to § 22 (1), sentence 1, no. 6, German Securities Trading Act, in conjunction with sentence 2, German Securities Trading Act.
19	Sun Life Financial Inc., Toronto, Canada	2.81	Sept. 24, 2015	DGAP	Sun Life Financial Inc., Toronto, Canada, notified Pfeiffer Vacuum Technology AG pursuant to § 21 (1) of the German Securities Trading Act that the percentage of its voting rights in our corporation fell below the threshold of 3% on September 18, 2015 and stood at 2.81% (equivalent to 276,892 votes) as of that date. These 2.81 percentage points (equivalent to 276,892 votes) are attributable to Sun Life Financial Inc. pursuant to § 22 (1), sentence 1, no. 6, German Securities Trading Act, in conjunction with sentence 2, German Securities Trading Act.

Publication according to § 26 (1) of German Securities Trading Act (“WpHG”)

No.	Corporation	Holding (%)	Date	Published by	Content of publication
20	Sun Life Financial (U.S.) Holdings, Inc., Wellesley Hills, USA	2.81	Sept. 24, 2015	DGAP	Sun Life Financial (U.S.) Holdings, Inc., Wellesley Hills, USA, notified Pfeiffer Vacuum Technology AG pursuant to § 21 (1) of the German Securities Trading Act that the percentage of its voting rights in our corporation fell below the threshold of 3% on September 18, 2015 and stood at 2.81% (equivalent to 276,892 votes) as of that date. These 2.81 percentage points (equivalent to 276,892 votes) are attributable to Sun Life Financial (U.S.) Holdings, Inc., Wellesley Hills, USA, pursuant to § 22 (1), sentence 1, no. 6, German Securities Trading Act, in conjunction with sentence 2, German Securities Trading Act.
21	Sun Life Financial (U.S.) Investments LLC, Wellesley Hills, USA	2.81	Sept. 24, 2015	DGAP	Sun Life Financial (U.S.) Investments LLC, Wellesley Hills, USA, notified Pfeiffer Vacuum Technology AG pursuant to § 21 (1) of the German Securities Trading Act that the percentage of its voting rights in our corporation fell below the threshold of 3% on September 18, 2015 and stood at 2.81% (equivalent to 276,892 votes) as of that date. These 2.81 percentage points (equivalent to 276,892 votes) are attributable to Sun Life Financial (U.S.) Investments LLC, Wellesley Hills, USA, pursuant to § 22 (1), sentence 1, no. 6, German Securities Trading Act, in conjunction with sentence 2, German Securities Trading Act.
22	Sun Life Global Investments Inc., Toronto, Canada	2.81	Sept. 24, 2015	DGAP	Sun Life Global Investments Inc., Toronto, Canada, notified Pfeiffer Vacuum Technology AG pursuant to § 21 (1) of the German Securities Trading Act that the percentage of its voting rights in our corporation below the threshold of 3% on September 18, 2015 and stood at 2.81% (equivalent to 276,892 votes) as of that date. These 2.81 percentage points (equivalent to 276,892 votes) are attributable to Sun Life Global Investments Inc., Toronto, Canada, pursuant to § 22 (1), sentence 1, no. 6, German Securities Trading Act, in conjunction with sentence 2, German Securities Trading Act.
23	Sun Life of Canada (U.S.) Financial Services Holdings, Inc., Boston, USA	2.81	Sept. 24, 2015	DGAP	Sun Life of Canada (U.S.) Financial Services Holdings, Inc., Boston, USA, notified Pfeiffer Vacuum Technology AG pursuant to § 21 (1) of the German Securities Trading Act that the percentage of its voting rights in our corporation fell below the threshold of 3% on September 18, 2015 and stood at 2.81% (equivalent to 276,892 votes) as of that date. These 2.81 percentage points (equivalent to 276,892 votes) are attributable to Sun Life of Canada (U.S.) Financial Services Holdings, Inc., Boston, USA, pursuant to § 22 (1), sentence 1, no. 6, German Securities Trading Act, in conjunction with sentence 2, German Securities Trading Act.

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No.	Corporation	Holding (%)	Date	Published by	Content of publication
24	TAM UK Holdings Limited, London, Great Britain	2.53	April 9, 2015	DGAP	TAM UK Holdings Limited, London, Great Britain, notified Pfeiffer Vacuum Technology AG pursuant to § 21 (1) of the German Securities Trading Act that the percentage of its voting rights in our corporation fell below the threshold of 3% on March 30, 2015 and stood at 2.53% (equivalent to 249,588 votes). These 2.53 percentage points are attributable to TAM UK Holdings Limited, London, Great Britain, pursuant to § 22 (1), sentence 1, no. 6, in conjunction with sentence 2, German Securities Trading Act.
25	TC Financing Limited, London, Great Britain	2.53	April 9, 2015	DGAP	TC Financing Limited, London, Great Britain, notified Pfeiffer Vacuum Technology AG pursuant to § 21 (1) of the German Securities Trading Act that the percentage of its voting rights in our corporation fell below the threshold of 3% on March 30, 2015 and stood at 2.53% (equivalent to 249,588 votes) as of that date. These 2.53 percentage points are attributable to TC Financing Limited, London, Great Britain, pursuant to § 22 (1), sentence 1, no. 6, in conjunction with sentence 2, German Securities Trading Act.
26	The Capital Group Companies, Los Angeles, USA	2.68	Dec. 2, 2014	DGAP	The Capital Group Companies, Los Angeles, USA, notified Pfeiffer Vacuum Technology AG pursuant to § 21 (1) of the German Securities Trading Act in conjunction with § 22 (1), sentence 1, no. 6, German Securities Trading Act, in conjunction with § 22 (1) sentences 2 and 3, German Securities Trading Act, that its percentage of voting rights in our corporation fell below the threshold of 3% on November 24, 2014 and stood at 2.68% (equivalent to 264,558 votes) as of that date. 2.68 percentage points of these voting rights (equivalent to 264,558 votes) are attributable to Capital Group Companies, Los Angeles, USA, pursuant to § 22 (1), sentence 1, no. 6, German Securities Trading Act, in conjunction with § 22 (1) sentences 2 and 3, German Securities Trading Act.
27	Threadneedle Asset Management Holdings Limited, London, Great Britain	2.53	April 9, 2015	DGAP	Threadneedle Asset Management Holdings Limited, London, Great Britain, notified Pfeiffer Vacuum Technology AG pursuant to § 21 (1) of the German Securities Trading Act that the percentage of its voting rights in our corporation on March 30, 2015 fell below the threshold of 3% and stood at 2.53% (equivalent to 249,588 votes). These 2.53 percentage points are attributable to Threadneedle Asset Management Holdings Limited, London, Great Britain, pursuant to § 22 (1) Sentence 1, no. 6, in conjunction with sentence 2, German Securities Trading Act.

Publication according to § 26 (1) of German Securities Trading Act (“WpHG”)

No.	Corporation	Holding (%)	Date	Published by	Content of publication
28	Threadneedle Asset Management Holdings SARL, Luxembourg, Luxembourg	2.53	April 9, 2015	DGAP	Threadneedle Asset Management Holdings SARL, Luxembourg, Luxembourg, notified Pfeiffer Vacuum Technology AG pursuant to § 21 (1) of the German Securities Trading Act that the percentage of its voting rights in our corporation fell below the threshold of 3% on March 30, 2015 and stood at 2.53% (equivalent to 249,588 votes) as of that date. These 2.53 percentage points are attributable to Threadneedle Asset Management Holdings SARL, Luxembourg, Luxembourg, pursuant to § 22 (1), sentence 1, no. 6, in conjunction with sentence 2, German Securities Trading Act.
29	Threadneedle Asset Management Limited, London, Great Britain	2.53	April 9, 2015	DGAP	Threadneedle Asset Management Limited, London, Great Britain, notified Pfeiffer Vacuum Technology AG pursuant to § 21 (1) of the German Securities Trading Act that the percentage of its voting rights in our corporation fell below the threshold of 3% on March 30, 2015 and stood at 2.53% (equivalent to 249,588 votes) as of that date. These 2.53 percentage points are attributable to Threadneedle Asset Management Limited, London, Great Britain, pursuant to § 22 (1), sentence 1, no. 6, German Securities Trading Act.
30	Threadneedle Holdings Limited, London, Great Britain	2.53	April 9, 2015	DGAP	Threadneedle Holdings Limited, London, Great Britain, notified Pfeiffer Vacuum Technology AG pursuant to § 21 (1) of the German Securities Trading Act that the percentage of its voting rights in our corporation fell below the threshold of 3% on March 30, 2015 and stood at 2.53% (equivalent to 249,588 votes) as of that date. These 2.53 percentage points are attributable to Threadneedle Holdings Limited, London, Great Britain, pursuant to § 22 (1), sentence 1, no. 6, in conjunction with sentence 2, German Securities Trading Act.

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No.	Corporation	Holding (%)	Date	Published by	Content of publication
31	Threadneedle Investment Services Limited, London, Great Britain	3.08	June 28, 2013	DGAP	<p>Threadneedle Investment Services Limited, London, Great Britain, notified Pfeiffer Vacuum Technology AG pursuant to § 21 (1) of the German Securities Trading Act that the percentage of its voting rights in our corporation exceeded the threshold of 3% on June 26, 2013 and stood at 3.08% (equivalent to 303,567 votes) as of that date. These 3.08 percentage points (equivalent to 303,567 votes) are attributable to Threadneedle Investment Services Limited, London, Great Britain, pursuant to § 22 (1), sentence 1, no. 6, German Securities Trading Act. Voting rights from the following shareholder, whose percentage of voting rights in Pfeiffer Vacuum Technology AG amounts to 3% or above, are also attributed to it: Threadneedle Investment Funds ICVC.</p> <p>Threadneedle Investment Funds ICVC, London, Great Britain, notified Pfeiffer Vacuum Technology AG pursuant to § 21 (1) of the German Securities Trading Act that the percentage of its voting rights in our corporation exceeded the threshold of 3% on June 26, 2013 and stood at 3.08% (equivalent to 303,567 votes) as of that date.</p>

Publication according to § 26 (1) of German Securities Trading Act (“WpHG”)

No.	Corporation	Holding (%)	Date	Published by	Content of publication															
32	Universal-Investment-Gesellschaft mit beschränkter Haftung, Frankfurt am Main, Germany	2.93	Feb. 1, 2017	DGAP	<div><div><div><div>1. Details of issuer</div><div>Pfeiffer Vacuum Technology AG Berliner Str. 43 35614 Asslar Germany</div></div><div><div>2. Reason for notification</div><div><div>Acquisition/disposal of shares with voting rights</div><div>Acquisition/disposal of instruments</div><div>Change of breakdown of voting rights</div><div><div>X</div>Other reason: Disposal of voting rights through managed special assets</div></div></div><div><div>3. Details of person subject to the notification obligation</div><div><div>Name: Universal-Investment-Gesellschaft mit beschränkter Haftung</div><div>City and country of registered office: Frankfurt am Main Germany</div></div></div><div><div>4. Names of shareholder(s)</div><div>holding directly 3% or more voting rights, if different from 3. n/a</div></div><div><div>5. Date on which threshold was crossed or reached</div><div>27 Jan 2017</div></div><div><div>6. Total positions</div><table><thead><tr><th></th><th>% of voting rights attached to shares (total of 7.a.)</th><th>% of voting rights through instruments (total of 7.b.1 + 7.b.2)</th><th>total of both in % (7.a. + 7.b.)</th><th>total number of voting rights of issuer</th></tr></thead><tbody><tr><td>Resulting situation</td><td>2.93 %</td><td>0.00 %</td><td>2.93 %</td><td>9867659</td></tr><tr><td>Previous notification</td><td>3.05 %</td><td>0.00 %</td><td>3.05 %</td><td>/</td></tr></tbody></table></div></div></div>		% of voting rights attached to shares (total of 7.a.)	% of voting rights through instruments (total of 7.b.1 + 7.b.2)	total of both in % (7.a. + 7.b.)	total number of voting rights of issuer	Resulting situation	2.93 %	0.00 %	2.93 %	9867659	Previous notification	3.05 %	0.00 %	3.05 %	/
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Publication according to § 26 (1) of German Securities Trading Act (“WpHG”)

No.	Corporation	Holding (%)	Date	Published by	Content of publication																																																												
					<p>7. Notified details of the resulting situation</p> <p>a. Voting rights attached to shares (Sec.s 21, 22 WpHG)</p> <table border="1"> <thead> <tr> <th rowspan="2">ISIN</th> <th colspan="2">absolute</th> <th colspan="2">in %</th> </tr> <tr> <th>direct (Sec. 21 WpHG)</th> <th>indirect (Sec. 22 WpHG)</th> <th>direct (Sec. 21 WpHG)</th> <th>indirect (Sec. 22 WpHG)</th> </tr> </thead> <tbody> <tr> <td>DE0006916604</td> <td>0</td> <td>289215</td> <td>0 %</td> <td>2.93 %</td> </tr> <tr> <td>Total</td> <td>289215</td> <td></td> <td>2.93 %</td> <td></td> </tr> </tbody> </table> <p>b.1. Instruments according to Sec. 25 para. 1 No. 1 WpHG</p> <table border="1"> <thead> <tr> <th>Type of instrument</th> <th>Expiration or maturity date</th> <th>Exercise or conversion period</th> <th>Voting rights absolute</th> <th>Voting rights in %</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Total</td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table> <p>b.2. Instruments according to Sec. 25 para. 1 No. 2 WpHG</p> <table border="1"> <thead> <tr> <th>Type of instrument</th> <th>Expiration or maturity date</th> <th>Exercise or conversion period</th> <th>Cash or physical settlement</th> <th>Voting rights absolute</th> <th>Voting rights in %</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Total</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table> <p>8. Information in relation to the person subject to the notification obligation</p> <p><input checked="" type="checkbox"/> Person subject to the notification obligation is not controlled and does itself not control any other undertaking(s) holding directly or indirectly an interest in the (underlying) issuer (1.).</p> <p>Full chain of controlled undertakings starting with the ultimate controlling natural person or legal entity:</p> <table border="1"> <thead> <tr> <th>Name</th> <th>% of voting rights (if at least held 3% or more)</th> <th>% of voting rights through instruments (if at least held 5% or more)</th> <th>Total of both (if at least held 5% or more)</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table> <p>9. In case of proxy voting according to Sec. 22 para. 3 WpHG</p> <p>Date of general meeting: _____</p> <p>Holding position after general meeting: _____ % (equals voting rights)</p> <p>10. Other explanatory remarks:</p>	ISIN	absolute		in %		direct (Sec. 21 WpHG)	indirect (Sec. 22 WpHG)	direct (Sec. 21 WpHG)	indirect (Sec. 22 WpHG)	DE0006916604	0	289215	0 %	2.93 %	Total	289215		2.93 %		Type of instrument	Expiration or maturity date	Exercise or conversion period	Voting rights absolute	Voting rights in %						Total					Type of instrument	Expiration or maturity date	Exercise or conversion period	Cash or physical settlement	Voting rights absolute	Voting rights in %							Total						Name	% of voting rights (if at least held 3% or more)	% of voting rights through instruments (if at least held 5% or more)	Total of both (if at least held 5% or more)				
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Shares in circulation as of December 31, 2017: 9,867,659

IV. Management's Discussion and Analysis for Fiscal Year 2017

Pfeiffer Vacuum Technology AG, Asslar

The earnings of Pfeiffer Vacuum Technology AG are mainly influenced by the profit and loss transfer of Pfeiffer Vacuum GmbH, Asslar. This decreased by € 2.1 million in the fiscal year 2017 from € 40.8 million to € 38.7 million. As a result of necessary consulting services in connection with the takeover bids and the expansion of the scope of consolidation, the other operating expenses increased from € 2.5 million to € 7.5 million. Personnel expenses amounted to € 4.9 million in the past fiscal year 2017. At Pfeiffer Vacuum Technology AG, this was offset by the increase in income from equity investments to € 7.1 million. In the earnings for fiscal 2017, the annual net income of € 32.3 million at Pfeiffer Vacuum Technology AG laid € 4.3 million under the previous year's figure of € 36.6 million. At the same time, profitability remains above average. The liquidity and financial position also remain excellent. In spite of distributing a high dividend to shareholders, all operational expenditures of the Company and the Pfeiffer Vacuum Group as a whole were financed through the available liquidity. The liabilities to banks taken up in the year under review served to finance the acquisition of the Nor-Cal group. The equity ratio decreased accordingly and amounted to 70.5% as of December 31, 2017 (previous year: 98.5%).

Basic structure of the Company

Pfeiffer Vacuum Technology AG ("Pfeiffer Vacuum") is a German stock corporation domiciled in Asslar. Since April 15, 1998, it is listed on the German stock exchange.

As of December 31, 2017, the subsidiaries of Pfeiffer Vacuum Technology AG totaled 31 companies (previous year: 20).

The changes result from the indirectly through Pfeiffer Vacuum GmbH and Pfeiffer Vacuum Inc., USA, acquired Nor-Cal Products Holdings Inc., Yreka, USA, and its subsidiaries and Advanced Test Concepts LLC., Indianapolis, USA, and the acquisition of further shares in Dreebit GmbH, Dresden, Germany. In addition, three real estate associations were established in connection with the acquisition of real estate in the USA. Furthermore, Pfeiffer Vacuum Malaysia SDN. BHD. was founded in Kulim, Malaysia. The company adixen Vacuum Technology (Shanghai) Co. Ltd., China, was liquidated in the year under review.

The table below details the Corporate Group structure as at December 31, 2017:

Pfeiffer Vacuum Corporate Group Structure (as at December 31, 2017)		
Name	Home state	Share (in %)
Pfeiffer Vacuum Technology AG	Germany	
Pfeiffer Vacuum GmbH	Germany	100.0
Pfeiffer Vacuum Austria GmbH	Austria	100.0
Pfeiffer Vacuum (Schweiz) AG	Switzerland	99.4
Pfeiffer Vacuum (Shanghai) Co. Ltd.	China	100.0
Pfeiffer Vacuum (India) Private Ltd.	India	27.0 ¹
Pfeiffer Vacuum Ltd.	Great Britain	100.0
Pfeiffer Vacuum Scandinavia AB	Sweden	100.0
Pfeiffer Vacuum Inc.	USA	100.0
Advanced Test Concepts, LLC.	USA	100.0
Nor-Cal Products Holdings, Inc.	USA	100.0
Nor-Cal Products, Inc.	USA	100.0
Nor-Cal Products Europe Ltd.	Great Britain	100.0
Nor-Cal Products Asia Pacific Pte. Ltd.	Singapore	100.0
Nor-Cal Products Korea Co., Ltd.	Republic of Korea	100.0
Nor-Cal Products Viet Nam Co., Ltd.	Vietnam	100.0
Pfeiffer Vacuum New Hampshire Realty Holdings, LLC.	USA	100.0
Pfeiffer Vacuum Indiana Realty Holdings, LLC.	USA	100.0
Pfeiffer Vacuum California Realty Holdings, LLC.	USA	100.0
Pfeiffer Vacuum Singapore Pte. Ltd.	Singapore	100.0
Pfeiffer Vacuum Malaysia SDN. BHD.	Malaysia	100.0
Pfeiffer Vacuum Taiwan Corporation Ltd.	Taiwan	100.0
Pfeiffer Vacuum Benelux B. V.	The Netherlands	100.0
Pfeiffer Vacuum (Xi'an) Co. Ltd.	China	100.0
Pfeiffer Vacuum Holding B. V.	The Netherlands	100.0
Pfeiffer Vacuum Italia S. p. A.	Italy	100.0
Pfeiffer Vacuum (India) Private Ltd.	India	73.0 ¹
Pfeiffer Vacuum Korea Ltd.	Republic of Korea	75.5 ¹
Pfeiffer Vacuum Components & Solutions GmbH	Germany	100.0
Pfeiffer Vacuum SAS	France	100.0
Pfeiffer Vacuum Romania S.r.l.	Romania	100.0
Pfeiffer Vacuum Semi Korea Ltd.	Republic of Korea	100.0
Pfeiffer Vacuum Korea Ltd.	Republic of Korea	24.5 ¹
Dreebit GmbH	Germany	100.0

¹ Shareholding quota totals 100 %

A central role is taken up by Pfeiffer Vacuum GmbH, Asslar. Pfeiffer Vacuum organizes the manufacture of all Pfeiffer Vacuum products, is the distributor for Germany and also manages central equity investments for the Corporate Group. As of December 31, 2017, the Company employed a total of 728 employees (previous year: 737). Pfeiffer Vacuum SAS, Annecy, France, also plays an important role. The Company employed 667 employees at year end (previous year: 641) and is the principal production facility for adixen products, and is responsible for sales in France.

The other Corporate Group companies are legally independent corporations that are primarily active in sales tasks. In addition, Pfeiffer Vacuum Components & Solutions GmbH, Pfeiffer Vacuum Semi Korea, Ltd. and Pfeiffer Vacuum Romania S.r.l. are entrusted with the manufacture and assembly of their own products. As a result of the acquisitions made in the fiscal year, the number of Group companies with their own production locations also increased. These include in particular Nor-Cal Products, Inc. and Advanced Test Concepts LLC as well as Nor-Cal Products Viet Nam Co., Ltd. Essentially all companies are legally organized in a form that can be compared to that of a German limited liability company (GmbH).

Economic Conditions 2017

Overall economic development

World economy The global economy showed a slight improvement in 2017 compared to the previous year, based on positive impetus already noted in the second half of 2016. According to the latest estimates of the International Monetary Fund (IMF), global growth should have been nominally 3.7 % (previous year: 3.1 %). In the emerging and developing countries, growth was expected to be at 4.7 % (previous year: 4.2 %). In industrialized countries, on the other hand, the gross domestic product accelerated to an average of 2.3 % (previous year: 1.6 %).

Europe Along with the global economy improvement, economic growth in the eurozone developed positively in the course of 2017. Accordingly, the gross domestic product rose by 2.4 % (previous year: 1.6 %) and thus also influenced the development of the industrialized countries as a whole. The economic recovery was quite broad and benefited from the increase in private consumer spending. Despite historically low interest rates and slightly improved corporate sentiment, investments developed rather below average. The export business was also adversely affected by the development of the euro/US dollar exchange rate, mainly during the second half of 2017. Parallel to the eurozone development as a whole, the two major national economies in the EU also showed gratifying growth. Although gross domestic product increased less strongly in France at 1.8%, however, there was a positive trend compared to the previous year (1.2 %).

The German economy grew by 2.5 % in 2017, slightly better than the eurozone as a whole. After 1.9 % in the previous year, the development was, therefore, relatively robust. In 2017, the strongest stimulus again came from consumption. The unemployment rate, already at a low level, dropped from 6.1 % on average in 2016 to 5.7 % in 2017. At the same time, the number of employed persons continued to rise, reaching another record high of 44.7 million at the end of 2017.

USA Despite rising interest rates and uncertainty surrounding the new U.S. president, the U.S. economy increased its economic output in 2017 by 2.3 % compared to the previous year (1.6 %). The unemployment rate dropped from 4.9 % in 2016 to 4.1 % and had a positive effect on consumption propensity. Over the course of the year, the U.S. Federal Reserve Bank slightly raised the base interest rate several times and held out the prospect of further measures. After the election of Donald Trump as the U.S. President at the end of 2016, economic policy remains an uncertainty factor. The effects of the U.S. tax reform cannot yet be conclusively assessed in terms of its economic significance for the U.S.

Asia Against the backdrop of a continued expansive fiscal policy, Japan was able to increase its economic output to 1.8 % (previous year: 0.5 %). In the third quarter, in particular, improved momentum was felt. In 2017, the recent weaker economic development in China improved slightly. According to official figures, the Chinese economy grew by 6.8% (previous year: 6.6 %). This was still distinctly higher than the global average, but far below earlier growth rates. India, on the other hand, recorded a slight slowdown in growth momentum, with growth falling from 7.6 % in the previous year to 6.7 %.

Mechanical engineering and the vacuum industry

In the first eleven months of 2017, production in the German mechanical and plant engineering sector clearly surpassed the previous year's level with a real gain of 3.0 %. Overall, the sentiment can be described as confident, as the real change in incoming orders also showed a significant increase of 8.0 %. At the same time, capacity utilization increased from 84.6 % to 87.9 % (as of the end of October). The full-year results for exports of machinery and plant were not yet available for 2017. In the first ten months, they were 6.3% higher in real terms than in the previous year. Based on the entire year, this very positive development will be confirmed based on assessments.

The number of people employed in the German mechanical and plant engineering sector in October 2017 amounted to about 1,028,000. This equals an increase of around 11,000 employees compared to October 2016. At the same time, the number of short-time workers fell by 56.0 %.

Vacuum technology is used in many industries. Accordingly, the vacuum industry is also to be considered against the backdrop of global economic development. However, there were considerable differences within the market segments that are important for the vacuum industry: the cyclical semiconductor industry, for example, displayed a sustained high willingness to invest. A similar positive development could be recorded in 2017 in the areas of coating and analytics. The areas of research & development and industry stagnated at the high level of the previous year.

Profitability, Financial Position, and Liquidity

Profitability

The principal task of Pfeiffer Vacuum Technology AG is the holding function, cash management for the German subsidiary in Asslar and, since the year under review, also for Pfeiffer Vacuum SAS in Annecy, the financing function for the die Group-wide liquidity requirements and the letting of buildings to Pfeiffer Vacuum GmbH in Asslar. The profit and loss transfer agreement that exists with the subsidiary Pfeiffer Vacuum GmbH has a major influence on the earnings of the Company.

At € 32.3 million, the annual net profit of Pfeiffer Vacuum Technology AG is € 4.3 million below the previous year's figure of € 36.6 million. This corresponds to a decrease of 11.6%.

As in previous years, the profitability of Pfeiffer Vacuum Technology AG is significantly influenced by the profit and loss transfer of € 38.7 million (previous year: € 40.8 million) of Pfeiffer Vacuum GmbH. In spite of a lower transfer of profits compared to the previous year, the development of Pfeiffer Vacuum GmbH in the year 2017 was generally satisfactory.

It was possible, for example, to increase the sales volume of Pfeiffer Vacuum GmbH significantly by € 19.7 million from an already high level in the year 2016 to € 220.7 million. This pleasing development was mainly attributable to improved sales in Germany, which were again due to increased momentum in the areas of analytics and coating. Sales in Asia increased by € 3.6 million, offsetting a slight decline in Europe (excluding Germany). The development in the USA occurred without any notable changes compared to the previous year. The significant sales increase formulated in last year's outlook was thus achieved.

Sales by Region (in K€)			
	2017	2016	Change
Germany	83,585	66,379	25.9%
Europe (excluding Germany)	49,498	50,694	-2.4%
Asia	50,593	46,986	7.7%
USA	35,755	35,869	-0.3%
Rest of World	1,250	1,023	22.2%
Total	220,681	200,951	9.8%

A look at the development of Pfeiffer Vacuum GmbH sales by product shows a heterogeneous picture again in 2017. The Turbopump business unit performed very well, with an increase of around € 17.2 million or 16.1%. At the same time, sales of backing pumps also increased significantly by € 5.0 million. Both changes were predominantly influenced by the already mentioned momentum in the analytics and coating market. In comparison, sales of instruments and components increased only slightly while the service business declined slightly, which is not unusual in years with strong sales growth in new product business. The strongly project-driven systems business with sales of € 3.0 million plays a relatively minor role.

Sales by Product (in K€)			
	2017	2016	Change
Turbopumps	124,378	107,156	16.1%
Instruments and components	37,526	37,114	1.1%
Backing pumps	37,790	32,779	15.3%
Service	17,940	18,708	-4.1%
Systems	3,047	5,194	-41.3%
Total	220,681	200,951	9.8%

Despite the marked improvement in sales revenues, income from the transfer of profits and losses declined from € 40.8 million to € 38.7 million. The € 2.1 million decline was due to higher material and personnel expenses, which could not be offset by the € 3.1 million higher income from equity investments at the level of Pfeiffer Vacuum GmbH. Amongst others, the increase is due to the extension of the Management Board and additions to the other provisions for personnel matters, which thus total € 3.1 million as of December 31, 2017. Expected economies of scale from the increase in sales could not be achieved as a result of the development of costs.

Despite the sales revenues of € 4.6 million (previous year: € 4.0 million), the income from equity investments (€ 7.1 million following € 5.5 million in the previous year) and the personnel expenses (€ 4.9 million following € 2.2 million in the previous year) additionally influenced the net income of Pfeiffer Vacuum Technology AG. Essential for the development of profitability was also the increase in the other operating expenses of € 2.5 million to € 7.5 million, which is primarily due to necessary consulting services, including those in connection with the takeover bids and the acquisitions made. Income from loans of financial assets and other income from interest sank due to the lower volume in the Group-wide financing function (€ 0.2 million compared to € 0.5 million in the previous year). This decline is principally due to repayments at the beginning of the fiscal year, while new loans did not follow until later on in the year. In contrast, in spite of the fact of borrowing, expenditures for interest at € 0.6 million remained at the previous year's level.

The tax ratio of 26.2% is below the level of the year 2016 (28.7%). Due to the lower earnings, the tax expenses decreased from € 12.5 million to € 9.5 million. The tax levy imposed vis-à-vis the subsidiary company changed only slightly on the other hand from € 5.7 million to € 5.6 million.

Overall, the noticeable improvement in the profitability situation of Pfeiffer Vacuum Technology AG, formulated as a goal in last year's outlook, was therefore not achieved. This was due to one-time expenses in connection with the takeover bids and the acquisitions made.

Liquidity and financial position

The balance sheet total as of December 31, 2017 amounted to € 330.8 million (previous year: € 239.8 million). On the assets side of the balance sheet, this significant increase was mainly due to the increase in shares in affiliated companies. In addition to the acquisition of Dreebit GmbH at the beginning of the financial year, this was mainly due to a capital increase at Pfeiffer Vacuum GmbH in connection with the internal financing of the acquisition of Nor-Cal Products Holdings, Inc., Yreka, USA. The also recorded increase in receivables from affiliated companies as of December 31, 2017 is due to receivables from profit and loss transfer agreements and impacts Pfeiffer Vacuum GmbH. Following €28.9 million the previous year, the cash at banks as of December 31, 2017 totaled € 24.3 million. This decrease mainly resulted from the dividend payment and from investments in shares in affiliated companies, partly compensated by net cash received from cash pooling and financial liabilities taken out.

On the liabilities side of the balance sheet, the increase in balance sheet total is mainly reflected in liabilities to banks. These were acquired in 2017 as part of the external financing of the acquisition of Nor-Cal Products Holdings, Inc., Yreka, USA, and comprised an initial amount of € 70.0 million, of which € 10.0 million was repaid during the course of the year 2017. The loan is subject to variable interest rates based on Euribor plus a market-conforming margin and is available to the company on a long-term basis. In addition to the loans taken out, the Company has free credit lines available in the amount of € 10.0 million (previous year: € 45.2 million). Liabilities to affiliated companies relate to Pfeiffer Vacuum SAS and result from a cash pooling agreement concluded in the year under review. At € 233.1 million, equity as of December 31, 2017 lay slightly by € 3.2 million under the previous year's figure of € 236.3 million. As a result of the significant increase in the balance sheet total, the equity ratio fell and still remained excellent at a level of 70.5% (previous year: 98.5%). The other items on the liabilities side of the balance sheet did not show any significant changes at the end of the fiscal year 2017 compared with the previous year.

Overall statement on the development of business

Business development in 2017 was satisfactory. Although the earnings of Pfeiffer Vacuum Technology AG decreased slightly overall, particularly as a result of the reduced transfer of profit and losses and the one-time expenditures for consulting services. This was partially offset, however, by higher income from shareholdings. Due to borrowing, the equity ratio declined but continues to remain at a level that is well above average. The very sound liquidity situation has again made it possible for us to finance operational business within the Corporate Group and to again distribute a high dividend to shareholders without reaching our limits. In view of this, we remain well prepared for future challenges.

Information pursuant to § 289a, German Commercial Code (“HGB“, Report on the Takeover Situation”)

The subscribed capital of Pfeiffer Vacuum Technology AG as at December 31, 2017 was unchanged at K € 25,261 and consists of a total of 9,867,659 no-par value shares. There are no different classes of shares currently or previously existent, so all shares have the same rights, in particular the same voting and dividend entitlement rights. Accordingly, the calculated share of the subscribed capital amounts to € 2.56.

As of December 31, 2017, Dr. Karl Busch, Ms. Ayhan Busch, Ms. Ayla Busch, Mr. Sami Busch and Mr. Kaya Busch, all of Germany, according to their own statements, had a total of 38.96 % of the shares of the Company (previous year: 27.19 %). Further information is not available at the time. The shares are held indirectly through Pangea GmbH, Maulburg, Germany, and further independent legal entities belonging to the family-run Busch Group and are deemed to be held by the persons named. To our knowledge, there were no further shareholders with a holding of more than 10.0 % as at December 31, 2017 and also as at December 31, 2016.

Amendments to the Articles of Association can be decided at the Annual General Meeting by a simple majority of voters present at the meeting unless the law mandates a larger majority. To our knowledge, there are no restrictions with regard to voting rights or with regard to the transfer of shares. Management Board members, according to the Articles of Association and §§ 84, 85 German Stock Corporation Act (“AktG“), are appointed by the Supervisory Board for a maximum term of five years. Reappointments or extensions to the tenure period are permitted for a maximum of five years in each case.

Through a resolution of the Annual General Meeting on May 24, 2016, the Management Board was authorized to increase the subscribed capital once or repeatedly by € 12,630,602.24 or 4,933,829 shares, in exchange for cash or contributions in kind (authorized capital). This authorization is valid until May 23, 2021 and requires the consent of the Supervisory Board.

According to the resolution of the Annual General Meeting on May 22, 2014, the Management Board is authorized to issue fractional bonds with option or conversion rights or conversion obligations, profit participation rights or participating bonds (or combinations of these instruments) with an aggregate nominal value of up to € 200,000,000.00 and to grant the holders conversion rights for up to 2,466,914 no-par bearer shares of the Company having a pro-rata amount of up to € 6,315,299.84 of the share capital. This authorization is valid until May 21, 2019, and requires the consent of the Supervisory Board.

At the Annual General Meeting on May 21, 2015, the shareholders authorized Pfeiffer Vacuum to buy back treasury shares in accordance with § 71 Sub-Para. 1, No. 8, German Stock Corporation Act (“AktG“). This authorization covers the buyback of a proportionate amount of the Company’s share capital of up to € 2,526,120.70 (986,766 shares, representing 10.0 % of the share capital at the time the resolution was adopted), requires the consent of the Supervisory Board for execution and is valid through May 20, 2020.

The Corporate Group does not own treasury shares as at December 31, 2017 and 2016.

For information relating to the employment contracts with the members of the Management Board, please refer to the corresponding sections in the compensation report.

There are no further aspects that would require discussion within the context of § 289a HGB.

Report pursuant to § 289, Sub-Para. 4, German Commercial Code (“HGB”)

As Pfeiffer Vacuum Technology AG is a capital market-oriented company pursuant to § 264d HGB, the major characteristics of the control and risk management system relating to accounting have to be described pursuant to § 289 Sub-Para. 4 HGB.

The purpose of an internal accounting control system is to ensure adequate certainty by implementing controls that – despite identified risks – enable annual financial statements to be prepared in accordance with applicable standards.

The Management Board bears overall responsibility for the internal control and risk management system in respect to the accounting process. All areas are covered by a strictly defined management and reporting organization. The principles, the organizational and procedural structures, as well as the processes of the individual control and risk management systems relating to accounting, are stipulated throughout the entire Corporate Group in guidelines and organizational procedures that are adapted if needed to reflect current external and internal developments. In respect to the accounting process, we consider those characteristics of the internal control and risk management system to be major in nature that can have a decisive influence on accounting and on the overall view presented in the Annual Financial Statements. In particular, these are the following elements:

- Identification of the major fields of risk and areas of control that are relevant to the accounting process,
- Monitoring controls for enabling the accounting process to be supervised by the Management Board,
- Preventive control measures in the finance and accounting systems of the Company, as well as in operational corporate processes that generate key information for drawing up the Annual Financial Statements, including Management’s Discussion and Analysis for the Company (including separation of functions),
- Measures that assure proper IT-based processing of facts and data that relate to accounting.

Final declaration on the Management Board report on relations with affiliated companies pursuant to § 312, German Stock Corporation Act ("AktG")

In fiscal 2017, Pfeiffer Vacuum Technology AG became a dependent corporation of Busch SE, Maulburg, Germany, as defined by § 312 of the German Stock Corporation Act ("AktG"). The Management Board of Pfeiffer Vacuum Technology AG has therefore drawn up a report by the Management Board on relationships with affiliated companies in accordance with § 312 Sub-Para. 1 of the German Stock Corporation Act ("AktG"), which contains the following final declaration:

"Our company received an appropriate consideration for each legal transaction listed in the report on relations with affiliated companies. This assessment is based on the circumstances known to us at the time of the reportable events. No reportable measures were taken or omitted in the year under review."

Corporate Governance Report / Declaration on the Corporate Governance pursuant to § 289f, German Commercial Code (“HGB”)

The recommendations and suggestions contained in the German Corporate Governance Code (“DCGK”) have been a firm element of our corporate governance for many years.

On October 26, 2017, and amended on January 24, 2018, the Management and Supervisory Boards of Pfeiffer Vacuum Technology AG submitted the Statement of Compliance for the year 2017 required pursuant to § 161 of the German Stock Corporation Act. It was made permanently accessible to shareholders on the Corporation’s website (group.pfeiffer-vacuum.com). Pfeiffer Vacuum Technology AG complies with all recommendations of the German Corporate Governance Code, as amended in February 2017, with the following two exceptions:

The German Corporate Governance Code recommends that a ceiling is established for the length of time that members may serve on the Supervisory Board (Paragraph 5.4.1). The Supervisory Board does not consider that a particular length of service as a member of the Supervisory Board constitutes a criterion which disqualifies a candidate from re-election to the Supervisory Board, and therefore does not take this criterion into account when selecting candidates.

The German Corporate Governance Code recommends that variable remuneration components for members of the Management Board should in principle have a multi-year assessment basis which is essentially future-oriented (Paragraph 4.2.3). However, the regulation on variable remuneration, which is applied for Manfred Bender, Dr. Ulrich von Hülßen und Dr. Matthias Wiemer, does not provide for an “essentially future-oriented” assessment basis. This deviation is based on the fact that the provision of the Code was newly created until February 2017 and the contracts were not able to be amended in the meantime. However, an adjustment by the Supervisory Board will be made in the near future.

Shareholders and Annual General Meeting

The Annual General Meeting is the supreme body of the corporation. At the Annual General Meeting, shareholders may exercise their voting rights themselves, through a proxy of their choice, or a proxy nominated by the Corporation who is bound to act on their instructions. The shareholders make key decisions at the Annual General Meeting about the allocation of profits, amendments to the Articles of Association, or the approval of share repurchase programs. All information and documents essential for the Annual General Meeting will be provided to the shareholders in a timely manner. The agenda and an explanation of the conditions of participation in addition to the shareholders’ rights will generally be announced one and a half months before the Annual General Meeting date. All documents and information for the Annual General Meeting are also available on our website. In addition, it is possible to electronically direct questions to the employees of our Investor Relations Department. Using our financial calendar, which is made public in the Annual Report, in the quarterly reports, and on our website, we inform shareholders and interested parties about key dates, publications, and events throughout the year. In addition, we maintain close ties with our shareholders through our active Investor Relations work. Moreover, it is also possible to contact the Company with questions at any time.

Management Board

Since November 27, 2017, the Management Board has consisted of Dr. Eric Taberlet (Chief Executive Officer), Diploma in Engineering, Nathalie Benedikt (Chief Financial Officer), Diploma in Business Administration, Dr. Ulrich von Hülßen, Diploma in Physics, and Dr. Matthias Wiemer, Diploma in Engineering.

On that date, the Supervisory Board appointed Dr. Taberlet as Chairman of the Management Board. He has over 30 years of experience in the vacuum industry and holds a Ph.D. in fluid mechanics. Prior to his appointment to the Management Board, he was responsible for the Semiconductor & Coating business unit at Pfeiffer Vacuum. On the same date, Nathalie Benedikt was appointed as the Chief Financial Officer. She has in-depth expertise in the areas of strategy, controlling and finance, human resources as well as IT. In addition, she has served as Chief Financial Officer at Pfeiffer Vacuum in 2013 and 2014. Parallel to the appointment of Dr. Taberlet and Ms. Benedikt, the former Chairman of the Management Board, Mr. Manfred Bender, was dismissed for good cause.

In order to meet the increased management demands of organic growth and the acquisition of three companies, the Supervisory Board has, effective August 1, 2017, appointed Dr. Ulrich von Hülßen as an additional member of the Management Board. Dr. von Hülßen, who holds a Ph.D. in physics, had already served as General Manager of Pfeiffer Vacuum GmbH for two years at that point and was responsible for the Analytics & Industry business unit in the Pfeiffer Vacuum Group.

The responsibilities of the current members of the Management Board are as follows:

Pfeiffer Vacuum Technology AG ▪ Management Board			
Dr. Eric Taberlet CEO	Nathalie Benedikt CFO	Dr. Ulrich von Hülßen	Dr. Matthias Wiemer
Business Unit Semiconductor & Coating	Central Functions	Business Unit Analytics & Industry	Global Operations & Components
Sales & Marketing	Controlling & Finance	Sales & Marketing	Global Sourcing
Production / Quality	Corporate Communications	Production / Quality	Global Production Footprint
Training / Service	IT	Training / Service	Components Business
Supply Chain	Human Resources	Supply Chain	
Research & Development	Investor Relations	Research & Development	

The members of the Management Board are responsible for the further development and strategy of the Company. They are also involved in the day-to-day running of the Company and are even responsible for operations.

The four-eyes principle applies in exercising the duties and responsibilities of the Management Board. Major decisions are always made jointly. Personal expenditures, such as travel and entertainment expenses, require the approval of another Management Board member. In addition to close cooperation and reciprocal information on a daily basis, board meetings are weekly as of December 2017.

The Management Board works exclusively for Pfeiffer Vacuum. Moreover, the Board members are also members of supervisory organs of various subsidiaries. Manfred Bender, who was dismissed in the reporting year, is a member of the supervisory board of Volksbank Heuchelheim eG, Heuchelheim, Germany, and chairman of the Supervisory Board of Schunk GmbH, Heuchelheim.

Supervisory Board

Pursuant to the statutory requirements and the Articles of Association of Pfeiffer Vacuum Technology AG, the Supervisory Board consists, in principle, of a total of six persons. Four persons represent the shareholders and two persons represent the employees of the Company.

Upon resignation of former Supervisory Board members Dr. Oltmanns and Dr. Lust on October 25, 2017, a judicial appointment of two Supervisory Board members was to take place upon request of major shareholder Pangea GmbH, Maulburg, effective October 26, 2017, until the next Annual General Meeting. The court, however, only granted the request to the extent that Ayla Busch, who also strived for the position of Supervisory Board Chair, was appointed as a member of the Supervisory Board. The constituent meeting of the Supervisory Board thus took place with five Board members on October 26, 2017 and Ayla Busch was voted Chairwoman of the Supervisory Board. The vacant Board position is to be newly filled not later than at the Annual General Meeting in May 2018.

Membership over the course of the year 2017 was as follows:

- Ayla Busch (Chairwoman),
from October 26, 2017
Co-CEO Busch SE, Maulburg, Germany
- Dr. Michael Oltmanns (Chairman),
until October 25, 2017
Attorney at Law and Tax Advisor
- Götz Timmerbeil (Vice Chairman),
Auditor and Tax Consultant
- Filippo Th. Beck,
Attorney at Law of Swiss Law,
- Helmut Bernhardt (Employee Representative),
Development Engineer
- Manfred Gath (Employee Representative),
Chair of the Employee Council
- Dr. Wolfgang Lust, Entrepreneur,
until October 25, 2017

The Supervisory Board members elected by the shareholders Götz Timmerbeil and Filippo Th. Beck were voted during the Annual General Meeting to a term of office of five years in May 2016. The court appointment of Ayla Busch expires at the end of the next ordinary Annual General Meeting.

For the election as Supervisory Board Member, the Nominating Committee submits a nomination suggestion to the Supervisory Board. When selecting the candidates, care is taken to ensure that members of the Supervisory Board at all times possess the requisite expertise, skills, and professional experience and are sufficiently independent. The international activities of the Group and potential conflicts of interest are also taken into account.

The Supervisory Board has determined the following specific objectives of its composition: occupational diversity (at least in the areas of business, technology, and law), internationality gained during overseas professional experience, avoidance of potential conflicts of interest by excluding close relationships with competitors, and an age limit at the beginning of the term which is the same as the statutory retirement age. These objectives have been taken into consideration in the past, and this is also intended for future nominations.

No compensations or benefits for personal service rendered especially consultation and brokerage services, were paid or granted to the members of the Supervisory Board during the period under review. No potential conflicts of interest requiring immediate disclosure to the Supervisory Board arose for Management and Supervisory Board members, with the exception of the anti-trust commissioning of the law firm Menold Bezler Rechtsanwälte Partnerschaft, Stuttgart, Germany, in connection with the takeover bids by Pangea GmbH, Maulburg, Germany, of which the former chairman of the Supervisory Board Dr. Michael Oltmanns is a partner, in fiscal 2017. Finally, the Rules of Procedure for the Management Board provide that the Supervisory Board must grant its approval for significant business transactions.

According to the recommendations of the German Corporate Governance Code, no more than two previous Management Board members hold seats on the Pfeiffer Vacuum Supervisory Board. Furthermore, the Supervisory Board reviews the independence of its members. It has established standards for assessing this independence, which are based on the Code, in particular. According to these principles, the majority of current Supervisory Board members is considered independent, thus assuring independent advice and monitoring of the Management Board.

The establishment of an Audit Committee is a longstanding practice at Pfeiffer Vacuum. As a certified public accountant, the Chairman of the Audit Committee, Götz Timmerbeil, is particularly qualified to bear responsibility for the activities of the Audit Committee, in particular in connection with questions relating to financial accounting, compliance, and the risk management system.

The task of the Nominating Committee is to suggest suitable candidates to the Supervisory Board who can then recommend them for nomination to the Annual General Meeting. Additionally, a Management Committee was formed. In the past, the Management Committee has deliberated the personnel matters of the board members in detail before – in accordance with the requirements of the German Corporate Governance Code – being resolved by the full Supervisory Board. The determination of Management Board compensation is thus subject to the provisions of the German Act on the Appropriateness of Management Board Compensation. In order to increase the transparency of the entire Supervisory Board panel, the Administration Committee was dissolved, effective October 26, 2017.

The committee memberships of the Supervisory Board members can be seen in the following overview:

Composition of the Supervisory Board Committees			
	Nomination Committee	Audit Committee	Management Committee
Ayla Busch (from October 26, 2017)	Chairwoman	Yes	Chairwoman
Dr. Michael Oltmanns (until October 25, 2017)	Chairman	Yes	Chairman
Götz Timmerbeil	Yes	Chairman	Yes
Filippo Th. Beck	Yes (from Oct. 26, 2017)	Yes	Yes (from Oct. 26, 2017)
Helmut Bernhardt	-	-	-
Manfred Gath	-	-	-
Dr. Wolfgang Lust (until October 25, 2017)	Yes	-	Yes

The members of the Administration Committee until its dissolution with effect from October 26, 2017 were Dr. Michael Oltmanns (Administration Committee Chairman), Götz Timmerbeil and Helmut Bernhardt.

The following members exercised further mandates. These are supervisory board mandates unless otherwise indicated:

- Götz Timmerbeil:
VfL Handball Gummersbach GmbH, Gummersbach (chairman of the advisory board) and Arena Gummersbach GmbH & Co. KG, Gummersbach (vice chairman)
- Filippo Th. Beck:
Candoria Group, Baar (Switzerland), member of supervisory organ of Candoria Holding AG, president of the supervisory organ of Progres Holding AG and of Candoria Luxembourg Holding SA, Luxembourg; Tenro Group, Bottmingen (Switzerland), member of supervisory organ of various group entities; Biamathea AG, Basel (Switzerland), member of supervisory organ; Polyterra Liegenschaften AG in liquidation, Küsnacht (Switzerland), member of supervisory organ and liquidator; IKFE Properties I AG, Zürich (Switzerland), president of supervisory organ; Tainn-Immobilien AG, Bern (Switzerland), member of supervisory organ
- Dr. Michael Oltmanns, until October 25, 2017:
Becker Mining Systems AG, Friedrichsthal (chairman), HPC AG, Mannheim (chairman); and Kathrein SE, Rosenheim (chairman of the supervisory body)

The Company has taken out pecuniary loss liability insurance (so-called D&O insurance) for the members of the Management and Supervisory Boards.

Collaboration between the Management and Supervisory Boards

Close and trustful collaboration between the Management and Supervisory Boards is an essential prerequisite for good corporate governance and serves the good of the Company. Supervisory Board meetings are held at least twice a year in this context, for which the members of the Management Board report in detail on the course of business operations as well as on the implementation of the strategy agreed upon with the Supervisory Board. If necessary, other executives also explain the current issues in their respective areas of responsibility. If needed, additional special meetings are held. The Management Board reports to the Supervisory Board on the general condition of the Company, including the risk situation, through a monthly reporting system.

Compensation report

In the following section, the compensation for members of the Management and Supervisory Boards is detailed.

Compensation for the Management Board The fixed remuneration paid and expensed in fiscal 2017 amounted to K € 290 for Dr. Matthias Wiemer and for Dr. Ulrich von Hülsen – for the period after his appointment to the Management Board – a total of K € 92. For the last appointed members of the Management Board, Dr. Eric Taberlet and Nathalie Benedikt, a provision amounting to K € 27 and K € 20, respectively, was created for the contractual fixed remuneration. The variable component recorded in the Income Statement in fiscal 2017 amounted to K € 29 for Dr. Eric Taberlet, K € 13 for Nathalie Benedikt, K € 125 for Dr. Ulrich von Hülsen, and K € 300 for Dr. Matthias Wiemer. In-kind income was incurred amounting to K € 3 (Dr. Ulrich von Hülsen), and K € 23 (Dr. Matthias Wiemer), respectively. A fixed sum of K € 447 was expensed and paid to Manfred Bender until his departure; income in-kind amounted to K € 17. Total compensation received by Dr. Eric Taberlet in 2017 amounted to a total of K € 56 (previous year: –), Nathalie Benedikt received K € 33 (previous year: –), Dr. Ulrich von Hülsen received K € 220 (previous year: –), Dr. Matthias Wiemer received K € 613 (previous year: K € 694), and Manfred Bender received K € 464 (previous year: K € 977). The total compensation for the aforementioned active members of the Management Board amounted to K € 1,386 after K € 1,671 in fiscal 2016. Short-term variable remunerations paid in 2017 for fiscal year 2016 totaled K € 506 for

Manfred Bender and K € 337 for Dr. Matthias Wiemer. These amounts were paid out in 2017 charging a provision recorded in 2016.

For the remaining Management Board members, no variable compensation components were paid out in 2017. The variable component for Dr. Ulrich von Hülßen, Dr. Matthias Wiemer and Manfred Bender, whose appointment has meanwhile been withdrawn, is a bonus which the Supervisory Board determines. The discretion of the Supervisory Board can prevent extraordinary developments from leading to undue fluctuations in the variable compensation. The development of the bonus is based on the development of the Group's success and the profits before taxes. However, the bonus is subject to a condition of sustainability. This means that if the success of the Group during the assessment year increases in comparison to the average of the two previous years, the success during the assessment year will be proven to be sustainable only in the amount of the average of both previous years' successes; the bonus in this respect has therefore been earned and is payable. However, the sustainability of the portion in excess of this has not yet been proven. Therefore, only a small part of the bonus, to the extent that the bonus is based upon the surplus element, will be due when the annual financial statements of the assessment year are approved (so-called short-term incentive). The larger part (so-called long-term incentive) will not be due until two years later and only in its fullest amount if the average profits of these two following years are at least as high as the average profits of the previous two years. Should they be less than the average, the long-term incentive will be correspondingly reduced. The purpose of this sustainability proviso is to avoid rewarding so-called "straw fires" at the expense of sustainable profitability.

For Dr. Taberlet the variable component consists of a year-related bonus, which depends on the achievement of targets set in advance by the Supervisory Board, and – to a large extent – a long-term variable remuneration component, half of which is dependent on the development of the Company's EBITDA and the other half on the achievement of a further target set in advance by the Supervisory Board (so-called key performance indicator (KPI)) or alternatively several other KPIs determined in advance by the Supervisory Board during a three-year assessment period. The amount of the year-related bonus and the long-term variable remuneration is based on the degree to which targets have been achieved. In both cases, the calculation is based on an annual target amount allocated for the long-term remuneration for the following three-year period. Long-term variable remuneration can be paid for the first time after the end of the 2020 financial year. In the contract of employment with Nathalie Benedikt the same compensation model shall apply. For the fiscal 2017, the prorated entitlement to the variable remuneration component for Dr. Taberlet was fulfilled by contractually defined one-off payments. The same shall apply for Nathalie Benedikt in this context.

Dr. Matthias Wiemer has received pension commitments in the unchanged amount of 40 % of the last fixed salary elements. In this connection, total net pension expenses in accordance with IFRS of K € 232 were recorded in the Consolidated Statements of Income in fiscal 2017 (previous year: K € 215). Manfred Bender, dismissed in 2017, has received pension commitments in the unchanged amount of 60 % of the last fixed salary elements. In this regard, total net pension expenses in accordance with IFRS of K € 281 were recorded in the Consolidated Statements of Income in fiscal 2017 (previous year: K € 261). In addition, there are pension commitments for further former board members. The net pension expenses attributable to these individuals for the year amount to K € 46 (previous year: K € 47). After K € 188 in 2016, a total of K € 240 was paid to the Pfeiffer Vacuum Trust e.V. in the current year 2017. The total net pension obligations for current and former members of the Management Board therefore amounted to K € 5,777 (previous year: K € 5,779). Current pensions in fiscal 2017 amounted to K € 358, remaining unchanged.

In fiscal 2017, the contract of employment with Management Board member Dr. Matthias Wiemer was renewed. The subsequent contract, with effect from January 1, 2018, includes the limitation of a potential compensation payment in accordance with the Corporate Governance Codex, also in case of a change of control. This is also valid for the new contracts of employment with Dr. Ulrich von Hülse and Dr. Eric Taberlet and shall be valid for the contract with Nathalie Benedikt.

Compensation for the Supervisory Board The members of the Supervisory Board received a fixed compensation determined by the Annual General Meeting. On May 24, 2016, the Annual General Meeting approved an increase in the Supervisory Board's compensation from fiscal year 2016 onwards. If members of the Supervisory Board leave or are newly elected during the fiscal year, their remuneration will be paid on a pro rata temporis basis.

In fiscal 2017, Dr. Michael Oltmanns therefore received compensation of K € 86 (previous year: K € 105), while Götz Timmerbeil received an unchanged amount of K € 70. Ayla Busch received, for the first time, compensation of K € 19. Helmut Bernhardt and Manfred Gath each received, as in the previous year, K € 35. Filippo Th. Beck received compensation of K € 35 (previous year: K € 21), while Dr. Wolfgang Lust received K € 29 (previous year: K € 35). In the previous year, Wilfried Glaum received K € 14. The total compensation paid out to the Supervisory Board in fiscal 2017 therefore amounted to K € 309 (previous year: K € 315).

Negative statement No further benefits were paid to Management or Supervisory Board members over and above the listed compensation components. In particular, no stock options were granted, no loan entitlements were established, and no liability commitments were pronounced. In addition, no special agreements were made further on in connection with the termination of the activities for the Management or Supervisory Boards.

Transparency

The claim to provide all target groups promptly with the same information at the same time is a high priority in our corporate communications. One of the ways that this is manifested is that all relevant information is published in German and in English. Shareholders and interested parties can directly obtain information on current developments within the Group on the Internet. All ad-hoc releases by the Pfeiffer Vacuum Technology AG shall be made available on the Company's website. The purchase and sale of Pfeiffer Vacuum shares by members of the Management and Supervisory Boards will be published immediately pursuant to Article 19 of European Regulation No. 596/2014 (Market Abuse Regulation), in Europe and on the Company's website at group.pfeiffer-vacuum.com.

Equality

According to § 111, Sub-para. 5, German Stock Corporation Act ("AktG"), the Supervisory Board has established a women's quota of 0 – 30 % for both the Supervisory and the Management Board and also a time limit until June 30, 2017, for the achievement of this quota. This target was achieved at the expiry of the time limit. With the appointment of Ayla Busch as a member of the Supervisory Board, the percentage of women in the Board now lies at 20 %. The percentage of women in the Management Board of Pfeiffer Vacuum Technology AG lies at 25 % after the appointment of Nathalie Benedikt as Management Board member. In January 2018, the Supervisory Board has established a women's quota of 16.67 % for the Supervisory Board and 25 % for the Management Board as well as a time limit until December 31, 2020, for the achievement of this quota.

The provision contained in § 76, Sub-Para. 4, German Stock Corporation Act ("AktG"), refers only to the management level at Pfeiffer Vacuum Technology AG. Due to its function as a finance holding, this company has only very few employees and there are no further management levels below the Management Board, thus making it impossible to establish a target figure.

Compliance

Adherence to all internal rules and legal regulations applicable to Pfeiffer Vacuum Technology AG and its subsidiaries by management and employees (compliance) has long been a goal of the Company as well as an inherent part of our company culture. This is especially expressed in our Code of Conduct, which applies for all employees. The Management Board is fundamentally committed to these tenets in addition to the “zero tolerance” principle.

Our Code of Conduct defines, among other things, integrity and lawful conduct as basic standards and is the basis for the daily work of all employees in our Company. The Code of Conduct is also available externally in German and English via the Company website. In it, options for employees to report possible violations of the law in the Corporate Group are described. These are also open to third parties outside of the Company.

Compliance with legal and internal Company regulations is a comprehensive task for which each area of the Company is fundamentally responsible. Committed employees educate themselves further when required and take part in training in order to recognize and address current developments in their respective areas of responsibility. Determined breaches of compliance will be sanctioned accordingly. With external support an enhancement and adaptation of the Compliance Management System is currently taking place.

Accounting and auditing

Pursuant to statutory provisions, the Consolidated Financial Statements of Pfeiffer Vacuum and the Quarterly Financial Reports are prepared in accordance with the current International Financial Reporting Standards (IFRS) as applicable in the European Union. The Annual Financial Statements of Pfeiffer Vacuum Technology AG as the parent corporation are prepared in accordance with the provisions of the German Commercial Code (“HGB”). This Annual Financial Statement was audited pursuant to the resolution of the Annual General Meeting on May 23, 2017 by Ernst & Young GmbH, Wirtschaftsprüfungsgesellschaft, Eschborn, Germany. Ernst & Young GmbH also audits the Consolidated Financial Statements of Pfeiffer Vacuum Technology AG as well as the report on relations with affiliated companies.

It was agreed with the auditors that the Chairman of the Audit Committee shall be immediately informed about any reasons for exclusion or prejudice arising during the audit, unless these are eliminated immediately. The auditor must also immediately report all findings and events of importance to the Supervisory Board that arise during the audit. In addition, the auditor must inform the Supervisory Board and note in the audit if the auditor determines facts during the course of the audit that are not compatible with the Statement of Compliance submitted by the Management and Supervisory Boards pursuant to § 161 of the German Stock Corporation Act (“AktG”).

Risk and Opportunities Report

The purpose of entrepreneurialism is to specifically utilize opportunities that have been identified in order to increase the value of the Company. However, this intrinsically involves taking risks. The opportunity and risk management system that we employ serves to optimize the relationship between risks and opportunities with a view to sustainable business success. To assure this, we use and evolve suitable instruments, such as an appropriate handbook and/or a risk inventory, to identify, analyze, assess, and control opportunities and risks. In the following, opportunities and risks are presented on a gross basis.

Risk management system

The Pfeiffer Vacuum risk management system includes all levels of the Corporate Group. The system is described in a risk handbook that is available to all employees and updated on an as-needed basis. Our flat hierarchy and fast communication channels aid in swiftly identifying risks at every level of the Company and using suitable measures to combat them. The risk coordinator monitors the proper implementation of risk management and the full risk inventory. The risk inventory is performed by the department heads at the large production sites and by the managing directors at the remaining subsidiaries. Consolidating all inventories at an aggregate level produces a differentiated overall picture of the Corporate Group's risk position.

During the year, risk inventories are updated if necessary; what we define, in addition to a concrete description of the risks, is the potential quantitative impact on operating profit, the likelihood of occurrence and suitable countermeasures. At year end, a complete risk inventory is made, which is reviewed by both the risk coordinator as well as the Management Board. In addition, we have defined the areas of risk management within the individual market segments and have put in place the necessary processes as well as early-warning and monitoring systems. The monthly Corporate Group reporting system supports the risk management process with a variety of parameters and reports that serve as an essential basis for the Management and Supervisory Boards upon which to regularly deliberate on current business. The monthly meetings of senior executives and monthly conference calls are also firmly established institutions that enable the department heads and our subsidiaries to share with the Management Board information relating to potential risks and how to handle them.

In addition to monthly reporting, our internal controlling system (ICS) helps us to identify risks in daily processes and thus avoid potential errors. The processes reviewed in this connection are first and foremost ones that have a major impact on Pfeiffer Vacuum's financial position. Regularly conducted inspections protect against human error, system errors, and breaches of internal regulations.

Risk management as it relates to consolidated accounting

In addition to the general risk management the internal control system supports the risk management relating to accounting. In order to ensure the correctness of accounting, organizational and procedural structures are stipulated throughout the entire Corporate Group which are adapted if needed. To reflect current external and internal developments our internal experts also work together with external counterparts on a case-by-case basis. This enables us to ensure that our accounting is in compliance with IFRS accounting and valuation regulations.

Our internal control system identifies processes that might have major influence on accounting. The risks of these processes are identified and assessed. Moreover, suitable measures to avoid mistakes are determined and respective controls are implemented. Amongst others, this includes the four-eyes-principle or the assurance of an optimal data quality by using a uniform consolidation tool.

Opportunity management system

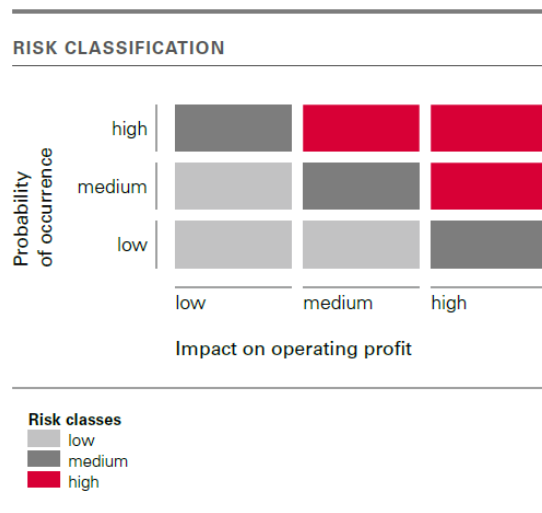
The Pfeiffer Vacuum opportunity management system is closely linked to the risk management system, as many risks also offer opportunities that should be utilized where appropriate. This is why the risks identified in the risk inventory are simultaneously examined with a view to potential opportunities, which produces a correlation. In extensive decision-making processes, we analyze the question of whether the potential opportunities or risks predominate, which means that we only engage in risks that appear to be manageable and are compensated for by the opportunities they offer.

We conduct market and competition analyses in order to be able to explicitly make optimum use of industry and overall economic opportunities. This provides us with a good overview to further broaden our market share by specifically utilizing our potential. Close contact with our customers additionally aids us in identifying trends early on, thus enabling us to actively shape changes in the marketplace.

With variance analyses and development forecasts, our highly refined reporting system also identifies opportunities in our regional structure. Our global sales and marketing network enables us to swiftly and purposefully take advantage of these opportunities.

Risk classification

The risk classification of the risks presented below was effected according to a matrix taking into consideration the probability of occurrence and the potential impact on the operating profit.



Risks

Overall economy (risk class: low) As a globally operating company, we are dependent upon global economic developments. Nor can Pfeiffer Vacuum avoid the effects of a decline in world economic growth, and would have to expect to see a direct impact on our sales and profitability. However, the regional and market-segment mix of sales is very balanced at Pfeiffer Vacuum, and its overall structure compensates for revenues in economically weak and economically growing markets and industries. Because it is seldom that all regions and market segments are equally affected by a deteriorating economic development. Despite the overall compensating developments, there may be an impact on the economic success of individual segments. The semiconductor market represents a significant share of sales and Pfeiffer Vacuum is therefore exposed to a greater extent to the fluctuations of this market. Managing the economic risk essentially involves steering capacities and costs. Flexible working time models enable us to swiftly and easily adapt production capacities to reflect the development of the order situation.

Market segments (risk class: medium) Sales in Pfeiffer Vacuum's individual market segments are closely linked to global economic developments. The research & development mar-

ket, for example, is dependent upon government spending and focuses in connection with research projects. The semiconductor market follows its own cycles, which offers enormous opportunities during boom phases and involves major risks during phases of weakness. The coating market is closely linked to developments in the photovoltaic industry and did not recover again entirely after the crisis in 2011. The heterogeneous industrial market segment follows overall economic trends in its general development. The development work in the product categories goes hand in hand with the trends in the individual market segments. This means that smaller turbopumps and analysis instruments are more likely to be required in the analytical industry, which tends to respond on an early-cyclical basis. Large quantities of backing pumps are employed in the semiconductor market, but also in other industries whose developments generally conform to those in mechanical engineering.

In order to combat the risks stemming from dependence upon individual market segments and products, Pfeiffer Vacuum places a great deal of value on its broad based alignment. At the same time, a disproportionately high share of revenue derives from the semiconductor industry, which presents both an opportunity as well as a risk due to the cyclical nature of this industry's development. Pfeiffer Vacuum's strategy for lowering this risk is to increasingly market products in other industries through our distribution channels, thus lowering the share of total revenues accounted for by the semiconductor industry. Current studies on the semiconductor industry show that this market will grow strongly beyond the cycles.

Acquisition and integration (risk class: low) The integration of companies into the purchaser's corporate group always poses a special challenge. In order to preclude as far as possible the risk that the expectations which are placed upon the acquisition might not fully materialize, we conduct detailed due diligence reviews in advance of a corporate acquisition. Analyzed in particular in this connection are the legal situation, technical equipment, production planning, and the current and expected financial position of the Company to be acquired. To minimize legal and financial risks in particular, we draw upon the counsel of reputable law firms and tax advisors with substantial experience of acquisitions on this scale during the period of preparing and realizing the acquisition. Taken as a whole, these measures ensure that all aspects of a corporate acquisition are taken into consideration, and enable conclusions to be drawn regarding the potential synergies that will result from an acquisition. This significantly reduces the risk of unanticipated developments. However, this risk can never be entirely excluded because a successful acquisition depends upon many other additional factors. This also applies for the integration which follows after acquisition. To restrict integration-related risks, proven Pfeiffer Vacuum guidelines, which ensure structured and successful business operations, are implemented within newly acquired companies. Directly after acquisition, newly acquired companies are also integrated into the reporting system in the Pfeiffer Vacuum Group to allow targeted management of the individual companies. Besides extensive reporting, this also includes monthly conference calls and regular meetings on site in the countries concerned. The standardized risk management system is also put in place in all new Group companies. The risk of intransparency is therefore eliminated in this way. This approach was taken for all acquisitions made in 2017.

Technology (risk class: medium) Products and services that do not meet customer expectations lead directly to declining sales, and thus to a loss of market share and reputation. Therefore, the key risk factors for Pfeiffer Vacuum include a lack of innovative strength and the loss of quality of products and services. We combat these risks through ongoing customer contact and the resulting market intimacy. The information thus obtained about the needs of our customers enables us to develop and offer products that are suited to their demands. This allows us to expand both our competitive position as well as our name recognition. We will continue to combat the risk of a lack of innovation through our development investments. In addition, maintaining high standards of quality is a top priority for us. We received certification to ISO 9001:2008 for the first time in 1995, and this has since been sustained without interruption.

Purchasing and manufacturing (risk class: low) The risks in the sourcing market occur, in particular, in the form of supply bottlenecks and dependency upon individual vendors. Downtimes are viewed as a key risk from a production standpoint. We primarily combat the risk of supply bottlenecks and vendor dependence by continuously reviewing alternative supplier options. Anticipated market shortages of raw materials, such as steel and aluminum, and the price risks which these entail, are combated through long-term framework contracts. In general, however, it can be said that the effects of changes in the price of raw materials do not have any significant influence on profitability. Business interruption insurance is in force to cover the effects of downtimes resulting from fire, storm or flood damage, for example. Qualified technicians and modern production machinery keep technically related downtimes to a low level. Regular servicing and preventive maintenance for our machinery and equipment also help to avoid downtimes.

Human resources (risk class: low) As a provider of vacuum solutions, i. e. a subset of mechanical engineering, we are dependent upon the high level of education, training and commitment of our employees. We use various measures to combat the risk of losing these people and/or insufficient recruiting possibilities for suitable new talent. An attrition rate that continues to be low documents the acceptance of this on the part of our people.

Information technology (risk class: low) Because our business processes are mapped by means of software support, Pfeiffer Vacuum's corporate data is subject to a general information Technology risk. This includes, first and foremost, the risks of system outages, data losses, virus or hacker attacks that could lead to an interruption of business operations. We keep the risk of data losses to a minimum by performing daily backups of our complete enterprise data. Our enterprise database, in particular, with which manufacturing operations, materials management, order handling, financial and cost accounting are handled, is subject to a high security standard. All files created by our employees within the server environment are also backed up on a daily basis. Our backup tapes are stored in secure, fire-proof locations. The activities of our in-house support team reduce system outages to a low level. The Company also uses regularly updated virus scanners and modern firewalls to protect its hardware and software against the risk of computer viruses and hacking.

Exchange rates (risk class: low) As a result of our pronounced international operations and the high percentage of export business that this involves, we are subject to a foreign exchange risk. A distinction must be made with respect to the way foreign exchange risks are controlled; the company conducts active currency management for all intragroup sales invoiced in U.S. dollars or Korean won. In order to minimize the impact of exchange rates on future sales of this kind, we enter into forward exchange contracts and options for the aforementioned currencies. Moreover, there is a valuation risk in some companies at the close of the fiscal year that stems from intercompany accounts receivable denominated in foreign currencies. Both gains and losses from realized options and futures contracts, as well as the valuation results stemming from accounts receivable denominated in foreign currencies, can be controlled to a certain extent. These are reflected in the Consolidated Statements of Income.

Liquidity position (risk class: low) The risk of a customer's insolvency always exists, independently of the economic situation (default risk). There are general liquidity risks of being unable to satisfy required payment obligations in a timely manner. The rigorous system of accounts receivable management that has long been practiced at Pfeiffer Vacuum, along with monitoring of our customers' payment patterns, minimizes creditworthiness risks and thus accounts receivable losses. Moreover, our dependence upon individual customers is limited. After long-term financial liabilities were repaid in full in 2016, the Company again took on financial liabilities with the acquisition of Nor-Cal Products Holdings, Inc., Yreka, USA. Unchanged from previous years, with a drawdown of € 60.3 million (equivalent to a share of 10.9 % of the balance sheet total) and liquid assets of € 97.4 million, there exists no debt on a net basis, however. This means that there continue to be sufficient reserves to assure the survival of the Company, even

in difficult economic times. Our operative business generates sufficient liquid assets to enable the Company to continue to grow from within.

Legal risks (risk class: low) As a result of Pfeiffer Vacuum's international business operations, the Company is subject to a variety of legal risks. National and international contract law and taxation are of particular significance in this connection. These areas can have a direct bearing on the Company's earnings and financial position. Standardized terms and conditions of contract and business are always employed to minimize the risk stemming from contracts entered into for products and services. In the case of special contracts, the contract instrument is first reviewed in-house and then by external legal counsel, if necessary. The expertise required for assessing the Company's daily business is provided by our qualified staff. We draw upon the assistance of external tax advisors in connection with complex issues that relate to national and international taxation. Product liability risks are covered by appropriate insurance. No legal disputes are currently pending whose outcome could have a material impact on the Company's earnings or financial position.

Takeover risks (risk class: low) After completion of two voluntary public takeover offers to the shareholders of Pfeiffer Vacuum Technology AG for the acquisition of all shares of Pfeiffer Vacuum Technology AG and as a result of shares acquired on the stock exchange following the second takeover offer, Pangea GmbH, Maulburg, Germany owns 38.96 % of the shares of Pfeiffer Vacuum Technology AG as of December 31, 2017 according to their own statements. Pangea GmbH is a legally independent entity of the family-run Busch Group. Stated in the documents of the offer, among other things, is that the conclusion of a profit and loss transfer or domination agreement between the Busch Group and Pfeiffer Vacuum is to be considered after the successful consummation of the offer. The conclusion of such a contract would result in the loss of Pfeiffer Vacuum's independence. After completion of the takeover offer, there have been no new findings. Possible consequences resulting from the shareholdings can therefore still not be conclusively assessed.

Opportunities

Macroeconomic and sector-specific opportunities The global economic development in the past fiscal year was marked by moderate growth. The Chinese economy recorded growth rates at a higher than average level. Positive growth trends are anticipated in the United States, which will also improve our position here. Being well placed here gives us the opportunity to lock into this trend as well. A similar situation applies for Germany too, where an economic stabilization is currently anticipated for 2018. The cyclical nature of the semiconductor industry, which has been referred to a number of times, is both an opportunity and a risk.

Technology Through its many years of experience, Pfeiffer Vacuum is highly successful in developing viable, high-quality products and bringing them to market. The foundation for this consists of our close collaboration with our customers in a spirit of trust, which enables us to anticipate their needs and thus gain a head start over our competitors. With innovative products and by steadily broadening our product portfolio, there are opportunities for better satisfying the demands of existing markets and generating opportunities for additional sales volumes by gaining market shares. This enables us to offer our customers a broader spectrum of products. The most recent acquisitions in 2017 have also expanded the product portfolio in the areas of component business, service, and leak detection systems.

Sales One of the Company's key competitive advantages has always been its lack of dependence upon individual regions, products or markets. We therefore view the expansion of our sales and marketing network as representing an opportunity to increase our market share. The globally active sales teams are interlinked, and uniform Pfeiffer Vacuum sales rules have been put in place. Regular training is also given on the permanently expanding spectrum of products,

to enable sales staff to make use of opportunities for increasing sales to existing and prospective customers.

Production and logistics Through the optimization of our production and logistics processes, we have laid the foundation in recent fiscal years for further improving our profitability. We therefore see this as an opportunity for being even faster in offering high-quality solutions to our customers in future as well. We have rigorously aligned the flows of materials in manufacturing towards our modern logistics processes. Reorganizing and fundamentally modernizing manufacturing operations led to additional productivity gains. As a solutions provider, we focus squarely on the needs of our customers. And through the reorganization of our manufacturing process, we are now being guided even more by the needs of our customers rather than by rigid planning dictates. Moreover, a cutting-edge warehouse system and a standardized system of product shipping increase efficiency. We are confident that the interplay between these modernization measures will help us to reduce throughput times in the future. Pfeiffer Vacuum has a total of three major production sites in Asslar, Göttingen, and Annecy. Furthermore, as part of the acquisition of Nor-Cal Products Holdings, Inc., a larger production site in Yreka, California, U.S. has been added. Further production sites are located in Cluj, Romania, Ho Chi Minh City, Vietnam, in Indianapolis, Indiana, U.S. and in Asan, South Korea.

Human resources The development of viable new products, the ongoing improvement of our existing product portfolio, the high level of precision of the production processes, the sale and distribution of our products in a technologically challenging competitive environment, and the administration of an internationally operating, publicly traded Corporate Group necessitate a highly qualified and motivated workforce. We therefore utilize the opportunity of assuring the long-term loyalty of the Company's existing talent while simultaneously being an attractive employer for new people. Attractive pay concepts have been in place for years at Pfeiffer Vacuum. We therefore view ourselves as being well equipped to cover our future needs for qualified skilled labor and university graduates in the future and to assure the loyalty of our talent to the Company – both are absolute prerequisites for the Company's successful further development.

General comments on the risk management system and the presentation of the risk and opportunities situation

We are of the opinion that the risk management system is suitable for identifying, analyzing, and quantifying existing risks in order to adequately steer them. Our auditor has reviewed the risk management system that is in place in connection with the audit of the Annual Financial Statements. This review did not result in any objections. Despite the number of risks disclosed being higher than the number of identified opportunities, Pfeiffer Vacuum considers the allocation of risks and opportunities as balanced overall. This particularly applies as the Group's economic success is based on a broad number of products for various industries. As those industries vary in terms of structure and economic cycles, this diversification contributes to a risk reduction. No risks are identifiable that could endanger the Company's survival, neither for the year covered by this Report nor for the following years.

Rating

Pfeiffer Vacuum Technology AG is not subject to any official rating by Moody's, Standard & Poor's or similar agencies.

Subsequent Events and Outlook

Subsequent Events

The Management Board and Supervisory Boards have decided on a new strategy supporting three year investment plan, providing for significantly increased annual investments, with a total volume of € 150 million for the Pfeiffer Vacuum Group.

Significant changes to the branch environment have not occurred since the beginning of the 2018 fiscal year.

Outlook

General economic development Starting from 3.7% in the year 2017, the International Monetary Fund (IMF) expects a moderate increase in global economic growth of 3.9% for 2018. Slightly higher growth overall is forecast for the emerging and developing countries – despite the slowdown in growth predicted in China. Hopes here continue to be pinned on India, and for 2018, also on Brazil and Mexico. Growth of 1.7%, similar to the previous year's level, is forecast for Russia. In the industrialized countries, growth of 2.3% is expected, which corresponds to the growth rate of the year 2017. At the same time, an increased growth momentum is expected for the USA, which will be offset by a more subdued development in Europe. Specifically, the IMF anticipates a growth rate of 2.7% for the USA (previous year: 2.3%) and 2.2% for Europe (previous year: 2.4%). For 2018, the IMF also anticipates a slight decline in Germany's price-adjusted gross domestic product of 2.3%.

Mechanical engineering The German Engineering Federation (VDMA) expects another strong growth of production in mechanical engineering in 2018 at the previous year's level of 3 %.

At the beginning of 2018, capacity utilization in the domestic mechanical engineering industry was 87.9 %, well above the long-term industry average. The production curve shows a similar upward trend. Bottlenecks on machinery and systems are expected during the course of the year. The dynamism of the economy in the European mechanical engineering industry will continue with a focus on the core countries Germany and France.

For the US market, which is the industry's most important market, capital expenditures increased even further compared to 7 % in the previous year. The political developments and initial measures of the America First Policy and export tariffs limit a disproportionate development of exports to the United States. For the sales of machines in the Chinese market, a deceleration is expected compared to the previous year's increase of 24.2 %, which appears acceptable due to the trading volumes. For 2018, the VDMA expects growth to continue in the single-digit range.

As a whole, the industry's assessment is at a record level in terms of the overall economic situation and business development.

Since the final quarter of 2017, the OECD leading indicator points to growth for the development of mechanical engineering in the EU. Corresponding forecasts show an identical picture for the development of production. Currently, the indicator shows a clearly positive development for the coming months at a value of 100.6. In the previous year, the comparative value was 100.4.

Order intake in the vacuum technology field increased by 1 % in real terms in the last quarter of 2017 compared to the previous year. This represents an increase of 3 percentage points compared to the development of the previous year. Overall, the forecasts for the mechanical engineering industry show another positive development of the high order and sales situation.

Development in sales The development of sales at Pfeiffer Vacuum GmbH remains of primary importance for the development of earnings at Pfeiffer Vacuum Technology due to the existing profit and loss transfer agreement. To date, there have been customer-specific and industry-specific signs of a continuing sustained strong level in 2018. The visibility of orders remains unchanged at approximately two months. For this reason, conclusions about expected total annual sales should not be drawn from the level of incoming orders at the end of 2017. Due to the reasons mentioned above and also in view of the macroeconomic forecasts outlined above – both for the global economy and the engineering industry – Pfeiffer Vacuum GmbH is expected to reach the level of sales in 2018 to be on a par with the strong year 2017.

Earnings development The development of earnings at Pfeiffer Vacuum GmbH in the current fiscal year is substantially influenced by the expected sales for the year 2018. Continued operational optimization measures should therefore contribute to a slight improvement in the earnings situation in 2018. At the level of Pfeiffer Vacuum Technology AG, positive effects are to be additionally expected from the absence of one-time expenses, so that a slight improvement in earnings is expected here.

Dividends Management and the Supervisory Boards propose to distribute a dividend of € 2.00 per share (previous year: € 3.60 per share) for the fiscal year 2017. With a distribution volume of some € 19.7 million, this would result in approximately 36.6% of the net profit of the Group being paid out to shareholders.

Payout ratio, Dividend per Share and Dividend Yield			
		2017	2016
Payout ratio *	(in %)	36.6	75.5
Dividend per share	(in €)	2.00 **	3.60
Dividend yield	(in %)	1.3	4.1

* (Proposed) dividend distribution in relation to the net income for that year

**Subject to approval by the Annual General Meeting

The statements in this outlook are based upon assumptions about future macroeconomic and sector-specific developments. In the event that the assumptions that underlie statements prove to be incorrect in retrospect, actual developments may differ significantly from the expectations put forward on the basis of forecast developments.

We have succeeded in 2017 in maintaining our position as a highly profitable company. At the same time, we are confident that we will be able to continue to grow, both in terms of sales and earnings, on our own strength due to the projects currently underway and the expected optimizations. With our highly trained, motivated employees, our financial starting situation and our excellent market position, we are ideally placed to achieve this.

Asslar, Germany, March 16, 2018

Pfeiffer Vacuum Technology AG

Management Board

Dr. Eric Taberlet

Nathalie Benedikt

Dr. Ulrich von Hülßen

Dr. Matthias Wiemer

V. Proposal on the Appropriation of Retained Earnings 2017

Management and Supervisory Boards propose the following appropriation of the retained earnings in the amount of Euro 108,163,724.23 as presented in the Annual Financial Statements as of December 31, 2017:

Distribution of a dividend in the amount of Euro 2.00 per no-par share enjoying dividend entitlement for the 2017 fiscal year	Euro 19,735,318.00
Carried forward to new account	<u>Euro 88,428,406.23</u>
	<u>Euro 108,163,724.23</u>

The dividend will be payable on May 28, 2018.

The proposed appropriation of retained earnings takes into consideration the fact that the Company does not presently hold any treasury shares which pursuant to § 71b, German Stock Corporation Act ("AktG"), would not enjoy dividend entitlement. The number of shares enjoying dividend entitlement could decrease prior to the Annual General Meeting through the acquisition of treasury shares. In this case, a correspondingly modified proposed resolution on the appropriation of retained earnings will be submitted to the Annual General Meeting, whereby there will be no change in the distribution of Euro 2.00 per no-par share enjoying dividend entitlement.

VI. Report of the Supervisory Board 2017

Dear Shareholders,

In fiscal 2017, the Supervisory Board of Pfeiffer Vacuum Technology AG correctly fulfilled all the duties vested in it by law, the Articles of Association and the Supervisory Board's rules of procedure. It monitored the work of the Management Board within the scope of its legal duties, accompanied and advised on the strategic further development of the Company and satisfied itself about the legality and expediency of the managerial work on the basis of the Management Board's reports. Furthermore, the Supervisory Board continuously monitored the organization of the Company and Corporate Group and the cost-effectiveness of corporate management. In addition, a regular exchange of information took place between the Supervisory Board and/or the Supervisory Board chairman and the Management Board.

Cooperation between Supervisory Board and

Management Board In the view of the Supervisory Board, the Management Board informed the Supervisory Board and/or the Supervisory Board chairman regularly, comprehensively and in a timely manner about the competitive environment, planned business policy and all strategic and crucial operational decisions in the course of the past fiscal year. In the same way, the Management Board discussed key financial figures with the Supervisory Board as a basis for evaluating the economic situation of the Company.

The Management Board reported during Supervisory Board meetings in oral or written form and replied within this setting to questions from the Supervisory Board. Outside of the meetings, the exchange of information with the Supervisory Board was also ensured with regular reports on the economic development of the Company and the Corporate Group and on the key occurrences within Pfeiffer Vacuum Technology AG. The Supervisory Board is satisfied that Management Board reporting met the statutory and Supervisory Board's requirements.

In fiscal 2017, business transactions requiring approval were decided by the Supervisory Board and, under certain conditions, also by individual committees, after these had adequately reviewed and discussed the issues with the Management Board.

Personnel changes in Supervisory Board and Management Board

With effect from October 25, 2017, both Dr. Michael Oltmanns (up until then chairman of the Supervisory Board) and Dr. Wolfgang Lust stepped down from the Supervisory Board by resigning from their office.

Ayla Busch was appointed as new member of the Supervisory Board with effect from October 26, 2017 by the Local Court of Wetzlar and was then elected as chairwoman of the Supervisory Board by the members.

With effect from March 19, 2018, Henrik Newerla was appointed as new member of the Supervisory Board by the Local Court of Wetzlar.

In the Management Board, the previous Chief Executive Officer Manfred Bender was recalled for good cause with effect from November 27, 2017. The Supervisory Board appointed Dr. Eric Taberlet as his successor with effect from November 27, 2017. Furthermore, the Supervisory Board appointed Dr. Ulrich von Hülßen with effect from August 1, 2017 and Nathalie Benedikt with effect from November 27, 2017 to the Management Board. Nathalie Benedikt assumes the role of Chief Financial Officer (CFO). This appointment fulfills the requirements of good corporate governance with regard to the

exercise of departmental responsibility for finances in a role that is separate from the chairmanship of the Management Board.

With the appointment of Ayla Busch on October 26, 2017, this was the first time that a woman was appointed to the Supervisory Board and, moreover, was elected as Supervisory Board Chairwoman. Until March 19, 2018, the Supervisory Board recorded a 20% proportion of women; from this date on, the percentage is 16.7%. On the Management Board of the Company, with the appointment of Nathalie Benedikt, the proportion of women is 25% as of November 27, 2017.

Supervisory Board meetings and issues of Supervisory Board work

During 2017, the Supervisory Board informed itself about the current situation of the Company and the Corporate Group in a total of 20 meetings and discussed this in detail with the Management Board.

The meetings on January 9, February 14, March 22, May 12, May 23, June 21 and August 1, 2017 focused on the corporate acquisitions made in Europe and the U.S. in the year under review. Other issues were the new construction of the production location in Cluj, Romania, and the overarching global production strategy – Global Footprint. The focus of discussions during the first half-year were the acquisition of additional equity in Dreebit GmbH in Dresden and the acquisitions of Advanced Test Concepts, Inc. in Indianapolis, Indiana, USA, as well as of Nor-Cal Products Holdings, Inc. in Yreka, California, USA. A total of five of these seven meetings attended by all members of the Supervisory Board were held in the form of a telephone conference.

At the meetings held on January 26, February 24, March 6, March 31, April 3, April 11, April 13, April 19 and April 25, 2017, the Supervisory Board dealt with the voluntary takeover bids from Pangea GmbH and particularly focused on evaluating the bid documents, the wording of the responses and the fairness opinions of the financial advisors engaged. All of these meetings were held in the form of a telephone conference. All members of the Supervisory Board were present at these nine meetings.

During the telephone conference meetings held on May 26 and September 15, 2017, the Supervisory Board addressed the issue of extending the term of office of the Management Board member Dr. Matthias Wiemer and the contract of employment of the former Chief Executive Officer Manfred Bender. Here, also, all members attended the meetings.

At the meetings on March 22, May 23, August 1, October 26 and November 27, 2017, the Board dealt with the general course of business, financial results and the strategic orientation of the Company, measures for continuing to boost profitability and efficiency of the overall company and evaluation of analyses of the consequences in connection with the application of IFRS 15 from the year 2018. All members attended these meetings.

At the meeting on October 26, 2017, the Supervisory Board also dealt with budget planning for the year 2018 and the Management Board's schedule of responsibilities. The final consideration of the Management Board's schedule of responsibilities took place in the meeting on November 27, 2017.

At the meeting on October 26, 2017, the Supervisory Board also deliberated on the Compliance Management System and the Compliance Organization of the Company. It was decided to review the Compliance Management System by an independent appraiser. Due to the results, an enhancement and adaptation of the Compliance Management System is currently taking place with external support.

Supervisory Board Committees

The Supervisory Board in its composition up to and including October 25, 2017 established four committees:

- a Management Board Committee,
- an Administration Committee,
- a Nomination Committee and
- an Audit Committee.

The Supervisory Board also decided in its meeting on October 26, 2017 to dissolve the Administration Committee in order to strengthen teamwork within the Supervisory Board. Measures and business that are subject to approval will in future require the consent of all members of the Board.

After the Supervisory Board members Dr. Michael Oltmanns and Dr. Wolfgang Lust resigned on October 25, 2017 and Ayla Busch joined the Supervisory Board on October 26, 2017, special elections were held, with the result that the composition of the remaining committees from October 26, 2017 is as follows:

Management Board Committee

- Ayla Busch (Chairwoman)
- Filippo Th. Beck
- Götz Timmerbeil

Nomination Committee

- Ayla Busch (Chairwoman)
- Filippo Th. Beck
- Götz Timmerbeil

Audit Committee

- Götz Timmerbeil (Chairman)
- Filippo Th. Beck
- Ayla Busch

The Management Board Committee held its first meeting on May 22, 2017. In this meeting, the Supervisory Board focused principally on the extension of contract and re-appointment of Dr. Matthias Wiemer as well as the enlargement of the Management Board midyear to include Dr. Ulrich von Hülsen. In its meeting on November 26, 2017, the Management Board committee dealt with the preparation of the overall Supervisory Board meeting held on November 27, 2017 in which, among other things, the former Chief Executive Officer Manfred Bender was recalled for good cause. All meetings of the Management Board Committee were attended by every member.

The first meeting of the Administration Committee in the year under review was held on April 22, 2017. At this meeting, the joint statement of the Management Board and Supervisory Board concerning the voluntary takeover bid by Pangea GmbH was discussed in detail, in consultation with the attorney Dr. Thomas Zwissler from the law firm Zirngibl Rechtsanwälte. At the meeting on May 22, 2017, the Administration Committee dealt with the consulting services provided for the Company since the year 2010 by the law firm Menold Bezler (of which the former Supervisory Board chairman Dr. Michael Oltmanns is a partner). All members took part in all meetings of the Administration Committee.

The review of the Annual Financial Statements and the Consolidated Financial Statements for the fiscal year 2016 took place in the Audit Committee meeting on March 22, 2017. A further meeting was held on November 27, 2017. The Audit Committee was in regular contact with the auditor and discussed and decided upon the audit procedure, the focus of the audit and any special questions about the audit with the independent auditor. The Audit Committee consulted intensively with the auditor in connection with the explanations on the legality, regularity and expediency of the statements and the critical assessment of the concept and risks. All members attended all meetings of the Audit Committee.

No meetings of the Nomination Committee were held in the fiscal year 2017.

Corporate Governance

The Supervisory Board recognizes the principles of good governance and also addressed this issue in fiscal 2017. An essential basis for this is the extensive recognition of the recommendations of the German Corporate Governance Code (GCGC) based on the version of February 7, 2017. This does not preclude deviating from the GCGC recommendations in individual justified cases. As a listed company, Pfeiffer Vacuum Technology AG is subject to the obligation under § 161 (1) of the German Stock Corporation Act ("AktG") to declare the extent to which the recommendations of the German Corporate Governance Code have been and will be complied with, or which recommendations have not been or will not be applied, and to justify deviations from recommendations (statement of compliance). The Management Board and the Supervisory Board defined a statement of compliance on October 26, 2017 (amended with Supervisory Board resolution of January 24, 2018), which can be accessed on the Company's website. At the same time, the efficiency audit of the Supervisory Board was conducted diligently on the basis of extended criteria, compared to previous years, in the meeting held on October 26, 2017.

The members of the Supervisory Board of Pfeiffer Vacuum Technology AG are obliged to disclose to the Supervisory Board any possible conflicts of interest, in particular those which could arise through consulting or executive functions at customers, suppliers, lenders or other third parties. With the exception of commissioning the law firm Menold Bezler in connection with the takeover bid by Pangea GmbH, of which company the former Supervisory Board chairman Dr. Michael Oltmanns is a partner, there were no indications of actual or potential conflicts of interest in the fiscal year 2017.

Audit of Annual and Consolidated Financial Statements

In accordance with the resolution of the Annual General Meeting on May 23, 2017, Ernst & Young GmbH, Wirtschaftsprüfungsgesellschaft, Eschborn, Germany, was commissioned to audit the Annual Financial Statements of the Company and the Company's Consolidated Financial Statements, with the latter being prepared 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 § 315e of the German Commercial Code ("HGB"), consolidated financial statements presented in accordance with the rules of the German Commercial Code were not prepared.

The auditor introduced to the Audit Committee the determined audit focus areas. The key audit matters for the audit of the Consolidated Financial Statements were (i) the acquisition of Nor-Cal Products Holdings, Inc., (ii) the recoverability of goodwill and (iii) the accounting and valuation of current and deferred taxes. For the audit of the Annual Financial Statements the recoverability of equity investments and loans to affiliates were a key audit matter. The Audit Committee agreed to the audit focus areas and important audit areas as determined by the auditor and had no further amendments.

The Annual Financial Statements and Management's Discussion & Analysis as well as the Consolidated Financial Statements presented in accordance with IFRS, together with the Management's Discussion & Analysis, all for the 2017 fiscal year and all of which prepared by the Management Board, were audited by the independent auditor and received his unqualified audit 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 as well as at the Supervisory Board meeting relating to the financial statements on March 20, 2018. The independent auditor attended both meetings, reported on the major findings of his audit and was available to answer additional questions from the Supervisory Board. In particular, the progress of projects and the contents of the report on „non-financial performance“ and „non-financial declaration of the Group“ (NFE) to be published for the first time for the fiscal year 2017 were discussed in detail between the auditors and the Supervisory Board. The review and confirmation of the availability of the NFE by the auditor is the subject of a separate meeting of the Audit Committee prior to the publication of the report on April 30, 2018. The Supervisory Board will inform about the findings of the review on the occasion of the report to the Annual General Meeting on May 23, 2018. On the basis of its own thorough review, the Supervisory Board concurred 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 and Consolidated Financial Statements. It has approved the Annual and Consolidated Financial Statements, with the 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.

Additionally, the Management Board of Pfeiffer Vacuum Technology AG has drawn up a report on relationships with affiliated companies for the fiscal year 2017 („dependency report“), in accordance with § 312 Sub-Para. 1 of the German Stock Corporation Act („AktG“) and afterwards presented this report to the Supervisory Board.

Ernst & Young GmbH, Wirtschaftsprüfungsgesellschaft, Eschborn, has audited the dependency report and has issued the following audit opinion:

„According to our professional audit and judgment we confirm that

1. the actual disclosures in the report are correct and
2. the company's payment for legal transactions as included in the report was not inadequately high.“

The Management Board's dependency report as well as the related independent auditor's report were submitted to the Supervisory Board. The Supervisory Board reviewed both, the dependency report as well as the auditor's report. Final review was made in the Supervisory Board meeting on March 20, 2018. The independent auditor attended this meeting, reported on audit of the dependency report and the major findings of his audit and was available to answer additional questions from the Supervisory Board. After the final review the Supervisory Board concurred with the dependency report of the Management Board and the audit report of the auditor and had no objections against the final declaration of the Management Board at the end of the dependency report.

Acknowledgments

The Supervisory Board would like to sincerely thank the Management Board, the Employee Council and the entire staff of the Group for their dedication and commitment in the successful 2017 fiscal year.

Adoption of this Report

The Supervisory Board adopted this Supervisory Board Report in the resolution dated March 20, 2018 pursuant to § 171 Sub-Para. 2 of the German Stock Corporation Act ("AktG").

Asslar, Germany, March 20, 2018

On behalf of the Supervisory Board

Ayla Busch
Chairwoman of the Supervisory Board

VII. Independent Auditor's Report

To Pfeiffer Vacuum Technology AG

Report on the audit of the annual financial statements and of the management report

Opinions

We have audited the annual financial statements of Pfeiffer Vacuum Technology AG, Asslar, which comprise the balance sheet as at 31 December 2017, and the income statement for the fiscal year from 1 January to 31 December 2017, and notes to the financial statements, including the recognition and measurement policies presented therein. In addition, we have audited the management report of Pfeiffer Vacuum Technology AG for the fiscal year from 1 January to 31 December 2017. In accordance with the German legal requirements, we have not audited the content of the statement on corporate governance contained in the management report or the declaration pursuant to Sec. 161 AktG ["Aktiengesetz": German Stock Corporation Act] contained therein.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2017 and of its financial performance for the fiscal year from 1 January 2017 to 31 December 2017 in compliance with German legally required accounting principles, and
- the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the management report does not cover the content of the statement on corporate governance or the declaration pursuant to Sec. 161 AktG contained therein.

Pursuant to Sec. 322 (3) Sentence 1 HGB ["Handelsgesetzbuch": German Commercial Code], we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

Basis for the opinions

We conducted our audit of the annual financial statements and of the management report in accordance with Sec. 317 HGB and the EU Audit Regulation (No 537/2014, referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's responsibilities for the audit of the annual financial statements and of the management report" section of our auditor's report. We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German

professional responsibilities in accordance with these requirements. In addition, in accordance with Art. 10 (2) f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Art. 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the annual financial statements and on the management report.

Key audit matters in the audit of the annual financial statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts financial statements for the fiscal year from 1 January to 31 December 2017. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our opinion thereon; we do not provide a separate opinion on these matters.

Below, we describe what we consider to be the key audit matters:

Adequate valuation of the shares in affiliates and loans to affiliates

Reasons why the matter was determined to be a key audit matter

In Pfeiffer Vacuum Technology AG's annual financial statements, shares in affiliates of EUR 224,009k and loans to affiliates of EUR 5,150k are reported. If a lower net value is realizable for the financial assets on the reporting date, an impairment loss must be recognized on this value if impairment is expected to be permanent. The impairment test carried out by the Company's executive directors is based on assumptions, involves judgment and is subject to estimation uncertainty. The net values realizable for the financial assets on the reporting date were calculated using the discounted cash flow method.

Due to the materiality of the financial assets for the annual financial statements and the complexity of the valuation methods applied, the adequate valuation of the shares in affiliates and loans to affiliates is considered a key audit matter.

Auditor's response

We assessed the reliability of the financial planning underlying the impairment test and the completeness of the valuation bases by considering the assumptions relevant for the forecasts taking actual past earnings into account. To assess the assumptions pertaining to future cash flows, we also compared them with the actual business performance (plausibility test).

Furthermore, in addition our assessment of market-orientated forward-looking information, we also assessed the underlying financial planning based on detailed explanations by the Company on the main business-related value drivers. Due to the large number of relevant factors, we examined the extent of the uncertainty regarding the future net earnings based on scenarios and profit ranges and performed own sensitivity analyses. We also reperformed the calculations in the valuation model.

Our procedures did not lead to any reservations relating to the valuation of shares in affiliates and loans to affiliates.

Reference to related disclosures

For information on the accounting and valuation bases applied for the financial assets, see the disclosure in the notes to the financial statements under section "1.1 Fixed assets" and the notes to the balance sheet in sections "2.1.2 Shares in affiliates" and "2.1.3 Loans to affiliates" of the notes to the financial statements.

Other information

The supervisory board is responsible for the supervisory board's report pursuant to Sec. 171 (2) AktG. In all other respects, the executive directors are responsible for the other information. The other information comprises the statement on corporate governance pursuant to Sec. 289f HGB included as a separate section in the management report and the declaration pursuant to Sec. 161 AktG contained therein.

The other information also comprises the responsibility statement pursuant to Sec. 264 (2) Sentence 3 HGB included in the annual report and the proposal for the appropriation of the net retained profit, of which we obtained a version prior to issuing this auditor's report.

In addition, the other information comprises the supervisory board's report pursuant to Sec. 171 (2) AktG included in the annual report, which we expect to be provided with after the auditor's report has been issued.

Our opinions on the annual financial statements and on the management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the annual financial statements, with the management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the executive directors and the supervisory board for the annual financial statements and the management report

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German legally required accounting principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German legally required accounting principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the management report that, as a whole, provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

The supervisory board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and of the management report.

Auditor's responsibilities for the audit of the annual financial statements and of the management report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sec. 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements and of the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems of the Company.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German legally required accounting principles.
- Evaluate the consistency of the management report with the annual financial statements, its conformity with [German] law, and the view of the Company's position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, the related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other legal and regulatory requirements

Further information pursuant to Art. 10 of the EU Audit Regulation

We were elected as auditor by the annual general meeting on 23 May 2017. We were engaged by the supervisory board on 21 June 2017. We have been the auditor of Pfeiffer Vacuum Technology AG without interruption since fiscal year 2004.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Art. 11 of the EU Audit Regulation (long-form audit report).

We have exclusively provided audit services to the Company or entities controlled by it.

German Public Auditor responsible for the engagement

The German Public Auditor responsible for the engagement is Jörg Bösser.

Eschborn/ Frankfurt am Main, March 16, 2018

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Bösser

Schier

Wirtschaftsprüfer
(German Public Auditor)

Wirtschaftsprüfer
(German Public Auditor)

VIII. Certification of Legal Representatives 2017

To the best of our knowledge, and in accordance with the applicable reporting principles, the Annual Financial Statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company, and the Company Management Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal opportunities and risks associated with the expected development of the Company.

Asslar, March 16, 2018

The Management Board

Dr. Eric Taberlet Nathalie Benedikt Dr. Matthias Wiemer Dr. Ulrich von Hülsem

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