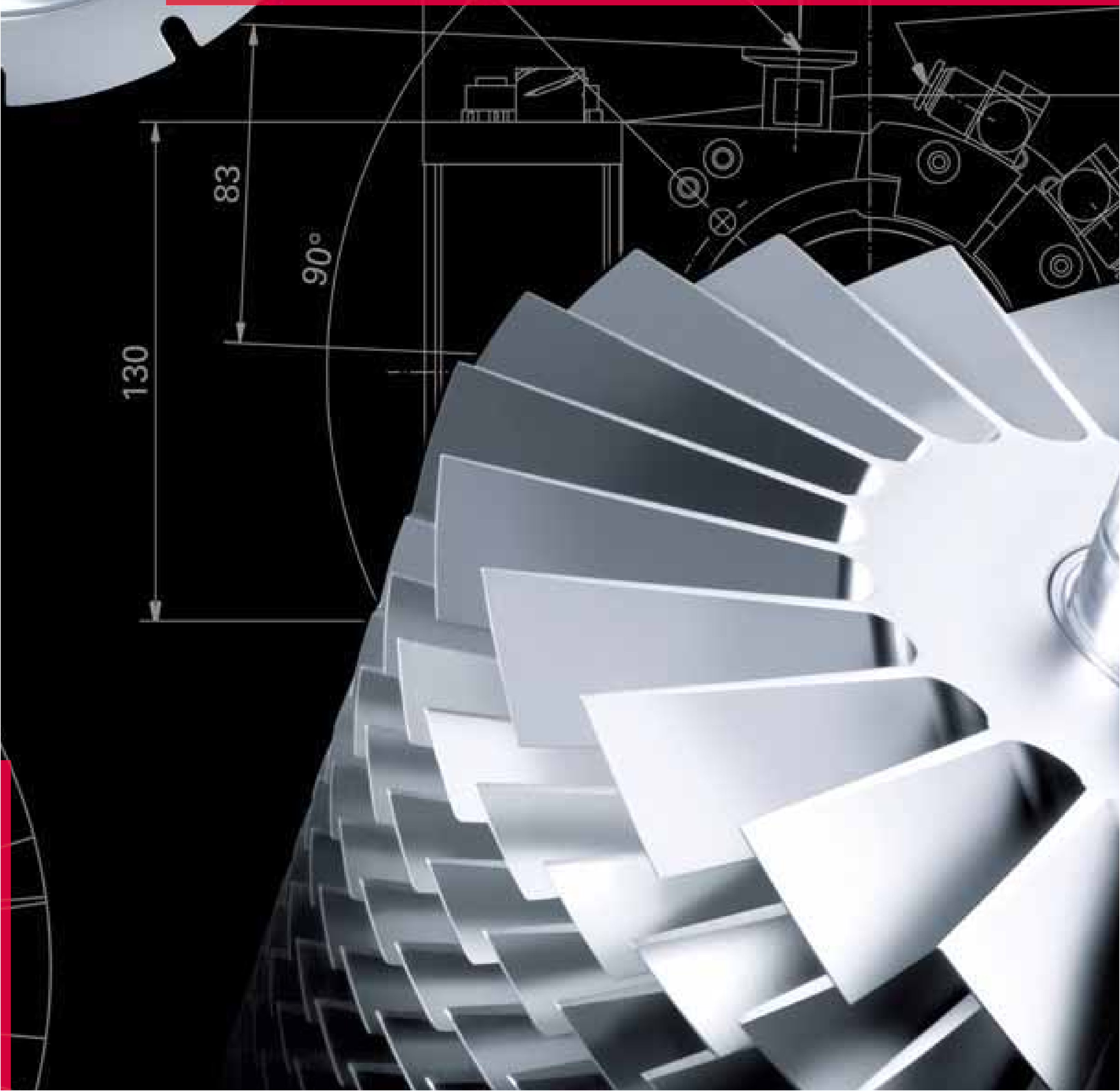
PFEIFFER VACUUM

Annual Report 2007

Transforming Ideas into Solutions.



Corporate Profile

PFEIFFER VACUUM – a name that stands for innovative solutions, high technology, dependable products and first-class service. For nearly 120 years, we have been setting standards in vacuum technology with these attributes. One very special milestone was the invention of the turbopump at our company 50 years ago. Thanks to our know-how, we continue to be the technology and world market leader in this field. To no small degree, this also manifests itself in our extremely high profitability. Here, too, we are one of the best in Germany.

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

Headquarters	Asslar, Germany
Established	1890
Purpose of the Company	To develop, manufacture and market components and systems for vacuum generation, measurement and analysis
Manufacturing site	Asslar, Germany
Workforce	692 people worldwide
Operational floor space	Approximately 80,000 m²
Sales and service	12 subsidiaries and over 20 agencies worldwide
Export ratio	69 %
Quality management	Certified under ISO 9001 : 2000
Environmental management	Certified under ISO 14001 : 2004
Stock exchange listings	
NYSE	1996 till October the 4th, 2007, listing as the first medium size German enterprise
Deutsche Börse	1998, listing on the Neuer Markt Stock Exchange, today the Deutsche Börse Prime Standard/TecDAX
Accounting	IFRS
Capital stock	K € 22,965
Number of shares	8,970,600 shares
Free-float	100 %
Cash and cash equivalents	€ 83.4 million
Equity ratio	84.2 %

Dec. 31

Key Performance Indicators

Net sales (in € millions)	
2003	138.6
2004	151.5
2005	159.5
2006	179.5
2007	**192.0**

EBIT margin (in %)	
2003	17.6
2004	22.8
2005	22.8
2006	25.1
2007	**27.5**

Operating profit (in € millions)	
2003	24.3
2004	34.6
2005	36.4
2006	45.0
2007	**52.8**

Earnings per share (in €)	
2003	1.46
2004	1.34
2005	2.64
2006	3.39
2007	**4.19**

Return on shareholders' equity (in %)	
2003	13.4
2004	11.7
2005	20.5
2006	21.4
2007	**25.0**

Equity ratio (in %)	
2003	79.3
2004	79.3
2005	80.3
2006	82.4
2007	**84.2**

Capital expenditures (in € millions)	
2003	1.5
2004	2.1
2005	2.5
2006	5.6
2007	**6.7**

Workforce (31.12.)	
2003	705
2004	696
2005	691
2006	684
2007	**692**

The numbers for fiscal years 2005 to 2007 were determined on the basis of IFRS, those for fiscal years 2003 and 2004 on the basis of U.S. GAAP.

		2007	2006	Change
Sales				
Total sales	K €	192,042	179,484	7.0 %
> Germany	K €	59,621	50,882	17.2 %
> Other countries	K €	132,421	128,602	3.0 %
Operating profit	K €	52,847	44,957	17.6 %
Net income	K €	37,285	29,786	25.2 %
Return on sales	%	19.4	16.6	–
Operating cash flow	K €	28,227	31,795	–11.2 %
Balance sheet				
Total shareholders' equity and liabilities	K €	177,430	168,670	5.2 %
Cash and cash equivalents	K €	83,383	75,354	10.7 %
Number of shares issued		8,970,600	8,970,600	–
Shareholders' equity	K €	149,367	138,972	7.5 %
Equity ratio	%	84.2	82.4	–
Return on equity	%	25.0	21.4	–
Capital expenditures	K €	6,707	5,610	19.6 %
Workforce				
Workforce (average)		679	685	–0.9 %
> Germany		513	505	1.6 %
> Other countries		166	180	–7.8 %
Personnel cost	K €	44,694	47,245	–5.4 %
> Per employee	K €	66	69	–4.3 %
Sales per employee	K €	283	262	8.0 %
Per share				
Earnings	€	4.19	3.39	23.6 %
Dividend	€	3.15	2.50	26.0 %

K € = thousands of euros

Contents

At a Glance

The Year 2007 4
Letter from the Chief Executive Officer 6
Report of the Supervisory Board 10
Share Performance 16

Management's Discussion and Analysis (MD & A)

Overview of Sales Revenues, Profitability and Financial Position 26
Overall Economic Environment 28
Profitability, Financial Position and Liquidity 30
The Pfeiffer Vacuum Group 48
Risk and Opportunities Report 70
Early 2008 and Outlook 77

Consolidated Financial Statements

Statements of Income 84
Balance Sheets 85
Statements of Shareholders' Equity 86
Statements of Cash Flow 87
Notes to the Financial Statements 88
Certification of the Legal Representatives 141
Independent Auditor's Report 142

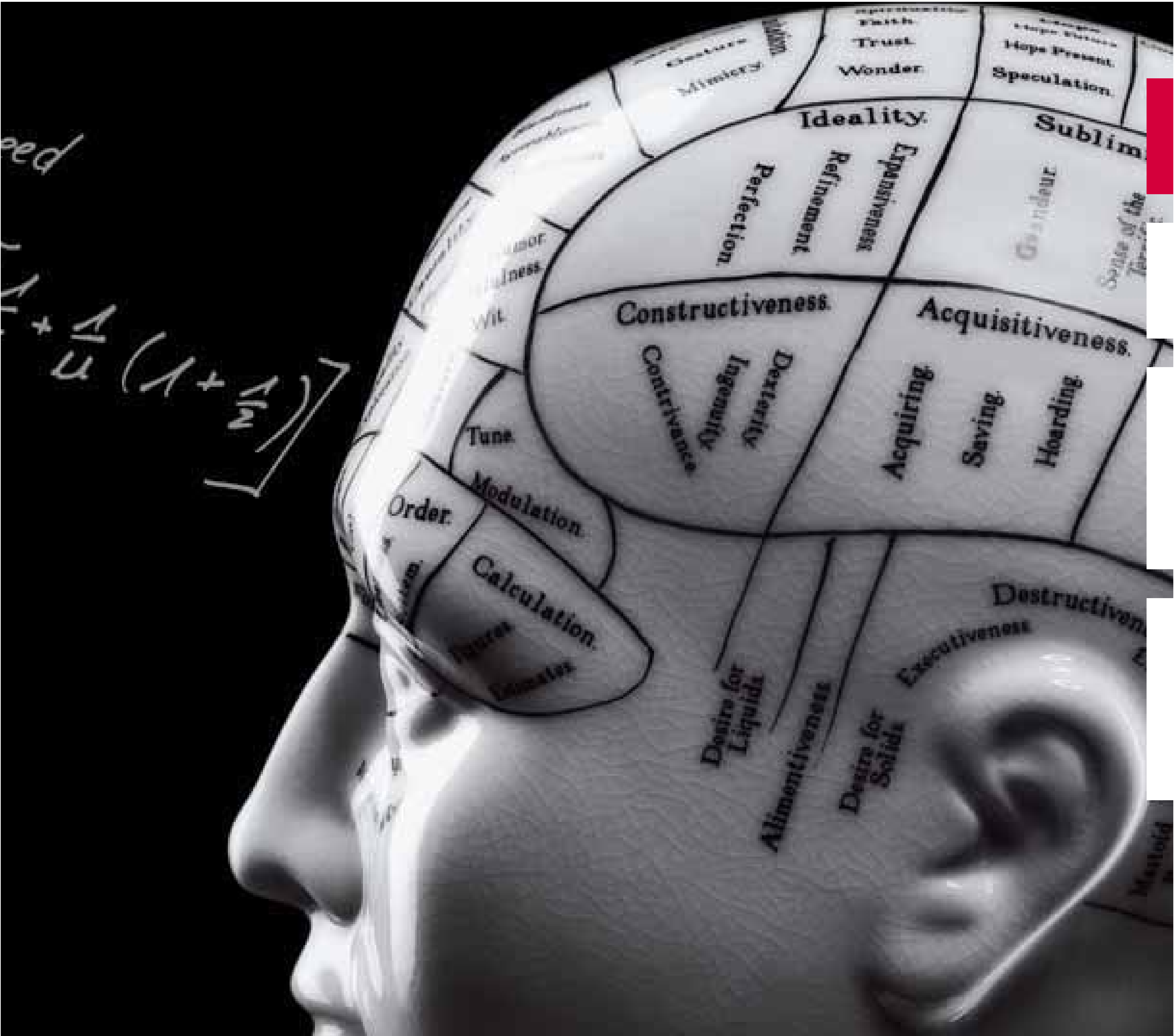
Further Information

Product Portfolio 146
Addresses Worldwide 150
Index 152

Company Profile .... Front fold-out
Key Performance Indicators .... Front fold-out
Financial Glossary .... Back fold-out
Financial Calendar and Contacts .... Back fold-out

Product idea

Developing ideas into solutions for our customers' success. To assure competitiveness tomorrow and beyond.



At a Glance

The Year 2007 4
Letter from the Chief Executive Officer 6
Report of the Supervisory Board 10
Share Performance 16

The Year 2007

January — New Euregio Sales and Service Center

We have consolidated our forces in the Benelux region and western Germany in one new location in Aachen, Germany, enabling us to be more efficient, save on costs and, at the same time, close to the customer.

February — New advances in tumor therapy

An ion-beam therapy accelerator for the treatment of more than 1,000 tumor patients a year goes into operation at the University Hospital in Heidelberg. Numerous PFEIFFER VACUUM products play a crucial role here.

March — Dr. Matthias Wiemer joins the Management Board

At the financial press conference, Dr. Matthias Wiemer is introduced as a new member of the Management Board. He is responsible for Development, Manufacturing and Sales & Marketing.

April — Record order from the solar industry and ComVac exhibition

PFEIFFER VACUUM receives the largest order in its corporate history, valued at double-digit millions, to build various plants for the production of thin-layer solar cells.

PFEIFFER VACUUM participates in the international exhibition for compressed air and vacuum technology within the framework of the 2007 Hanover Fair.

May — turbopump innovation

Tapping into new markets thanks to HiMag™ 3400. A larger version in the 3,000 l/s pumping-speed class is developed in the magnetically levitated turbopump segment.

June — Record dividend

On June 1, 2007, the Company distributes to its shareholders a record dividend totaling € 22.1 million or € 2.50 per share which is 85 % more than in the year before.

July — Manfred Bender appointed Chief Executive Officer

Following the retirement of Wolfgang Dondorf, former Chief Financial Officer Manfred Bender is named Chief Executive Officer effective July 1, 2007.

August — pfeiffer vacuum Germany's third most profitable company

pfeiffer vacuum takes third place in the "Extremely Profitable" category in the Handelsblatt Company Check conducted by this German business daily. What were analyzed were the key performance indicators of equity ratio, return on capital, the ratio between cash flow and total sales, as well as the ratio between cash flow and total capital.

September — "R&D 100 Award" goes to pfeiffer vacuum

We win this prestigious award, which is presented annually by R&D Magazin in recognition of the 100 most technologically significant new developments, for the development of our OnTool™ Booster high vacuum pump.

October — Delisted from the nyse

After more than eleven years, pfeiffer vacuum terminates its stock market listing in the United States. The Company based its decision on the low trading volumes there and the high costs associated with the listing.

November — Rotary vane pump innovation

Presentation of the PentaLine™ – new rotary vane pumps for applications in the low and medium vacuum range of up to 10^{-3} mbar.

December — Sales and net income at record levels, plus new turbopumps

With sales of € 192.0 million and net income of € 37.3 million, pfeiffer vacuum records the most successful fiscal year in its corporate history.

Presentation of the latest generation of turbopumps for a broad range of applications: HiPace™.

Letter from the Chief Executive Officer

Dear Shareholders
and Friends of the Company,

Although the year 2007 again continued the string of economic successes in previous years, it was nevertheless a very special year for the Company.

PFEIFFER VACUUM TECHNOLOGY AG had been listed on the New York Stock Exchange since 1996, and has additionally been traded in Frankfurt since 1998. Over the course of the years, we had observed that trading had increasingly shifted to our home market of Frankfurt. Moreover, the enormous requirements under the Sarbanes Oxley Act and other regulations had turned our listing in the United States into a cost factor that was not insignificant. It was for this reason that we decided in October – admittedly with a heavy heart – to delist ourselves from the New York Stock Exchange. We will continue to cultivate contacts with our American investors in the customary manner.

Our Chief Executive Officer of long years' standing, Wolfgang Dondorf, entered his well-deserved retirement at mid-year. He had taken the Company to the stock exchanges in New York and Frankfurt, and had played a major role in shaping our subsequent track record of success.

On the first day of trading in 1996, the PFEIFFER VACUUM trading price stood at the equivalent of around € 6.25 in New York. At that time, our market capitalization, i.e. trading price times number of shares, amounted to just under € 50 million. At year-end 2007, the trading price of PFEIFFER VACUUM shares stood at € 55, with a total market capitalization of € 493 million. The Company value has thus nearly decupled.

Since going public, PFEIFFER VACUUM has distributed € 68 million in dividends. And shareholders indirectly earned an additional € 20 million in the form of stock buy-backs. We have invested around € 59 million in modern machinery, buildings, IT equipment and other things in order to optimize our operations. In this connection, € 81 million for research & development have helped to assure our longterm competitiveness with viable new products. Our equity ratio is over 84 %. This means that the Company is virtually debt-free. Some 700 people have secure jobs and additionally share in the Company's success.

In short: The Company is not only top fit, it is also one of the most profitable in Germany.

Since July 2007, Dr. Matthias Wiemer and I have now been responsible for sustaining the Company's successful development. Dr. Wiemer joined PFEIFFER VACUUM two years ago, initially assuming responsibility for the operative business of PFEIFFER VACUUM GMBH as a managing director. He was appointed to the Management Board of PFEIFFER VACUUM TECHNOLOGY AG effective April 1, 2007, where he is responsible for Sales & Marketing, Development and Manufacturing. My own experience with "nothing" dates back somewhat further. I came on board at PFEIFFER VACUUM in 1998, becoming its Chief Financial Officer in April 2004.

Dr. Wiemer and I will essentially pursue the successful strategy of recent years. We will further broaden the Company's strengths:

- Its technology leadership
- Its "Made in Germany" quality standard
- Its balanced mix of markets and regions
- Its balanced mix in its product portfolio
- Its independence
- Its high profitability
- Its sound financial position

Building upon this foundation, our people generated sales of € 192.0 million in 2007, up 7.0 % from the year before. Our profitability growth was even more remarkable, rising by 25.2 % to € 37.3 million. Given the existing market environment, we can be highly satisfied with this development. We will do everything in our power to sustain the PFEIFFER VACUUM success story in the year 2008 and beyond.

As in previous years, we want you, our shareholders, to again participate in our profitability in fiscal 2007. The Management and Supervisory Boards will therefore propose that the Annual Shareholders Meeting on May 28, 2008, resolve to pay a dividend of € 3.15 per share. We will live up to our reputation as an income equity with a dividend yield of 5.7 %, representing a further significant rise over the year before. We have been playing a leading role in the TecDAX index for years with respect to the amount of our dividend.

The Management Board

Manfred Bender,
Chief Executive Officer and Chairman of the Management Board

Dr. Matthias Wiemer,
Member of the Management Board

Our extremely sound financial position enables us to steadily invest in modernizing our manufacturing operations. In 2007, we began modifying and expanding the manufacturing facility in Asslar. Our production processes were scrutinized and are now being optimized. Moreover, our turbopump manufacturing capacity is being expanded. The outward manifestation of these activities is the new Logistics Center building, which will be equipped with cutting-edge technology in order to assure that our customers are supplied even faster and more smoothly.

This is an investment in our Central Hessian location, which is currently our sole manufacturing facility and will remain so medium-term. Why? While others are battling with the problems stemming from relocation of their production operations, we are hard at work enhancing the efficiency of our processes and developing new and innovative products. This is a recipe for success that enjoys a proven track record and manifests itself in the steadily rising profitability of the Company. In fiscal 2007, our EBIT margin rose to 27.5 percent – a level that numbers us among the front-runners in Germany industry, and undoubtedly on an international scale as well.

The year 2007 was characterized by an innovation campaign. Its slogan was "Leading innovations. Too fast to be copied." With products like HiPace™, a new line of turbopumps, and PentaLine™, a new line of backing pumps, we will be setting technological standards in terms of performance and energy efficiency in the years to come.

Numerous talks with our customers give us every reason to be highly confident in viewing the near future. We are outstandingly positioned as a supplier to the solar industry. Yet because we strive to be independent, we are not putting all of our eggs into one basket. What makes us strong is our balanced posture, which enables us to anticipate growth from a variety of industries in the future, as well. There is a predominantly positive view of the forecasts for general economic development.

But even as ancient Pericles said: "It is not a matter of correctly predicting the future, but of being prepared for it." You can rest assured: PFEIFFER VACUUM is ready for the future!

It is our hope that you will continue to be satisfied shareholders and friends of our Company.

Yours, M. Bender

Manfred Bender

Report of the Supervisory Board

Dear Shareholders,

We can look back upon a highly successful 2007 fiscal year.

PFEIFFER VACUUM was able to achieve significant growth in both sales and profitability. With sales of € 192.0 million and earnings per share of € 4.19, PFEIFFER VACUUM has recorded the best results in its corporate history.

Supervisory Board meetings and content

During the 2007 fiscal year, the Supervisory Board informed itself about the current position of the Company and the corporate group in five meetings, discussing these subjects intensively with the Management Board. The Supervisory Board meetings took place on February 5, March 26, May 31, August 6 and November 5, all of them in Asslar. In addition to the information provided at its regular meetings, all members of the Supervisory Board received detailed monthly and quarterly reports on the Company's position, with the Chairman of the Supervisory Board additionally being provided with the minutes of all Management Board meetings. Aside from the regular meetings of the Supervisory Board, its Chairman was constantly kept abreast of all major business matters through discussions with the Management Board.

Duties of the Supervisory Board

The Supervisory Board has a Management Board Committee, an Administration Committee and an Audit Committee. Meetings of the Management Board Committee were conducted on March 26 and May 31. Meetings of the Audit Committee were held on March 26 and November 5. Moreover, the Audit Committee maintained regular contact with the independent auditor, regularly discussing with him and deciding upon the course of the audit, the main focuses of the audit and particular questions relating to the audit.

In addition to the course of business, Supervisory Board meetings also focused, first and foremost, on the development of the project with one of Germany's largest solar cell manufacturers, which affords PFEIFFER VACUUM excellent positioning in the field of solar technology. Also discussed were new technology developments and potential acquisitions, as well as our delisting from the New York Stock Exchange due to the ongoing high cost burden this involves. Moreover, the Supervisory Board also regularly informed itself about the progress of construction activities on the Company's plantsite in Asslar. And, finally, it dealt intensively with the issue of generational succession on the Management Board.

Risk management

The Supervisory Board complied with all of the obligations vested in it under applicable legislation and the Company's Articles of Association and Bylaws, taking into consideration the particular requirements of the German Control and Transparency Act of 1998 ("KonTraG"), as well as the German Publication Transparency Act of 2002 ("TransPuG"), and diligently and fully supervised the management of the Company.

The requirements with respect to risk management mandated under the German Control and Transparency Act ("KonTraG") were discussed intensively together with the Management Board. The Supervisory Board repeatedly satisfied itself that sufficient insurance coverage is in force for insurable risks and that operating, financial and contract risks are being monitored through organizational processes and approval procedures. A detailed reporting system exists for the Company and the corporate group, and is subjected to ongoing review, update and development. All employees in the operating units are sensitized to potential risks and are instructed to conduct appropriate reporting.

Corporate governance

As in the year before, the Supervisory Board deliberated in detail on the German Corporate Governance Code ("DCGK"). The Supervisory Board continues to be in agreement with the Management Board that the variances from the German Corporate Governance Code, i.e. in connection with a deductible for the Company's liability insurance and in connection with the structure of the compensation paid to the members of the Supervisory Board, are justified and meaningful. The nominating committee urged under the German Corporate Governance Code was established in March 2008. The statement of compliance pursuant to § 161 of the German Stock Corporation Act ("AktG") was submitted by the Management and Supervisory Boards sufficiently in advance of the close of the fiscal year with the above provisos. In connection with good corporate governance, the Supervisory Board also dealt in detail with its own efficiency, with the review producing positive overall results.

At the meetings of the Supervisory Board and in individual discussions, the Supervisory and Management Boards deliberated at length regarding the Company's strategic alignment and planning. The development of the economy and the high exchange rate of the euro, as well as their impact on the Company, were the subject of intensive discussions between the Management and Supervisory Boards. The budget for the 2008 fiscal year was discussed and adopted.

Audit

In accordance with the resolution adopted by the Annual Shareholders Meeting on May 31, 2007, Ernst & Young AG, Wirtschaftsprüfungsgesellschaft, of Eschborn, Germany, was commissioned to audit the Annual Financial Statements of the Company and the Company's Consolidated Financial Statements, which are presented in accordance with International Financial Reporting Standards ("IFRS"), as well as the financial statements of the Company's subsidiaries where prescribed by law. Pursuant to § 315a of the German Commercial Code ("HGB"), consolidated financial statements conforming to the rules of the German Commercial Code were not prepared. The focuses of the audit that the Audit Committee defined with the independent auditor included certain line items in the balance sheet (additions to and valuation of fixed assets, accounts receivable, inventories, capitalization of development costs in accordance with IAS 38, accrued liabilities, deferred taxes), revenue recognition and periodic accruals for net sales, consolidation entries, as well as the reconciliation to IFRS, the Notes to the financial statements and Management's Discussion & Analysis.

The Annual Financial Statements, Management's Discussion & Analysis, as well as the Consolidated Financial Statements for the 2007 fiscal year presented in accordance with IFRS, all of which were prepared by the Management Board, were audited by the independent auditor and received his unqualified opinion.

Annual financial statements

The Annual Financial Statements, Management's Discussion & Analysis, as well as the audit reports from the independent auditor, were submitted to all members of the Supervisory Board in a timely fashion. They were discussed in detail at the Audit

Committee meeting relating to the financial statements as well as at the Supervisory Board meeting relating to the financial statements on March 12, 2008. 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. On the basis of its own thorough review, the Supervisory Board concurs with the results of the audit conducted by the independent auditor. The Supervisory Board has approved the Annual and Consolidated Financial Statements, with the Annual Financial Statements thus being formally adopted. The Supervisory Board discussed in detail with the Management Board its proposal regarding the distribution of a dividend and then concurred with the Management Board's proposal regarding appropriation of the Company's retained earnings.

Change in the composition of the Management Board and expression of thanks

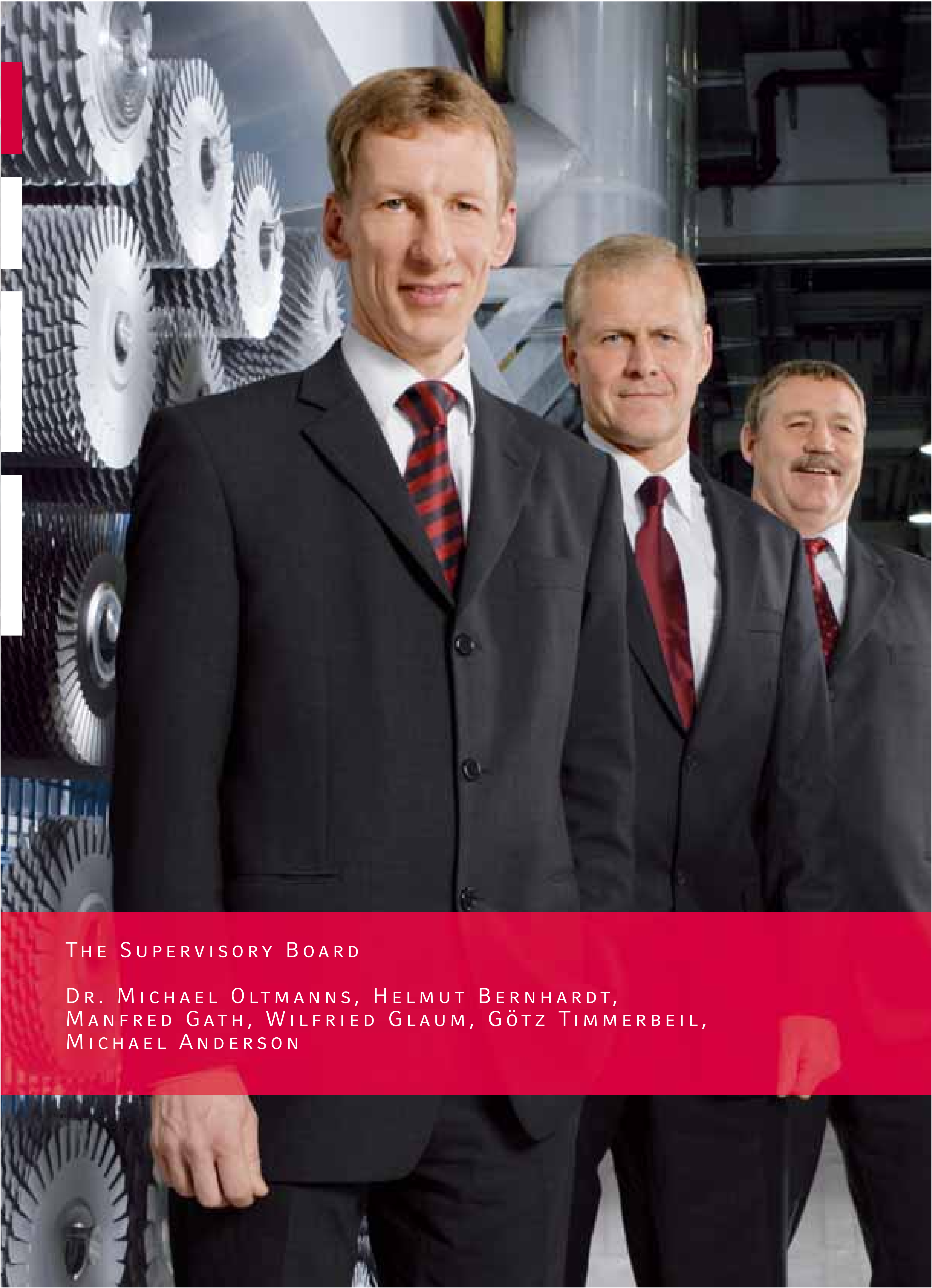
At the end of June 2007, the staff of the Company, his colleagues on the Management Board and the members of the Supervisory Board bade farewell to the Chief Executive Officer of long years' standing, Wolfgang Dondorf, as he entered retirement. Wolfgang Dondorf had played a very significant role in shaping the Company as it stands today. He took the former member of the Oerlikon-Bührle Group to the New York Stock Exchange in 1996 and led the Company to a gigantic upswing. It is to him and the new blood he fostered that a very significant debt of gratitude is owed for the market leadership and profitability that PFEIFFER VACUUM today enjoys.

The Supervisory Board would like to take this opportunity to express its very sincere gratitude to Mr. Wolfgang Dondorf for his accomplishments.

Moreover, the Supervisory Board wishes to express its thanks to the Management Board, to the Employee Council and to the entire staff of the corporate group for their successful work in fiscal 2007.

Asslar, March 2008

Dr. Michael Oltmanns
Chairman of the Supervisory Board



The Supervisory Board

Dr. Michael Oltmanns, Helmut Bernhardt,
Manfred Gath, Wilfried Glaum, Götz Timmerbeil,
Michael Anderson

Share Performance

PFEIFFER VACUUM shares have been traded on the Deutsche Börse Stock Exchange in Frankfurt since April 15, 1998. PFEIFFER VACUUM satisfies the high transparency requirements of the Prime Standard and is contained in the TecDAX technology index.

Basic Information about PFEIFFER VACUUM Shares

Deutsche Börse, Prime Standard, Frankfurt	
Stock Symbol	PFV
International Securities Identification Number	ISIN DE0006916604
Bloomberg Symbol	PFV.GY
Reuters Symbol	PV.DE
Number of shares issued	8,970,600
Further indices	HDAX, MID CAP MARKET, CDAX, PRIME INDUSTRIAL, PRIME ALL SHARE, TECHNOLOGY ALL SHARE

The stock market in 2007

Both investors and issuers experienced a stock market year with highs and lows. Although most German industrial companies are developing on a positive note and were again able to increase their earnings, this was not fully reflected in the development of share prices on the exchanges. The subprime crisis in the United States, the weak U.S. dollar and vague fears about the economy combined to produce major insecurity on the part of investors.

pfeiffer vacuum share performance on the Deutsche Börse Stock Exchange

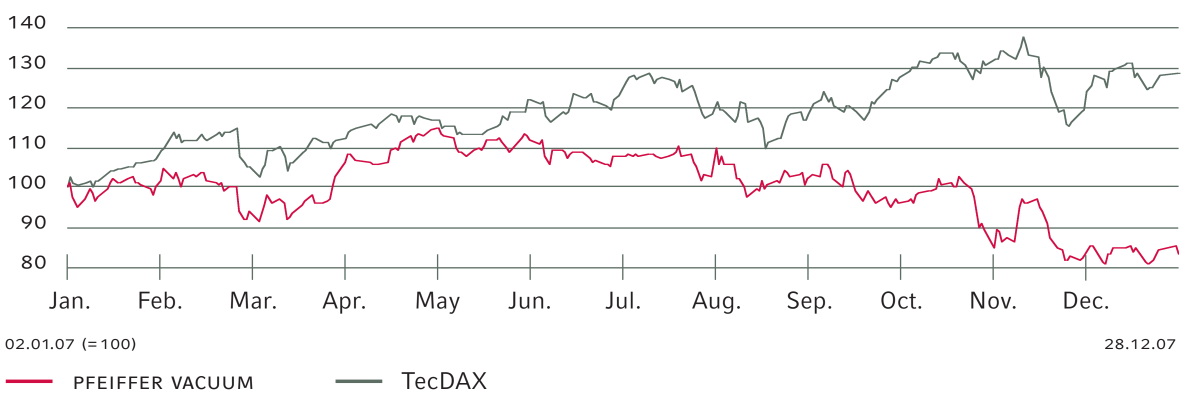
During the year 2007, the performance of pfeiffer vacuum shares did not parallel the Company's positive course of business. While the TecDAX rose by 28.3 % from 759 to 974 points, the value of pfeiffer vacuum shares declined by 17.2 %.

The significantly more positive development of the TecDAX during the year under review essentially stemmed from the turbulent development of business of the solar issues and their trading prices. pfeiffer vacuum shares opened at a trading price of € 64.89 on January 2 and closed at € 55.00 on December 28. They reached their low for the year of € 51.30 on December 4, their high for the year of € 78.00 on April 26. This high for the year again marked an all-time high in the Company's history on the stock market. Trading volumes averaged 33,519 shares per day.

We hold a strong mid-field position in the TecDAX technology index in terms of market capitalization. With 5.7 %, we offer the highest dividend yield in the TecDAX.

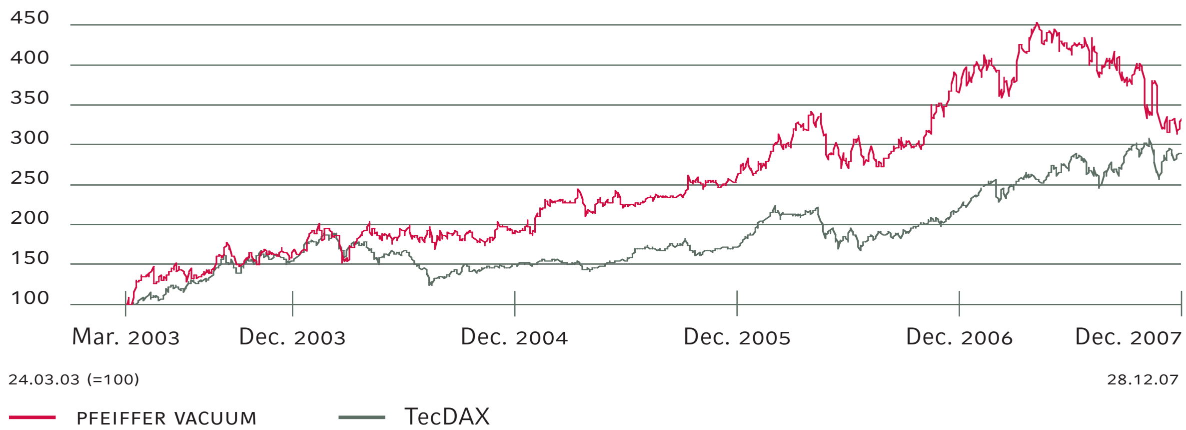
The following graphic illustrates the performance of our shares by comparison with the TecDAX in 2007.

Relative Share Price Development of pfeiffer vacuum and TecDAX in 2007 (in %)



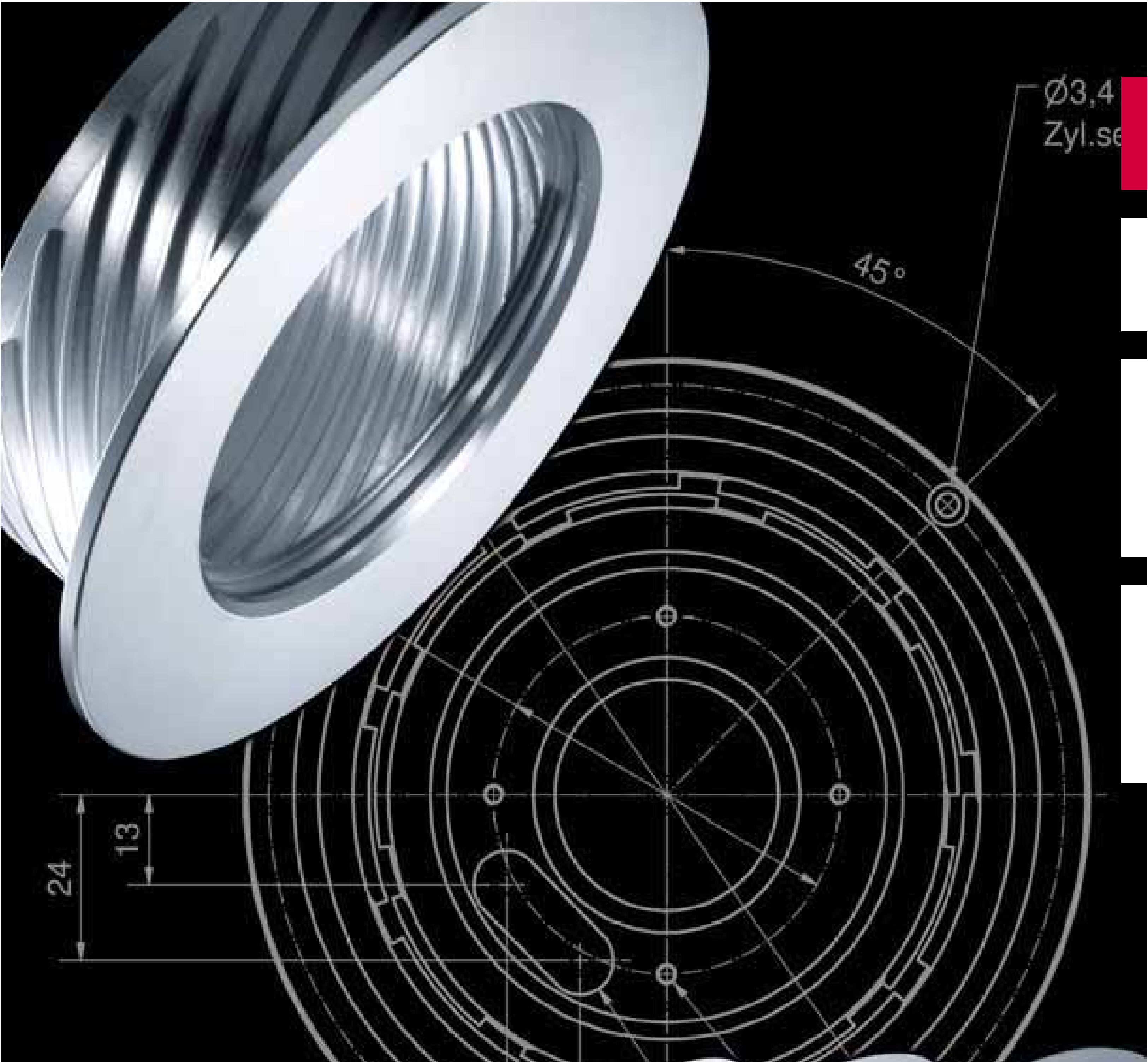
PFEIFFER VACUUM shares have developed as follows over the course of the years:

Relative Share Price Development of PFEIFFER VACUUM and TecDAX 2003 – 2007 (in %)



Delisted from the New York Stock Exchange

October 4, 2007, marked the end of an eleven-year era in the Company's history – its listing on the New York Stock Exchange (NYSE). The final deregistration from the Company's reporting obligations was effected in early January 2008. In 1996, PFEIFFER VACUUM had been the first German SME to be listed on the New York Stock Exchange. Increasingly declining trading volumes in New York, coupled with the constantly rising costs of the U.S. listing as a result of steadily growing regulatory effort and expense, were what prompted the Company's management to delist from the New York Stock Exchange. Investors will be able to exchange their American Depositary Receipts (ADR) for German shares at a ratio of 1 : 1 through October 4, 2008.



Engineering

Theoretical computations take on concrete shape: How can we generate and measure better vacuum in less time? Our ongoing quest to perfect a principle with a proven 50-year track record.

Earnings per share

Earnings per share represent consolidated net income attributable to the PFEIFFER VACUUM TECHNOLOGY AG shareholders divided by the average number of shares in circulation:

Net income	37,025 K €
Number of shares	8,843,524
Earnings per share	4.19 €

There were no dilutive effects in the year under review.

Dividend

PFEIFFER VACUUM is one of the few corporations in the TecDAX that for years has enabled its shareholders to participate in their company's successes in the form of a dividend. The Company's profitability again rose significantly in 2007. The Management and Supervisory Boards will therefore propose to the Annual Shareholders Meeting on May 28, 2008, that a dividend in the amount of € 3.15 per share will be distributed to the shareholders. The dividend will thus be significantly higher than the year before (€ 2.50). This will again make PFEIFFER VACUUM one of the highest-dividend issues in the TecDAX. The distribution will total € 27.9 million for the 8,843,524 shares of no-par stock entitled to receive dividends (as per December 31, 2007). This will result in a dividend yield of 5.7 % (2006: 3.9 %) on the basis of the closing price at year-end 2007.

Shareholder structure

According to both an external analysis of our shareholder structure as well as our own estimates, more than 35 % of our shares are held by U.S. mutual and pension funds. Around 40 % are owned by European mutual funds, predominantly in Luxembourg, England and Scotland. Our Japanese agency holds nearly 5 %. The remainder are held by German funds and small investors.

Current voting right notifications (as per Dec. 31, 2007):

Artisan-Group, Milwaukee	14.84 %
Arnhold & Bleichroeder, New York	10.01 %
DWS Investment, Frankfurt	5.96 %
Threadneedle, London	4.99 %
Hakuto – Agency, Tokyo	4.83 %
Neuberger, Berman, New York	3.18 %

These shareholdings do not have any influence on the Company's free-float position. Since we have neither legacy shareholders nor any other beneficial owners, 100 % of the Company's shares continue to be broadly held.

Investor relations

Ongoing contact with our investors is naturally an important commitment for us. In 2007 we participated in six investor conferences in Frankfurt, London, Munich, New York and Zurich (2006: Eight). In connection with the announcement of our 2006 annual results, we conducted both a financial press conference in March as well as an analyst conference in Frankfurt that was attended by over 40 participants.

At 21 roadshows (2006: 15) in all major financial centers in both Europe and the United States, the members of the Management Board presented our business model and commented on PFEIFFER VACUUM's opportunities and risks. Some 30 visits to the Company on the part of investors, as well as regular conference calls with analysts and investors, document our intensive contact with the financial world.

Around 20 analysts from Germany and other countries regularly follow our Company, assessing PFEIFFER VACUUM's current position and prospects in close contact with the Management Board and the Investor Relations Department. This year, the analysts were particularly interested in the development of orders in the solar sector, in the influence of the weak U.S. dollar on the development of business, in potential corporate acquisitions and in the Company's dividend policy. "Buy" and "accumulate" recommendations again predominated in 2007.

The regular Annual Shareholders Meeting on May 31, 2007, was attended by around 400 shareholders. This shareholder presence of nearly 58 % was significantly higher than the year before (nearly 50 %). Among other things, this was the result of our increased efforts to address our foreign investors. In addition to the customary agenda items, our shareholders also gave their consent to a new share buyback program. On the day of the Annual Shareholders Meeting, we traditionally invite our investors to visit our facility in order to get a first-hand look at PFEIFFER VACUUM. This year, nearly 100 shareholders again took advantage of this opportunity to get to know the Company from the inside.

A dedicated investor relations page on the Internet at www.pfeiffer-vacuum.net affords everyone an opportunity to inform themselves in detail about everything relating to PFEIFFER VACUUM shares, to download annual reports, quarterly numbers and press releases, or to sign up on an e-mail distribution list to receive future corporate news. An interactive version of the 2007 Annual Report is also available on the Internet.

Following two first places in 2005 and 2006 in manager magazin's rankings of the "Best Annual Reports," our Annual Report this year won second place in the TecDAX segment. Under the motto "Vacuum you can count on," we established a conclusive link between the natural sciences and PFEIFFER VACUUM. Scoring 96.67 out of a possible 100 points, the Annual Report's clear language and the authenticity of its statements garnered especially high marks.

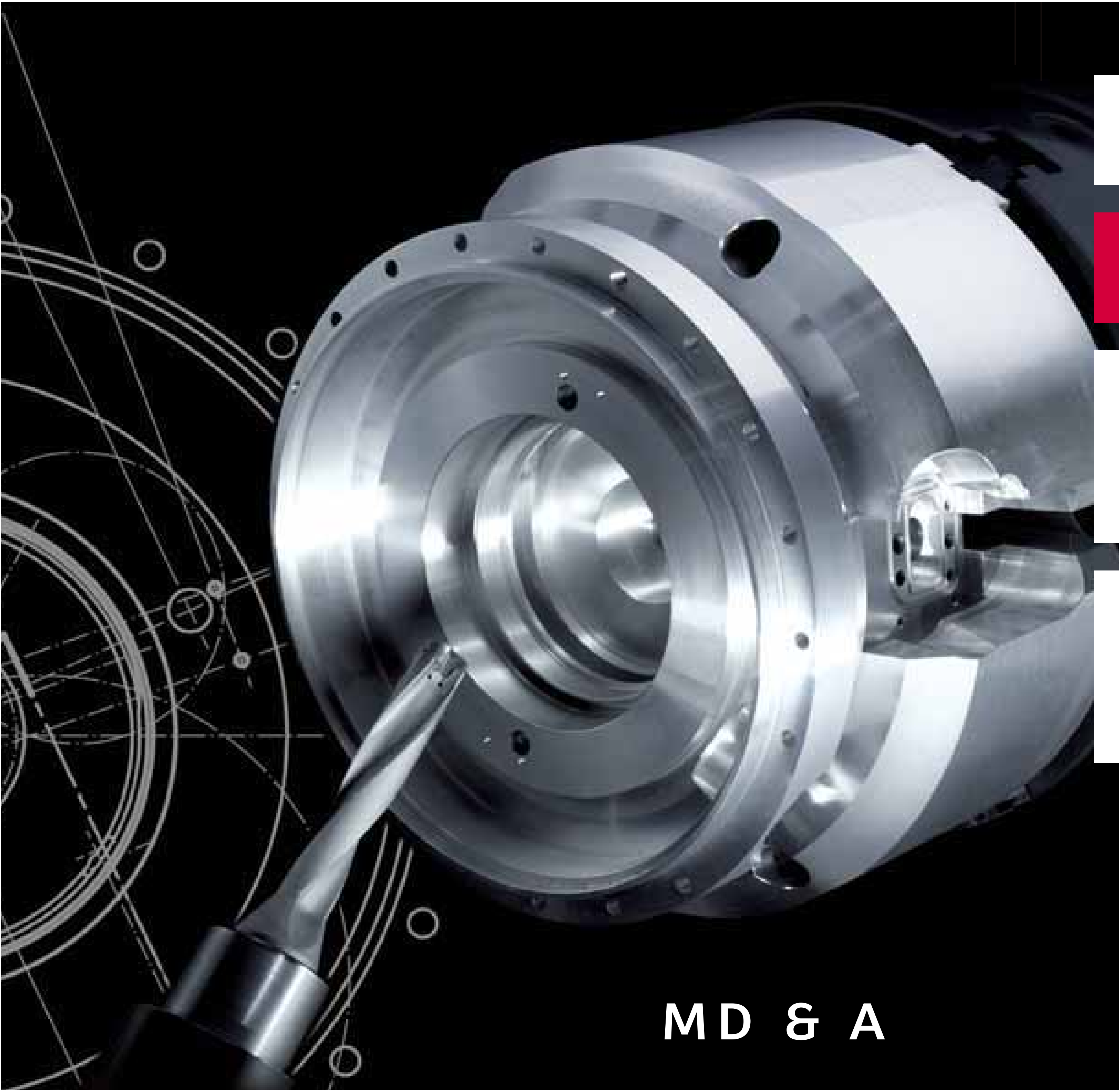
PFEIFFER VACUUM Share Highlights

		2007	2006	2005	2004	2003
Share capital	€ MILL.	23.0	23.0	22.5	22.5	22.5
Number of shares issued		8,970,600	8,970,600	8,790,600	8,790,600	8,790,600
Highest trading price*	€	78.00	66.60	47.25	35.15	30.49
Lowest trading price*	€	51.30	44.45	31.60	25.40	17.00
Trading price at year-end*	€	55.00	64.40	46.17	33.00	28.00
Market capitalization at year-end	€ MILL.	493	578	406	290	246
Dividend per share	€	3.15	2.50	1.35	0.90	0.70
Dividend yield	%	5.7	3.9	2.9	2.7	2.5
Earnings per share**	€	4.19	3.39	2.64	1.34	1.46
Price / earnings ratio		13.1	19.0	17.5	24.6	19.2
Free-float	%	100	100	100	100	100

* Deutsche Börse, Xetra
** Numbers for fiscal years 2004 and 2003 on basis of U.S. GAAP

Production

Precision-manufactured components and assemblies make for top quality. Dependable high-tech products for absolute nothingness.



MD & A

Overview of Sales Revenues,
Profitability and Financial Position 26
Overall Economic Environment 28
Profitability, Financial Position and Liquidity 30
The PFEIFFER VACUUM Group 48
Risk and Opportunities Report 70
Early 2008 and Outlook 77

Overview of Sales Revenues, Profitability and Financial Position

With sales revenues of € 192.0 million and an operating profit of € 52.8 million, 2007 was the most successful year in PFEIFFER VACUUM's corporate history.

In a competitive environment that was characterized by the weakness of the U.S. dollar and the yen, we succeeded in growing sales revenues by € 12.5 million, or 7.0 %, from € 179.5 million to € 192.0 million in 2007. This represents the highest level of sales ever recorded in the Company's history and is within the sales corridor that had been announced for fiscal 2007. This achievement is all the more remarkable in view of the fact that the exchange rate parity between the U.S. dollar and the euro had a negative impact of € 3.8 million on sales for the year 2007. This increase in net sales was attributable, in particular, to the development of sales in Germany.

Totaling € 97.9 million (2006: € 91.8 million; + 6.6 %), cost of sales did not rise as strongly as net sales. Cost reductions totaling some € 1.3 million were achieved in connection with both selling and administrative expenses, in spite of the higher level of sales. Overall, this resulted in an operating profit of € 52.8 million, by comparison with € 45.0 million in 2006. This translates into an increase of € 7.8 million, or 17.6 %, representing a further record for PFEIFFER VACUUM. With an EBIT margin (the ratio between operating profit and net sales) of 27.5 % (2006: 25.1 %), we number among the most profitable companies in Germany.

Including financial income in the amount of € 6.6 million and tax expenses in the amount of 22.1 million (2006: € 1.4 million and € 16.6 million, respectively), net income totaled € 37.3 million. This represents an increase of € 7.5 million, or 25.2 %, and a return on sales of 19.4 % (2006: 16.6 %).

PFEIFFER VACUUM's economic strength is also reflected in its balance sheet. With a balance sheet total of € 177.4 million and shareholders' equity of € 149.4 million as of December 31, 2007 (2006: € 168.7 million and € 139.0 million, respectively), the Company's equity ratio amounts to 84.2 %, as opposed to 82.4 % at year-end 2006. The Company continues to carry no bank debt. Cash and cash equivalents in the amount of € 83.4 million, as well as trade accounts receivable in the amount of € 26.3 million, are the major line items on the assets side of the balance sheet (2006: € 75.4 million and 23.9 million, respectively).

Individual components

Quality components assure reliable, durable technology. Adding value with each component.

Overall Economic Environment

World economy

The world economy grew at a rate of 5.1 % in 2007, paralleling the previous year's development. However this constant pace of overall development was attributable to differing growth rates in the individual economic regions. While economic growth in the United States declined year on year, the national economies in Russia and China, in particular, developed more encouragingly than the year before. In conjunction with a constant trend of development in Europe, this produced a growth rate of 5.1 %.

United States

Economic growth in the United States weakened considerably by comparison with the year before, amounting to 2.2 % (2006: 3.3 %). This development was brought on by the general weakening of the U.S. economy, which was heightened by the crisis in the country's real estate market. Moreover, higher energy costs, in particular for crude oil, had a negative impact on consumer spending. On the other hand, there are interest rate reductions by the U.S. Federal Reserve Bank and the exports benefiting from the development of the exchange rate parity of the U.S. dollar. However the positive impulses this sparked were unable to fully compensate for the decline in the growth rate.

Europe

The European economies grew at a rate of 2.6 % in 2007, thus roughly paralleling the previous year's level. This underscores the robust economic development here, because the strong euro burdened the export industry, which is so important for Europe. The effects of the real estate crisis in the United States were also noticeable, although in somewhat mitigated form. The strong euro, on the other hand, offset in part the rising prices of crude oil. This, in turn, had a favorable effect on the steady development of the national economies in Europe. In 2007, gross domestic product in France and Italy stood at 1.9 % and 1.8 %, respectively, thus paralleling the previous year's level. In the United Kingdom, where exports were not impacted by the strong euro, growth of 3.1 % was posted for the year 2007, as opposed to 2.7 %

in 2006. Higher growth rates year on year were also seen in the Netherlands and in Poland. In Germany, gross domestic product grew at a rate of 2.5 % in 2007, virtually the same as the year before. This is indicative of the sustainability of the recovery, because Germany's export-oriented companies, in particular, were burdened by the strong euro. Unemployment also declined significantly, standing at around 8 % at the end of December 2007, as opposed to nearly 10 % in December the year before. These numbers, too, suggest that the increase in the country's general value added tax rate at the outset of 2007 did not have as strong an impact on economic development as had initially been assumed.

Asia

The situation of the national economies in China, Japan and India continues to play a key role in the economic development of the Asian economic region. Overall, economic development here was somewhat better than the year before. This was primarily attributable to the development of the economy in China, where the growth rate advanced from what had already been a strong 10.7 % in 2006 to 11.4 % in 2007, even though the Chinese government had initiated various slow-down measures. In India, gross domestic product grew at a rate of 9.0 %, roughly the same as the previous year's level, while a moderate trend of decline was seen in Korea, where the growth rate slipped from 5.0 % to 4.5 % in 2007. Japanese gross domestic product grew at a rate of 1.8 %, once again failing to keep pace with the previous year's level (2006: 2.0 %). This development was essentially attributable to cutbacks in government investments due to the high level of public-sector debt.

Vacuum industry

With growth of between 5 and 6 %, the vacuum industry posted growth slightly under the level in the year before. The major factors in this development included, in particular, the semiconductor market and the market for industrial applications. The coating market stagnated, in spite of economic successes in the solar industry. The chemical/process technology segment, on the other hand, developed on a negative note.

Profitability, Financial Position and Liquidity

Sales development

Presented below are net sales by segment, by region, by product and by market for the year 2007. It should be noted with respect to net sales by segment that the sales shown in this presentation were allocated on the basis of the registered office of the company that invoiced the sales. The segment-based presentation thus shows net sales by subsidiaries. Net sales by region, on the other hand, include all sales in a given region, regardless of which subsidiary within the PFEIFFER VACUUM Group actually invoiced the sales. Net sales by segment and net sales by region thus differ from one another to a greater or lesser extent. Net sales in the Asian segment, for example, differ from those shown for the Asian region, as the Asian segment includes only the sales of our two Asian subsidiaries in India and Korea. The presentation for the Asian region, in contrast, additionally includes sales generated directly with Asian customers by the German company, such as with customers in Japan, Taiwan and China. In the case of net sales by segment, the sales the German company generated through direct deliveries to agents and/or customers outside Germany were significantly higher than German sales by region. Net sales in the U.S.A. region and the U.S.A. segment, on the other hand, are nearly identical, because virtually all sales in this region are handled through our American subsidiary.

Sales by segment

The Company's total net sales of € 192.0 million generated in 2007 (2006: € 179.5 million) break down as follows among the various segments:

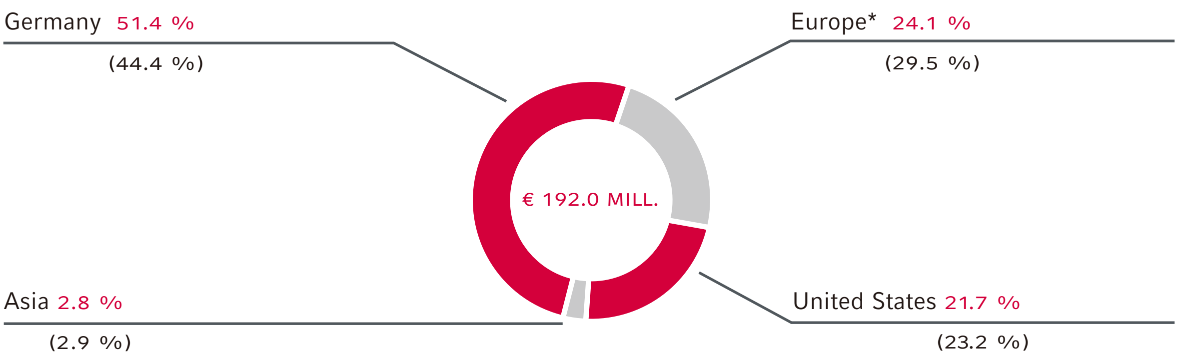
Sales by Segment (in € millions)

	Germany	Europe*	United States	Asia	**Total**
2006	79.7	53.0	41.6	5.2	179.5
2007	98.7	46.2	41.7	5.4	**192.0**

* Excluding Germany

Particularly noteworthy in 2007 was the development of the German companies, where sales rose by € 19.0 million, or 23.8 %, from € 79.7 million to € 98.7 million. In addition to growth from within, the reorganization of sales and marketing operations for the Benelux countries also played a role in this connection. Since 2007, sales in these countries have been invoiced by the German company. The 12.7 % decline in sales from € 53.0 million to € 46.2 million at the other European subsidiaries primarily stemmed from the fact that the Dutch and Belgian subsidiaries are no longer writing any invoices. Amounting to € 41.7 million, sales at the U.S. subsidiary remained at the previous year's level (€ 41.6 million) after being translated into euros. Expressed in U.S. dollars, the sales of the U.S. subsidiary grew at a disproportionately high rate of 9.3 %, from U.S. $ 52.3 million to U.S. $ 57.2 million. The weak U.S. dollar had a negative impact of € 3.8 million on consolidated sales revenues. The sales generated by the Company's subsidiaries in Korea and India rose by 3.2 % from € 5.2 million to € 5.4 million.

Sales by Segment 2007 (2006)

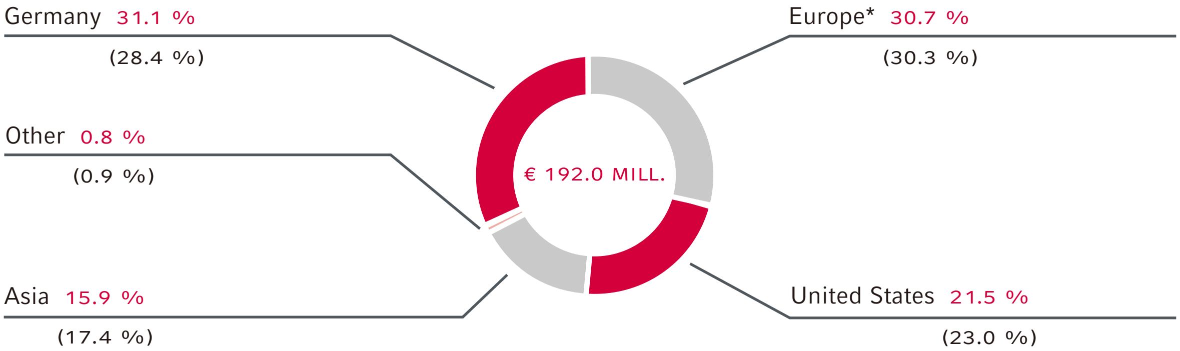


* Excluding Germany

Sales by region

The regional mix, too, is well balanced, as shown by the graphic below:

Sales by Region 2007 (2006)



* Excluding Germany

Germany For the first time in the Company's history, Germany accounted for the largest percentage of total sales, ahead of the sales generated in other countries of Europe. Sales were up sharply by € 8.7 million, or 17.2 %, from € 50.9 million to € 59.6 million. This means that we were able to record significant sales growth here for the second time in a row. Strong demand came first and foremost from customers in the solar sector, as well as from Original Equipment Manufacturers (OEMs), who integrate our products into their systems and then sell them. Our customers in Germany accounted for 31.1 % of total sales (2006: 28.4 %).

Europe (excluding Germany) Sales revenues in Europe totaled € 59.0 million, up 8.3 % from the previous year's level of € 54.4 million (+ € 4.6 million). Within this region, sales developed on an especially positive note in Italy (+ 28.2 %), and in Scandinavia (+ 26.9 %), while stagnating in the United Kingdom and declining in Switzerland and France (– 15.0 % and – 5.7 %, respectively). Sales in Southeastern and Eastern Europe developed on a very good note. The expansion of our agency in Moscow and our strong presence in the Czech Republic and Poland are now paying off. These countries are supported by our subsidiary in Austria, whose total sales advanced from € 11.1 million to € 12.9 million. Accounting for 30.7 % of total sales (2006: 30.3 %), Europe ranks just behind Germany.

United States Due to the weak U.S. dollar, sales of € 41.4 million in the United States remained at the previous year's level (€ 41.3 million) after being translated into euros. Nevertheless, we are satisfied with the development of business in this region. In 2007, we succeeded in winning more than 300 new customers, who generated over US$ 2.1 million in additional sales revenues. Sales came from all market segments, with the focus on the Coating, R & D and Industrial markets. In 2007, our customers in the United States accounted for 21.5 % of total sales, as opposed to 23.0 % the year before.

Asia Sales in this region declined by 2.0 % from € 31.2 million to € 30.5 million. Japan accounted for the largest share of total sales in this region. Sales here declined from € 16.0 million the year before to € 14.1 million. During the year under review, local competitors in Japan were significantly more competitive than before due to the weakness of the yen. Sales in Korea and India grew at an above-average pace. Expansion of our sales and service facility in China in fiscal 2007 under review has led to initial sales growth. During the year covered by this report, the percentage of total sales accounted for by the Asian region declined from 17.4 % the year before to 15.9 %.

Other regions At € 1.5 million, sales in the other regions of the world lagged somewhat behind the previous year's level (€ 1.7 million). The sales generated in these other regions accounted for 0.8 % of total sales revenues (2006: 0.9 %).

Sales by Region (in € millions)

	Germany	Europe*	United States	Asia	Other	**Total**
2006	50.9	54.4	41.3	31.2	1.7	179.5
2007	59.6	59.0	41.4	30.5	1.5	**192.0**

* Excluding Germany

PFEIFFER VACUUM has an active customer base of around 7,000 customers worldwide. The Company is not depending on a single customer due to this wide customer base.

Sales by product

Any number of high-tech products and articles used in daily life can only be manufactured in vacuum chambers in which pressure conditions prevail that are similar to those in outer space. Different types of pumps are needed for the various vacuum pressure ranges: For low and medium vacuum, these are primarily rotary vane, Roots and dry pumps. Turbomolecular pumps, or turbopumps for short, are employed to generate high and ultra-high vacuum.

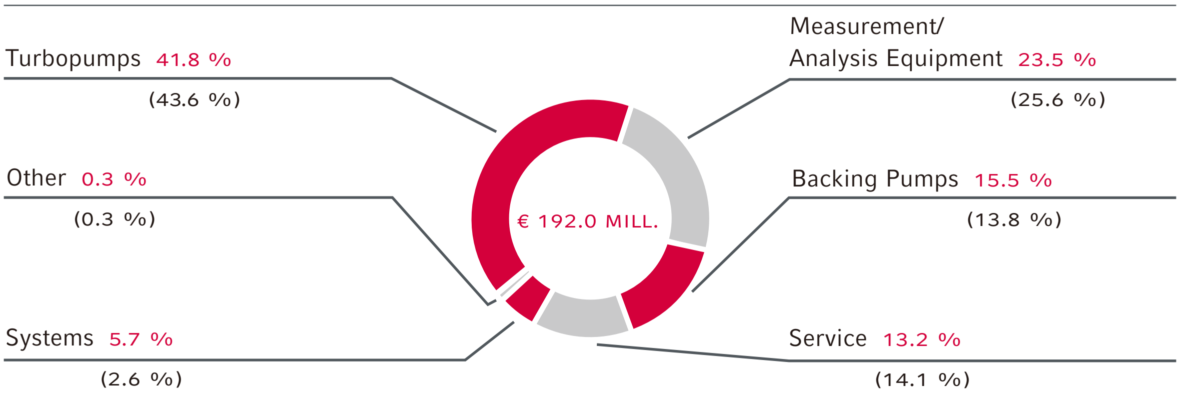
Sales by Product (in € millions)

	Turbopumps	Measurement/ Analysis Equipment	Backing Pumps	Service	Systems	Other	**Total**
2006	78.3	45.9	24.8	25.3	4.6	0.6	179.5
2007	80.0	45.2	29.8	25.4	11.0	0.6	**192.0**

Turbopumps Our most important product, accounting for 41.8 % of total sales revenues in 2007 (2006: 43.6 %), is the turbopump. This class of pumps was invented at Pfeiffer 50 years ago, and has since been steadily evolved. Turbopumps are available in a wide variety of versions – from the world's smallest and most compact pump with a pumping speed of 11 liters per second for the analytical industry right through to large, 3,000-liter pumps that are primarily employed in the coating and semiconductor industries. During the year under review, sales of turbopumps rose by € 1.7 million, or 2.2 %, from € 78.3 million to € 80.0 million.

Measurement and analysis equipment PFEIFFER VACUUM not only offers its customers products for generating vacuum. Vacuum measurement equipment is every bit as important. A precise knowledge of the total pressure or the quality of the vacuum are prerequisites for assuring proper operation of manufacturing processes that occur under vacuum. This necessitates vacuum measurement and analysis equipment. In order to interconnect or isolate the various vacuum components with or from one another, we additionally offer a broad selection of installation elements, such as flanges, fasteners, gaskets, seals and valves. Sales of these products declined by € 0.7 million, or 1.6 %, from € 45.9 million the year before to € 45.2 million. Accounting for 23.5 % of total sales (2006: 25.6 %), this product category continues to rank second.

Sales by Product 2007 (2006)



Backing pumps Our product line of so-called backing pumps consists of rotary vane pumps, Roots pumps and dry pumps. The dry pump line includes diaphragm pumps, reciprocating pumps, screw pumps and complete pumping stations for custom processes. During the year under review, sales generated by this product category were able to be increased sharply by 20.3 % to € 29.8 million (2006: € 24.8 million). New products and custom-developed pumping stations contributed to this success. This raised the percentage of total sales accounted for by this product category to 15.5 %, as opposed to 13.8 % the year before.

Service Service for our products is a category in its own right within the Company's product portfolio. A close-knit, worldwide service network guarantees prompt support for our customers. With our unique selling point of "on-site bearing changes," we offer our customers highly favorable cost of ownership for turbopumps. Service includes maintenance, repair or replacement of products at the factory or at the customer site, supply of spare parts as well as system start-up. At € 25.4 million for the year covered by this report, service sales revenues remained at the previous year's level (€ 25.3 million). The percentage of total sales accounted for by service activities thus declined from 14.1 % to 13.2 %.

Systems Aside from individual vacuum components, such as pumps, measurement equipment and components, PFEIFFER VACUUM also develops and manufactures complete vacuum systems for customer-specific processes. This includes for example leak detection systems, laboratory and production coating systems. Sales in the Systems product category rose by € 6.4 million, or 140.4 %, from € 4.6 million to € 11.0 million. This category accounted for 5.7 % of total sales, as opposed to 2.6 % the year before.

Other This category records sales revenues generated by leasing sections of buildings. As in the year before, sales revenues here totaled € 0.6 million.

Sales by market

This section of the Annual Report details the development of sales revenues in the individual markets in 2007 relative to the year before.

Sales by Market (in € millions)

	Analytical Industry	Industrial	Coating	R & D	Semiconductors	Chemical/Process Technology	**Total**
2006	45.2	44.6	27.0	37.5	19.3	5.9	179.5
2007	47.9	44.7	39.4	32.2	20.1	7.7	**192.0**

Analytical industry Sales in this category saw further growth during the year under review, advancing by € 2.7 million, or 6.0 %, from € 45.2 million to € 47.9 million. This market's percentage of total sales slightly declined from 25.1 % the year before to 24.9 %. Modern analytical systems would be inconceivable without vacuum technology. In 2007, our focus was on vacuum products for ever-smaller, portable analytical equipment. Long years of collaboration in a spirit of trust in jointly developing new analytical equipment affords us good ties to our key customers in the analytical industry in the United States, the United Kingdom and Germany.

Industrial We maintained our position in this heterogeneous market. With € 44.7 million sales remained at the same level as last year (€ 44.6 million). This market's percentage of total sales amounted to 23.3 % (2006: 24.9 %). Steadily rising demands are being placed upon quality needs in connection with the manufacture of industrial products. As a result, vacuum technology is taking on increasing significance. There are a wide variety of applications in the industrial sector, including a broad range of potential applications for our products. We delivered pumping stations, for example, for use in electron beam welding systems that will be employed in building wind turbines or welding together rails for bullet-train lines. And the innovative technology of ion beam therapy accelerators is now being industrially marketed. During the year under review, components were ordered for two further accelerators that will go into operation in 2008 and 2009.

Coating There was an especially sharp rise in sales in this market segment as a result of the breathtaking pace of development of the solar market. On the one hand, growth came from a major order for the production of thin layer solar cells, with a portion of this order being able to be turned into sales revenues on a percentage-of-completion basis. However we also supplied numerous vacuum pumps and components to prominent manufacturers of solar modules and coating systems. Sales of products that are incorporated in systems for coating CDs and DVDs continued to remain at a low level during the year under review, while sales in the field of wear protection developed on a positive note. Further application examples of coating under vacuum include applying antireflective coatings to eyeglass lenses and the production of architectural glass. Our customers in this market segment utilize our entire product portfolio: Turbo and backing pumps, measurement equipment, components and valves, right through to complete coating systems. Overall, sales revenues advanced by € 12.4 million, or 45.8 %, from € 27.0 million the year before to € 39.4 million. The percentage of total sales accounted for by this market segment rose to 20.5 % (2006: 15.0 %).

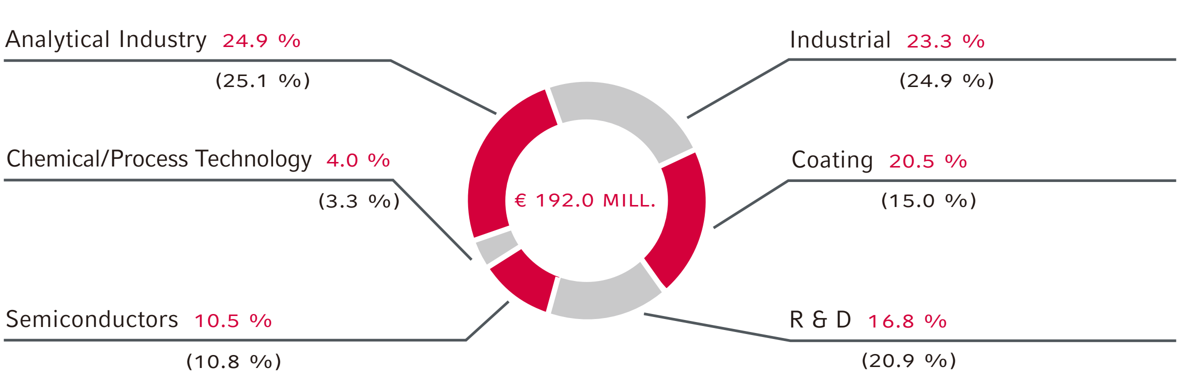
Research & development (R & D) For years, this market segment has been assuring the Company a constant utilization factor, without any major fluctuations. However these sales are contingent upon a willingness to invest on the part of the public-sector. During the year covered by this report, sales revenues therefore declined by € 5.3 million from € 37.5 million to € 32.2 million. Research laboratories at universities and major research centers in Europe, the United States, Asia and other parts of the world have come to rely upon the quality and dependability of products from PFEIFFER VACUUM. We also supply numerous industrial research facilities. And our products are additionally being used in connection with research into renewable energies. Numerous turbopumps, leak detectors and mass spectrometers from PFEIFFER VACUUM are being employed in the construction of a new radiology experimentation building at a major research center in Hamburg, which is scheduled to go into operation in 2009. The percentage of total sales accounted for by this market segment declined from 20.9 % to 16.8 %.

Semiconductors The semiconductor segment is the most cyclical of all the markets served by PFEIFFER VACUUM. In 2007, sales revenues rose slightly year on year. This increase was moderately diluted by the weakness of the dollar, as around one half of our sales revenues in the semiconductor industry are denominated in U.S. dollars. Sales advanced by € 0.8 million from € 19.3 million to € 20.1 million. This market segment accounted for 10.5 % of total sales (2006: 10.8 %). In addition to microprocessor fabrication, we also include flat panel display production, ITO layers for touchscreens and computer hard disk coating in the Semiconductor market segment.

Chemical and process technology Sales in this market segment rose by € 1.8 million from € 5.9 million to € 7.7 million in 2007, accounting for 4.0 % of total sales (2006: 3.3 %). The applications in the Chemical and Process Technology market segment are very closely related to those in the Industrial system technology segment. Employed first and foremost in this segment are our new dry pumps, as well as our extremely reliable rotary vane and Roots pumps.

Our strong competitive advantage – our independence from individual sales markets – can be seen from this graphic.

Sales by Market 2007 (2006)



New orders and orders on hand

New orders during the period covered by this report totaled € 200.2 million, thus breaking the € 200 million sound barrier for the first time in the Company's history and significantly surpassing the previous year's level of € 175.6 million by € 24.6 million, or 14.0 %. The major order for systems for the manufacture of thin layer solar cells accounted for the lion's share of this development. And new orders for turbopumps (+ 6.8 %), backing pumps (+ 4.8 %) and measurement and analysis equipment (+ 4.8 %) were also up from the previous year's levels.

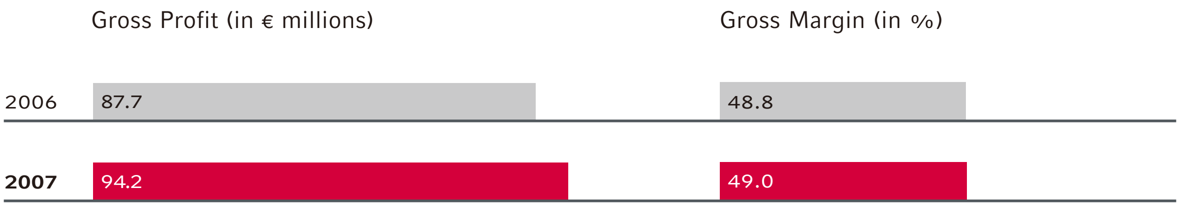
At the close of the fiscal year, the book to bill ratio – the quotient between new orders and sales revenues – amounted to 1.04 (2006: 0.98). This means that the value of new orders is significantly higher than the level of sales.

Amounting to two to three months, the visibility of our order backlog would appear to be relatively limited. However orders from our customers involving increasingly short delivery time expectations and the shortening of our cycle times are enabling many orders to be turned into sales revenues within a matter of weeks. Our order backlog of € 33.8 million as of December 31, 2007, was up 32.0 % from the previous year's level of € 25.6 million and affords us sufficient predictability for the initial months of the 2008 fiscal year. Our most important product family, turbopumps, account for 38.2 % of orders on hand.

Earnings development

Cost of sales and gross profit Increasing by + 6.6 % during the year under review, cost of sales developed disproportionately compared to sales revenues. They now stand at € 97.9 million after € 91.8 million the year before. At € 94.2 million, gross profit was up a significant € 6.5 million over the previous year's level of € 87.7 million. This stemmed from a higher percentage of products with higher margins, as well as from our successes to keep rising raw materials and energy prices under control in 2007. Additionally, personnel expenses were reduced which also affected gross profit positively. The fact that cost of sales increased by only 6.6 % on sales growth of + 7.0 % produced a gross margin, i.e. the ratio between gross profit and net sales revenues, of 49.0 %. (2006: 48.8 %).

Gross Profit and Gross Margin

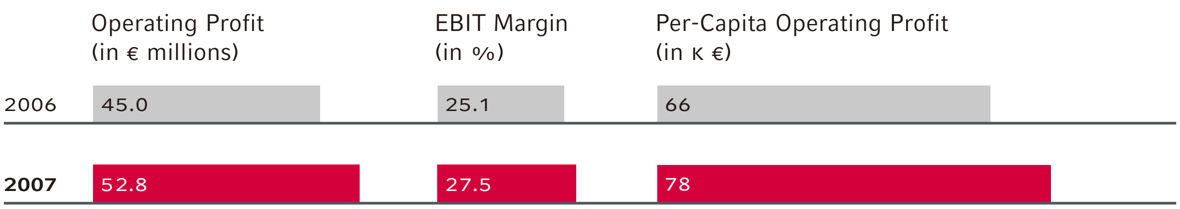


Selling, general and administrative expenses Selling, general and administrative expenses totaled € 34.1 million in 2007, by comparison with € 35.4 million the year before, representing a reduction of € 1.3 million, or 3.5 %. This development was attributable first and foremost to reduced personnel expenses as well as to lower administrative expenses, which had been very strongly burdened the year before as a result of the implementation and audit requirements under the Sarbanes Oxley Act. In addition, the previous year had seen expenses for various marketing activities whose scope was not as high in 2007. Selling general and administrative expenses represented 17.8 % of sales revenues (2006: 19.7 %).

Research and development expenses Research and development expenses declined moderately by € 0.1 million relative to the year before, from € 7.3 million to € 7.2 million, and accounted for 3.7 % of total sales (2006: 4.1 %).

Operating profit Operating profit of € 52.8 million was up significantly by € 7.8 million, or 17.6 %, from the previous year's outstanding record level of € 45.0 million and thus once again saw a significant rise. At 27.5 % (2006: 25.1 %), the EBIT margin, i.e. the ratio between operating profit and net sales, once again reached a new record level. This means that we continue to number among the most profitable companies in Germany and can stand up to any international comparison. The Company's per-capita operating profit of K € 78 continues to number us among the very best by international comparison (2006: K € 66).

Operating Profit, EBIT Margin and Per-Capita Operating Profit

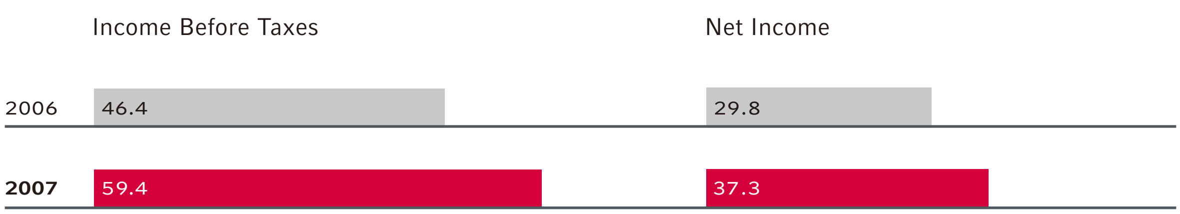


Financial income Totaling € 6.6 million (2006: € 1.4 million), financial income includes the line items of financial expenses, financial income and foreign-exchange gains or losses. While financial expenses continued to be negligible, financial income was up sharply from € 2.0 million in 2006 to € 6.0 million in 2007. This was primarily attributable to gains in the amount of € 2.3 million on the sale of securities. The development of the U.S. dollar relative to the euro was the main reason for the € 1.1 million rise in the foreign exchange gain/loss, from € –0.5 million in 2006 to € 0.6 million in 2007. Overall, financial income was up significantly by € 5.1 million from the previous year's level.

Income taxes As opposed to € 16.6 million the year before, income taxes totaled € 22.1 million in 2007, with € 20.6 million being attributable to current income tax expenses and € 1.5 million to deferred tax expenses (2006: € 16.7 million current income tax expenses and € 0.1 million deferred tax income). The € 3.9 million increase in current tax expenses was predominately the result of the Company's higher income. Only a minor portion of gains on the sale of securities, on the other hand, was subject to taxation, lowering the level of current taxes. Under the 2008 corporate tax reform in Germany, it was necessary to write down the values of deferred tax benefits at the German consolidated companies by € 1.2 million. This was the primary reason for the € 1.6 million rise in deferred tax expenses. As a result of this write-down, the tax ratio of 37.2 % was up from the previous year's level (35.8 %). In subsequent years, PFEIFFER VACUUM will be benefiting from the 2008 corporate tax reform in the form of significantly lower tax rates.

Net income Totaling € 37.3 million, PFEIFFER VACUUM earned the highest net income in the Company's history. After already having set a record with € 29.8 million in fiscal 2006, net income for 2007 rose by another € 7.5 million, or 25.2 %. Following an outstanding 16.6 % the year before, the Company's after-tax return on sales amounted to 19.4 % in 2007.

Income Before Taxes and Net Income (in € millions)



Earnings per share The significant improvement in profitability also manifested itself in earnings per share. Following € 3.39 the year before, earnings per share of € 4.19 were recorded during the year under review. This represents an increase of € 0.80, or 23.6 %. Neither in 2007 nor the year before were there any dilutive effects.

Financial position

The balance sheet total of the PFEIFFER VACUUM Group as of December 31, 2007, amounted to € 177.4 million, up € 8,7 million from the previous year's level of € 168.7 million. The Company's financial position continues to be dominated by cash and cash equivalents on the assets side of the consolidated balance sheet. Totaling € 83.4 million, this item was up € 8.0 million from the previous year's level of € 75.4 million, and accounted for 47.0 % of the balance sheet total (2006: 44.7 %). Aside from the development of cash and cash equivalents, the rise in the balance sheet total stemmed predominantly from the € 2.3 million increase in trade accounts receivable to € 26.3 million and from receivables from construction contracts that were recorded in the amount of € 2.6 million at year-end. As a result of the replacement of machinery and equipment and the commencement of construction activities, property, plant and equipment rose by a total of € 3.4 million to

€ 26.3 million. The value of long-term securities, on the other hand, declined by € 6.5 million to € 11.1 million as a result of sales of these securities and the development of their trading prices. A detailed analysis of the development of cash and cash equivalents is presented in the comments on cash flow in the following section.

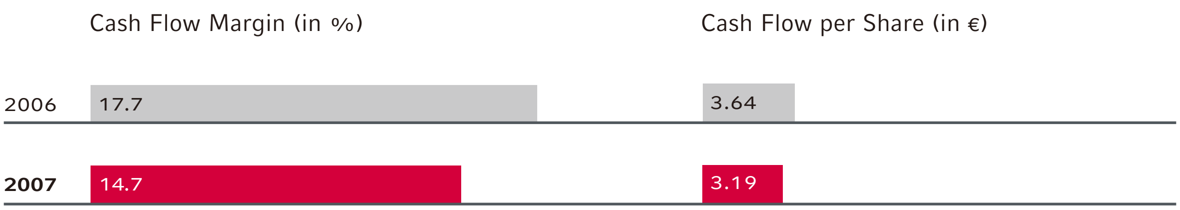
As of December 31, 2007, shareholders' equity totaled € 149.4 million (2006: € 139.0 million). The equity ratio amounted to an outstanding 84.2 %, as opposed to 82.4 % the year before. The development of shareholders' equity was characterized by net income in the amount of € 37.3 million (2006: € 29.8 million), as well as the dividend payment to the PFEIFFER VACUUM TECHNOLOGY AG shareholders totaling € 22.1 million (2006: € 11.7 million). Other equity components were impacted by exchange rate variances resulting from currency translation (€ 2.3 million), which did not impact the statement of income, as well as by the reduction in unrealized gains on the sale of available securities (€ 2.2 million). As in previous years, there were no material non-current liabilities as of December 31, 2007. The € 2.3 million decline in provisions for pensions to € 1.6 million was attributable to further funding to PFEIFFER VACUUM TRUST E.V. In addition, net obligations under part-time contracts for near retirees, which are recorded under personnel provisions, were also able to be reduced by € 1.7 million as a result of funding to PFEIFFER VACUUM TRUST E.V.

The development and composition of the individual line items in the balance sheet are detailed in the Notes to the Consolidated Financial Statements.

Liquidity and cash flow

In 2007, cash flow from operating activities totaled € 28.2 million (2006: € 31.8 million). This represents a decrease of € 3.6 million, or 11.2 %. Capital gains not included in operating cash flow and non-cash elements of earnings before taxes (e.g. revenues from construction contracts) were the principal factors in this development. Moreover, there was a stronger rise in trade accounts receivable and inventories than the year before, and further funding of pension and old-age part-time obligations resulted in a higher cash outflow than in 2006. Accordingly, the cash flow margin, i.e. operating cash flow relative to sales revenues, and cash flow per share (operating cash flow relative to average number of shares outstanding for the year) also declined, but still remain at a noteworthy level.

Cash Flow Margin and Cash Flow per Share



Net cash used in connection with investing activities in 2007 included capital expenditures for property, plant and equipment in the amount of € 6.7 million (2006: € 5.6 million). This increase was in part attributable to the construction activities for the Logistics Center, which were commenced in 2007. This development was offset by net cash provided by the sale and redemption of investment securities in the amount of € 7.5 million (2006: € 3.0 million), as well as by net cash provided by proceeds from disposals of fixed assets (€ 0.2 million in 2007 and 2006, respectively) resulting in total net cash provided by investing activities of € 1.0 million (2006: net cash used of € 11.4 million).

In addition to the dividend in the amount of € 22.1 million that was paid to the shareholders of PFEIFFER VACUUM TECHNOLOGY AG in June 2007 (2006: € 11.7 million) and the unchanged dividend payment to minority interests in the amount of € 0.1 million, there were no further factors that influenced net cash used in financing activities in 2007. Following net cash used in the amount of € 5.8 million in 2006, this amount thus totaled € 22.2 million for 2007. The year before, payments received from the conversion of convertible bonds had totaled € 7.3 million, in addition to net cash used for the purchase of treasury shares of € 1.3 million.

As of December 31, 2007, cash and cash equivalents totaled € 83.4 million, representing an increase of € 8.0 million, or 10.7 %. We thus continue to be in a position to generate sufficient cash from operating activities to finance our day-to-day business as well as any required investment projects. In addition, the corporate group also enjoys access to committed but unused lines of credit having a total volume of € 7.9 million (2006: € 10.7 million).

Free liquidity was invested in interest-bearing vehicles within the framework of our financial management. A cash management system is in place between the German Companies within the corporate group in order to bundle liquidity. The parent corporation regularly concentrates the free liquidity of the subsidiaries. Conservative and largely short-term investment vehicles, such as money-market or time deposits at banks, dominate in connection with financial investments. In the case of securities, only fixed- or variable-rate bond issues from issuers with high credit ratings are fundamentally acquired. These are typically bond issues from banks or high-grade industrial bond issues. We do not enter into speculative transactions.

Capital expenditures and financing

At € 6.7 million, capital expenditures of the corporate group were again up significantly from the previous year's level of € 5.6 million and consisted of the following:

Capital Expenditures (in € millions)

	Land and Buildings	Technical Equipment and Machinery	Other Equipment, Factory and Office Equipment	Software	Investment Properties	**Total**
2006	1.4	1.7*	1.4	0.2	0.9	5.6
2007	2.8*	2.7	1.1	0.1	–	**6.7**

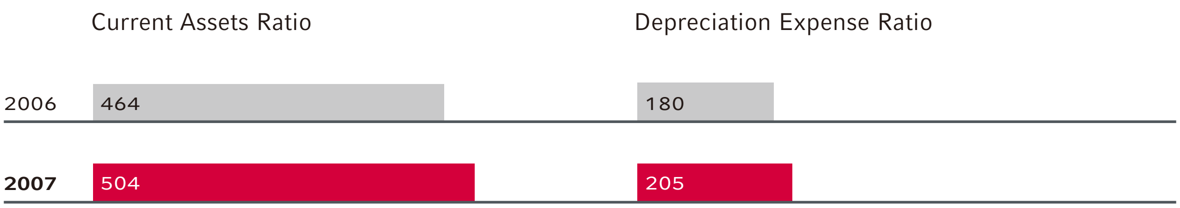
* Including construction in progress (€ 2.6 million, 2006: € 0.8 million)

The significant increase in capital expenditures for land and buildings was predominantly attributable to the initiated construction measures for the logistics center. Additionally, the machinery was modernized in 2007.

The depreciation expense ratio (the ratio between capital expenditures and depreciation expense) totaled 205 % for the year under review, as opposed to 180 % the year before. Accordingly, new capital expenditures in 2007 were higher than the loss of value of existing fixed assets, which means that a higher level of fixed assets has been accumulated.

With a good, above-average equity ratio of 84.2 % (2006: 82.4 %), our Company is financed virtually entirely through shareholders' equity in the long-term segment. The current assets ratio, the quotient between current assets and current liabilities, amounts to 504 % (2006: 464 %) and continues to symbolize our sound financing concept and our high credit rating.

Current Assets Ratio and Depreciation Expense Ratio (in %)

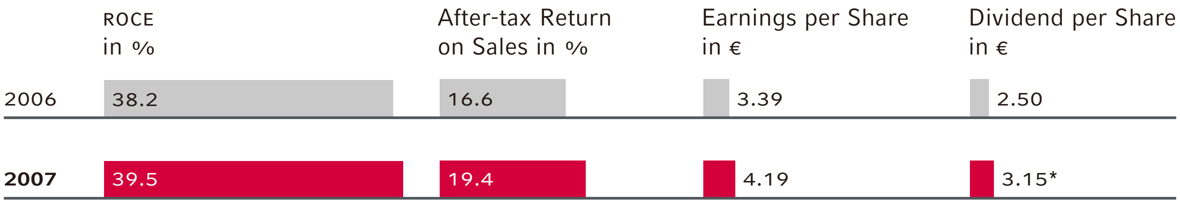


Value reporting

Decisions within the PFEIFFER VACUUM Group have always been made with due consideration being given to all major financial aspects. The concept of value-based corporate controlling has thus long been an element of the management approach that exists within the corporate group. Without this ongoing focus of every transaction on the value it contributes, it would not have been possible to achieve the results earned by PFEIFFER VACUUM.

The following table provides an overview of various further financial performance indicators. In addition to ROCE (Return On Capital Employed) as a parameter for the return of capital employed, the Company's return on sales and earnings per share are also presented here. What is ultimately the decisive factor for the sharehol-der, however, is the annual dividend that is proposed or distributed. The ratio bet-ween the dividend and earnings per share serves as an indicator of the extent to which the shareholders participate in the Company's economic success.

Key Value Reporting Indicators



* Subject to adoption by the Annual Shareholders Meeting

All of the key indicators cited here have improved by comparison with the year before. This underscores PFEIFFER VACUUM's economic success in fiscal 2007. Should the Annual Shareholders Meeting on May 28, 2008, adopt the dividend proposed by the Management and Supervisory Boards, our shareholders will again disproportionately participate in the Company's success.

General comments on the course of business

The course of business in fiscal 2007 can again be termed as being highly satisfactory. In absolute numbers, sales revenues and operating profit set new records in the Company's history. The previous year's record-setting EBIT margin and return on sales were again surpassed; this made PFEIFFER VACUUM one of the most profitable companies anywhere in Germany, enabling it to stand up to any international comparison. And a glance at the balance sheet indicates renewed improvement of the Company's financial performance indicators: Our equity ratio has again risen, along with the level of cash and cash equivalents. These are outcomes that can only be achieved by dedicated, results-driven efforts on the part of all employees throughout the entire corporate group. At the same time, this also sets the bar very high for our future development. And that is what sparks the ambition of everyone to continue to sustain the high level of performance we have already achieved.

The pfeiffer vacuum Group

Organizational and statutory corporate structure

As of December 31, 2007, the pfeiffer vacuum Group comprised a total of 15 companies. The parent corporation, pfeiffer vacuum technology ag, in Asslar, Germany, is publicly traded on the Deutsche Börse Stock Exchange in Frankfurt am Main. pfeiffer vacuum technology ag had additionally been listed on the New York Stock Exchange (nyse) until October 4, 2007. The low trading volumes there and the high costs involved with this listing were what prompted the decision to delist.

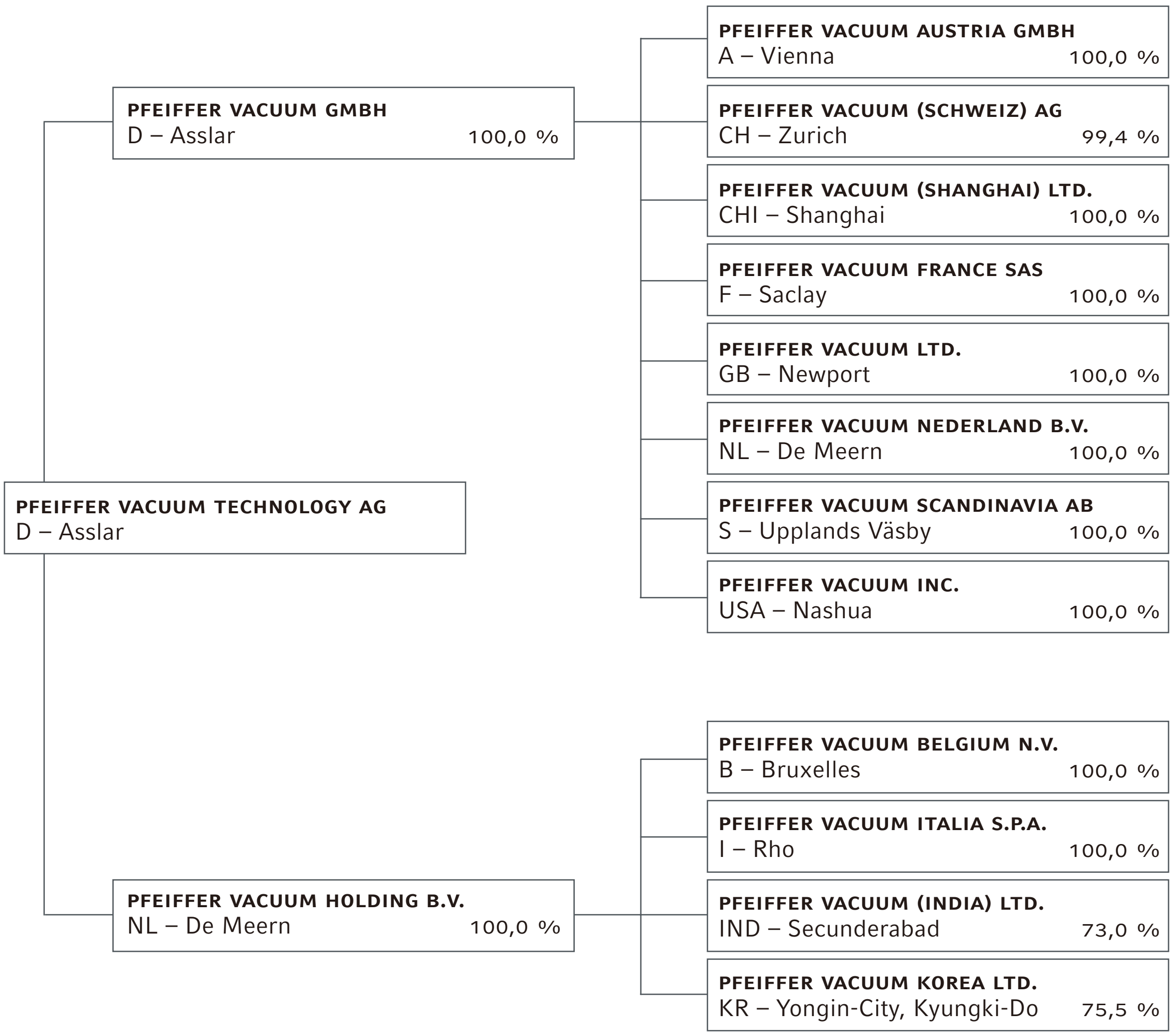
pfeiffer vacuum gmbh, in Asslar, Germany, is a wholly-owned subsidiary of pfeiffer vacuum technology ag and plays a key role in the corporate group. Both manufacturing operations for the entire group as well as sales and marketing operations for Germany are organized within this company. Moreover, there are sales and service organizations in all major industrialized nations. The subsidiaries are legally autonomous corporations, predominantly having a legal form that is similar to that of a German closely-held limited liability corporation ("Gesellschaft mit beschränkter Haftung" or "GmbH" for short). The operations of sales subsidiaries pfeiffer vacuum belgium n.v. and pfeiffer vacuum nederland b.v. were terminated in 2007 within the framework of the organization of the Western Germany and Benelux sales territory. Organizationally, customers in these countries are now being served by the Euregio Sales and Service Center in Aachen, Germany, which is legally a branch of pfeiffer vacuum gmbh. This had no impact on the number of companies consolidated, as the subsidiaries in Belgium and the Netherlands will remain members of the pfeiffer vacuum Group until their final dissolution under commercial law.

A further nine operative non-German subsidiaries have self-directed management. In virtually all subsidiaries, pfeiffer vacuum technology ag is either directly or indirectly the sole shareholder. Only in the case of the subsidiaries in India, Korea and Switzerland do minority interests exist, which pose no obstacle to control within the corporate group due to the small size of their holdings.

In late 2007, the pfeiffer vacuum (shanghai) ltd. sales subsidiary was established in China, and was included in the Consolidated Financial Statements for the first time beginning in December 2007. Since this is a new company that will not begin operations until January 2008, its impact on the Consolidated Financial Statements will be negligible in fiscal 2007. No goodwill was created.

No further material equity investments exist within the pfeiffer vacuum Group. In particular, there are no special-purpose entities, joint ventures or associated companies.

Structure of the Corporate Group as of December 31, 2007



Both the subsidiaries as well as the sales and marketing organization in Germany are controlled by means of agreements on annual sales and profitability targets ("Management by Objectives"). These targets are defined each autumn for the coming fiscal year, with due consideration being given to local aspects and market opportunities. During the course of the year, target achievement is monitored by means of detailed target/actual comparisons and variance analyses. The level of target achievement also impacts the variable compensation element of the local management and the German sales and marketing staff.

In countries in which pfeiffer vacuum is not represented directly through a subsidiary, sales and service are handled either by pfeiffer vacuum gmbh or by local partners. Here, too, sales targets are agreed and measured on the basis of target/actual comparisons.

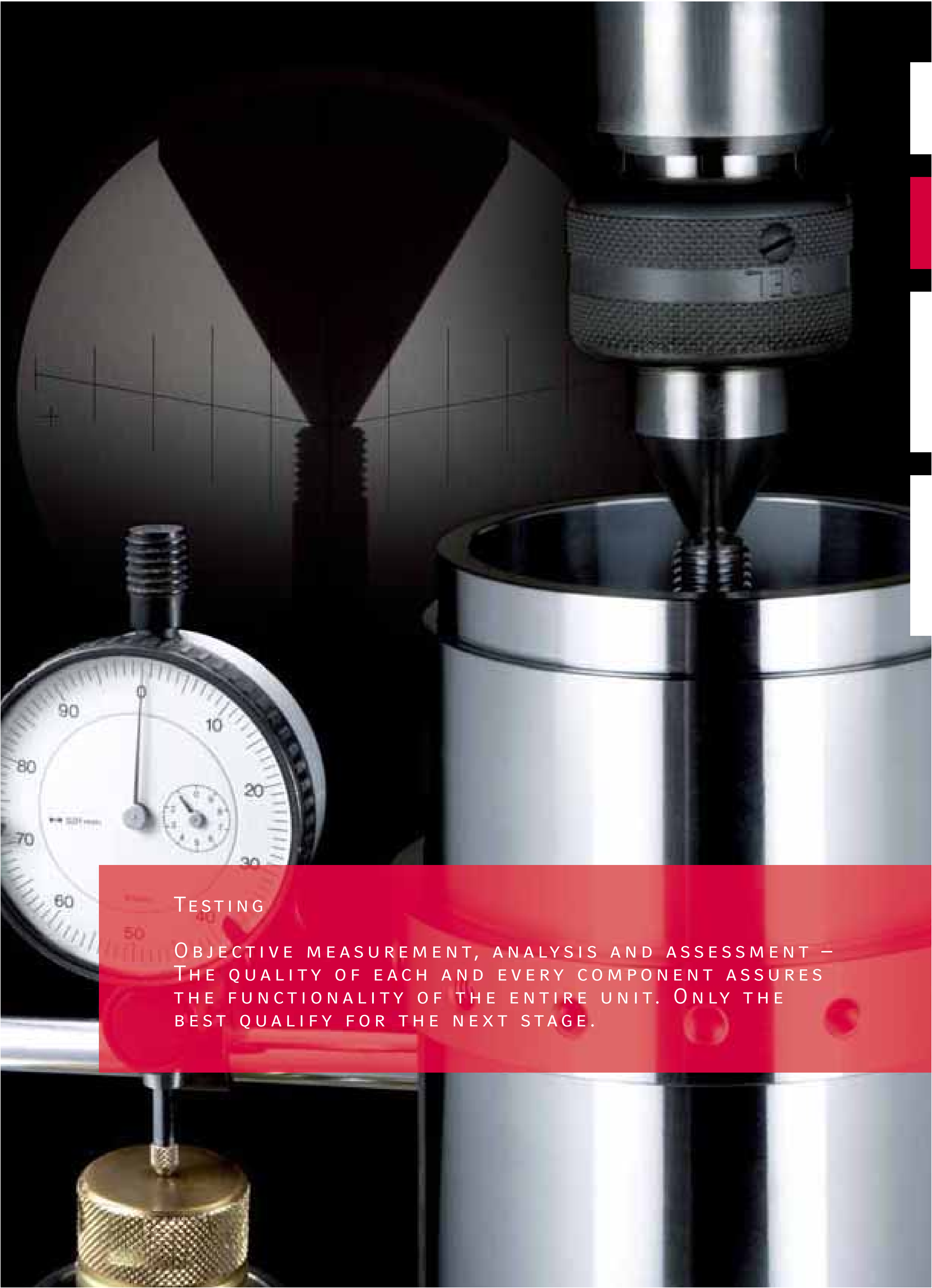
Report pursuant to § 315, Sub-Para. 4, German Commercial Code ("Report on the Acquisition Situation")

The subscribed capital of pfeiffer vacuum technology ag totaled k € 22,965 as of December 31, 2007, and comprised a total of 8,970,600 shares of no-par stock. There are no differing classes of shares, which means that all shares are vested with the same rights, in particular the same voting and dividend entitlement rights. Consequently, each share mathematically represents € 2.56 of the subscribed capital.

As of December 31, 2007, the Artisan Partners Limited Partnership in Milwaukee, Wisconsin (u.s.a.), and New York-based Arnhold and S. Bleichroeder Holdings Inc./First Eagle Overseas Fund each held more than 10 % of the voting rights in the Company.

Amendments to the Articles of Association and Bylaws can be resolved by a simple majority of the votes present at the Annual Shareholders Meeting, unless a higher majority is legally mandated. To the best of our knowledge, there are no restrictions relating to voting rights or the transfer of shares.

Pursuant to the Company's Articles of Association and Bylaws, members of the Management Board are appointed by the Supervisory Board for a term of office of not more than five years. A renewed appointment or an extension of the term of office, each not to exceed five years, is permissible.



Testing

Objective measurement, analysis and assessment – The quality of each and every component assures the functionality of the entire unit. Only the best qualify for the next stage.

Through a resolution of the Annual Shareholders Meeting on June 8, 2005, the Management Board is authorized to increase subscribed capital by K € 11,252, or 4,395,300 shares, against contributions in cash and/or kind. This authorization is valid until June 7, 2010, and requires the consent of the Supervisory Board. At the Annual Shareholders Meeting on May 31, 2007, 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 € 2,296,473.60 (897,060 shares, representing 10 % of the share capital at the time the resolution was adopted) and is valid through November 28, 2008. As of December 31, 2007, holdings of treasury stock totaled 127,076 shares valued at cost of acquisition (€ 3.7 million), which had already been bought back under prior authorizations.

There are no further aspects that would require discussion within the context of § 315, Sub-Para. 4, German Commercial Code ("HGB"). In particular, no special agreements exist in the event of an acquisition offer.

Corporate governance report

The recommendations and suggestions contained in the German Corporate Governance Code have already been a firm element of our corporate governance for years, thus eliminating the need for any past or present material adaptations. In December 2007 the Management and Supervisory Boards of PFEIFFER VACUUM TECHNOLOGY AG submitted the Statement of Compliance for the year required in accordance with § 161 of the German Stock Corporation Act ("AktG") and made it permanently available to the shareholders on the Company's Internet website. The following points are in variance with the recommendations of the German Corporate Governance Code:

- No agreement was able to be reached in negotiations with our liability insurance (so-called D & O insurance) carrier to obtain a lower premium if a deductible is arranged. We will therefore not arrange for a deductible. A deductible would not improve the overall motivation and sense of responsibility of the members of the Management and Supervisory Boards. Both the Management and Supervisory Boards work to the benefit of the enterprise.
  (Point 3.8 of the Code)

- The Supervisory Board does not currently have a nominating committee. A committee of this type will be formed in March 2008. (Point 5.3.3 of the Code)

- The members of the Supervisory Board have in the past received and presently still receive fixed compensation, which does not contain any performance-related variable income components. Their compensation is stated in the compensation report. (Point 5.4.7 of the Code)

Shareholders

Our Financial Calendar, which is published in the Annual Report, in the Quarterly Reports and on our Internet website, informs our shareholders and other interested parties about major dates. At the Annual Shareholders Meeting, our shareholders are able to either exercise their voting rights in person or to have them exercised by a proxy of their choice or by an individual named by the Company who will be bound by their instructions.

Management Board

At its meeting on March 26, 2007, the Supervisory Board of pfeiffer vacuum technology ag appointed Dr. Matthias Wiemer to the Management Board of the Company effective April 1, 2007.

Effective June 30, 2007, Chief Executive Officer and Chairman of the Management Board Wolfgang Dondorf left the Management Board at his own request after long years of successful service and entered retirement. The Supervisory Board appointed Manfred Bender the new Chief Executive Officer and Chairman of the Management Board.

The Management Board thus once again consists of two members: Diplom-Betriebswirt Manfred Bender (Chief Executive Officer and Chairman of the Management Board) and Diplom-Ingenieur Dr. Matthias Wiemer. These two members of the Management Board are responsible for the Company's further development and strategy. Moreover, they are also highly involved in the Company's day-to-day activities and bear operational responsibility.

The distribution of responsibilities within the Management Board is as follows:

Management Board of PFEIFFER VACUUM TECHNOLOGY AG	
Manfred Bender Chief Executive Officer and Chairman of the Management Board	**Dr. Matthias Wiemer** Member of the Management Board
■ Finance/Controlling ■ IT ■ Customer Service ■ Investor Relations ■ Human Resources ■ Logistics	■ Research & Development ■ Marketing ■ Sales ■ Manufacturing

The four-eyes principle applies: Major decisions are always made jointly. Personal expenditures, such as travel expenses, for example, must be approved by the other member of the Management Board. In addition to collaborating closely with one another and mutually informing one another on a daily basis, Management Board meetings are conducted every two weeks. Minutes of these meetings are kept, with a copy being provided to the Chairman of the Supervisory Board. No donations are made to political parties. Modest donations are made only to local facilities and institutions, with the focus on both educational as well as social and sports engagement.

The members of the Management Board work exclusively for PFEIFFER VACUUM. Manfred Bender has additionally held a seat on the supervisory board of Technotrans AG in Sassenberg, Germany, since 2006.

SUPERVISORY BOARD

In accordance with statutory regulations and the Articles of Association and Bylaws of PFEIFFER VACUUM TECHNOLOGY AG, the Supervisory Board comprises a total of six individuals, with four members being elected by the shareholders and two members by the Company's employees. The last elections to the Supervisory Board were conducted in the year 2006, which means that the term of office of all members of the Supervisory Board will end in 2011.

The Supervisory Board submits a slate of nominations for the election of shareholder-representative members of the Supervisory Board. In selecting the nominees, care is taken to assure that the Supervisory Board will at all times be composed of members who possess the requisite expertise, skills, abilities and professional experience, as well as sufficient independence. Both the international business activities of the corporate group as well as potential conflicts of interest are taken into consideration in this regard.

In 2007, the Supervisory Board comprised the following members:

- Dr. Michael Oltmanns (Chairman), Attorney at Law and Tax Advisor
- Götz Timmerbeil (Vice Chairman), Certified Public Accountant and Tax Advisor
- Michael J. Anderson, Investment Banker
- Wilfried Glaum, Business Administrator
- Helmut Bernhardt (Employee Representative), Development Engineer
- Manfred Gath (Employee Representative), Chairman of the Employee Council

Dr. Oltmanns additionally holds seats on the supervisory boards of the following companies: Becker Mining Systems AG, Friedrichsthal, Germany (chairman), HPC AG, Weinheim, Germany (chairman), Jetter AG, Ludwigsburg, Germany (chairman), Merkur Bank KGaA, Munich, Germany (vice chairman) and Scholz AG, Essingen, Germany (chairman)

Collaboration between the Management and Supervisory Boards

The Management and Supervisory Boards collaborate closely at quarterly meetings of the Supervisory Board, as well as at special meetings and in conference calls, if required. The Management Board reports to the Supervisory Board on the general position of the corporate group, including its risk position, through a monthly reporting system.

The Company has taken out liability insurance for the members of the Management and Supervisory Boards. No consultancy or other contracts for services or work were in force between members of the Supervisory Board and the Company during the period covered by this report. Should, in exceptional cases, a member of the Supervisory Board be active for the Company, for example as legal counsel, such activity must be approved by the Supervisory Board. Members of the Management and Supervisory Boards were not subject to any conflicts of interest, which must be disclosed to the Supervisory Board without delay.

Compensation report

The compensation paid to members of the Management and Supervisory Boards is detailed in the following section.

Compensation paid to members of the Management Board The compensation paid to members of the Management Board is thoroughly discussed in detail and then adopted by the Management Board Committee of the Supervisory Board. This compensation consists of a fixed element and a variable element, as well as non-monetary compensation (company car, accident insurance). The variable element is basically contingent upon the group's sales, operating profit or loss and after-tax income.

Compensation Paid to Members of the Management Board in 2007 (in K €)

	Fixed Element	Variable Element	Non-monetary compensation	**Total**
Manfred Bender	205	287	11	503
Dr. Matthias Wiemer (effective April 1, 2007)	120	173	7	300
Wolfgang Dondorf (through June 30, 2007)	140	275	5	420
Total	**465**	**735**	**23**	**1,223**

Manfred Bender has received a pension commitment in the amount of 20 % of his last fixed salary element. In addition, pension commitments have also been made to former members of the Management Board. The net pension expenses for the year attributable to former members of the Management Board was K € 20. In 2007 no pension expenses were recorded for Manfred Bender. A total contribution in the amount of K € 17 has been made to PFEIFFER VACUUM TRUST E. V.

A total net advance payment to pfeiffer vacuum trust e. v. in the amount of K € 142 exists for current and former members of the Management Board, of which K € 137 is predominantly attributable to former members of the Management Board. A total of K € 99 was disbursed as current pensions in 2007.

Compensation paid to members of the Supervisory Board The members of the Supervisory Board receive fixed compensation, which is stipulated by the Annual Shareholders Meeting.

The Statement of Income records compensation in the amount of K € 45 for the year 2007 for Dr. Michael Oltmanns, as the Chairman of the Supervisory Board, while Supervisory Board compensation in the amount of K € 30 was incurred for Götz Timmerbeil as the Vice Chairman. Expense of K € 15 each was recorded for the further members of the Supervisory Board, Michael Anderson, Helmut Bernhardt, Manfred Gath and Wilfried Glaum, for the fiscal year. The total expense for compensation paid to members of the Supervisory Board thus amounted to K 135 € (2006: K 141 €).

Should members of the Supervisory Board be newly elected or retire during the course of a fiscal year, the compensation is paid on a pro rata basis.

Negative statement No further payments in addition to the above-indicated compensation elements were paid to members of the Management or Supervisory Boards during the year covered by this report. In particular, no stock options were granted, no loan entitlements were established and no guaranty commitments were issued. Nor do any special agreements exist in connection with the termination of the activities of members of the Management or Supervisory Boards.

Transparency

Our corporate communications work strives to provide all target audiences with the same information at the same time. Private investors, too, can utilize the Internet to inform themselves on a timely basis about current developments within the corporate group. All ad-hoc corporate news releases issued by pfeiffer vacuum technology ag are made available to its shareholders on the Company's website. Pursuant to § 15a of the German Securities Trading Act ("Wertpapierhandelsgesetz"), the members of the Management and Supervisory Boards must disclose purchases and sales of pfeiffer vacuum shares. We publish this information on the Internet under "Investor Relations/Corporate Governance."

Beginning in 2007, all publicly traded European corporations are mandated to present their consolidated financial statements on the basis of International Financial Reporting Standards (IFRS). With a view to assuring the most efficient possible means of disseminating information, the Management Board of pfeiffer vacuum had decided to change the Company's accounting principles to IFRS for fiscal 2006, and thus one year earlier than required. This has and will continue to assure that the financial position of the pfeiffer vacuum Group will be able to be compared at any time with other (publicly traded) companies in Europe.

Since the u.s. Securities and Exchange Commission (SEC) now also accepts financial statements presented in IFRS, without any further reconciliation to u.s. Generally Accepted Accounting Principles (u.s. GAAP), the delisting and the termination of reporting obligations under the u.s. Securities Exchange Act (deregistration) do not pose any obstacle to a high level of transparency. Trading on the nyse was ended on October 4, 2007. The main reason for this decision consisted of the low trading volumes on the nyse. In addition, the high costs of the reporting obligations in connection with the listing were another key consideration in this move.

Accounting and auditing

Shareholders and other interested parties are informed about the Company's position through its Annual Report and Quarterly Reports. All reports are simultaneously made available to interested parties in the German and English languages on our Internet website. In addition, all press releases and ad-hoc corporate news releases are also published on the Internet site.

It was agreed with the independent auditor that the Chairman of the Audit Committee will be informed without delay with respect to any grounds for exclusion or prejudice which may arise during the course of the audit should they fail to be eliminated without delay. The independent auditor is tasked with also reporting without delay any and all observations and events that are material to the responsibilities of the Supervisory Board which may be determined in connection with the audit of the financial statements. Moreover, the independent auditor must also inform the Supervisory Board and/or include a notation in the audit report should he or she identify facts in connection with the audit of the financial statements that cannot be reconciled with the Statement of Compliance submitted by the Management and Supervisory Boards pursuant to § 161 of the German Stock Corporation Act (“AktG”).

Our people

On December 31, 2007, the corporate group employed a total of 692 people worldwide, representing a moderate increase of 8 employees or 1.2 %. On annual average, 679 employees were employed worldwide (2006: 685). Per-capita sales increased to K € 283 (2006: K € 262).

Employees

	Germany	Europe*	United States	Asia	**Total**
2006	504	98	56	26	684
2007	526	82	56	28	**692**

Dec. 31.
* Excluding Germany

The largest decline was in Europe, stemming from the closure of the subsidiaries in the Netherlands and Belgium. The Benelux region is now being served by the new Euregio Sales and Service Center in Aachen, Germany. This organization was also the major reason for the increase in the workforce in Germany.

Personnel expenses in fiscal 2007 totaled € 44.7 million, as opposed to € 47.2 million in 2006.

Training and qualifications

Good education and training, along with a willingness to engage in ongoing continuing education and training in response to the needs of the market, represent the best prerequisites for secure jobs and sustained business success.

We consider the training and education of subsequent generations to be one of our most important tasks in connection with human resources development. We intend to continue to cover our future need for skilled workers, professionals and executives largely from within. This is why we train industrial mechanics and industrial commercial operations specialists at our manufacturing facility in Asslar. A training workshop equipped with cutting-edge machine tools is available for this purpose. As in the year before, we provided a total of 30 training slots in 2007 – representing an investment in the future of our Company. Moreover, pfeiffer vacuum is also participating in the "StudiumPlus" work-study educational program under a collaborative effort between the Giessen-Friedberg University of Applied Sciences and the chamber of industry and commerce. University openings for a total of eight business engineering, mechanical engineering and SME management students are currently being sponsored. During the year under review, two graduates of this educational program were again recruited by the Company.

Working in close collaboration with general and technical universities, we are familiarizing the new generation of professionals with life in a modern industrial enterprise by making jobs available for interns and awarding contracts to postgraduate thesis candidates. At a mechanical engineering company, most of the postgraduate theses are traditionally written in the Development operation. In 2007, however, there was also a thesis on corporate value from the standpoint of the shareholder as well as a thesis on our delisting from the nyse. Both of these degree candidates were advised by the Controlling Department. A total of nine "Diplom" degree theses were written (2006: Four).

We offer our people ongoing engineering and technology training courses, as well as individual measures aimed at enhancing their qualifications. In 2007, we additionally launched a qualification-enhancement offensive with 35 employees to improve their English-language skills. This continuing education measure will be expanded to around 80 people in 2008.

Professional and Vocational Qualifications

	2007	2006
Development and Manufacturing		
College and university graduates	61	62
Employees with specialized training	245	241
Employees without specialized training	45	47
Trainees	19	20
Administration, Sales and Marketing		
College and university graduates	131	113
Employees with specialized training	172	181
Employees without specialized training	8	10
Trainees	11	10
Total	**692**	684

Dec. 31.

Attractive pay concepts

In 2007, all employees again shared in the Company's success in the form of individual pay bonuses. A growth-based bonus system provides additional financial incentive to the staff of the sales organization. During the year covered by this Annual Report, executives and employees in key positions at corporate headquarters received bonuses that were linked to the achievement of the Company's operating profit target and the attainment of personal targets.

Old-age pensions

In Germany, PFEIFFER VACUUM offers its employees various Company old-age pension options: A funded supplemental retirement benefit corporation, direct insurance and a pension fund. By enabling a portion of the employee's income to be earmarked for this purpose, it is possible to build a tax-advantaged supplementary old-age pension that is matched to the individual's needs.

Employees who joined the Company prior to June 1996 are additionally entitled to a Company-funded old-age pension. In the future, employees who joined after that date will also receive a contribution to their old-age pension given suitable business results. Since year-end 2003, PFEIFFER VACUUM's pension obligations under agreements relating to the Company-funded old-age pension have been held in an asset management trust in the form of a registered association, PFEIFFER VACUUM TRUST E. V. Various pension plans that conform to country-specific conditions are in place at the sales subsidiaries. Information relating to the development of the pension assets is contained in Note 24 to the Consolidated Financial Statements.

Age Structure of the Company

	2007		2006	
Under 30	98	(14 %)	86	(13 %)
30 to 50	411	(59 %)	414	(60 %)
Over 50	183	(27 %)	184	(27 %)
Total	**692**	**(100 %)**	684	(100 %)

Dec. 31.

As in the year before, ten employees took advantage of the opportunity to gradually transition into retirement under a part-time contract for near retirees during the year covered by this report. This enabled us to offer trainees permanent jobs upon passing their final examinations.

Social responsibility

Modern workplaces, teamwork, flexible working hours and flat hierarchies are what characterize PFEIFFER VACUUM. The Company takes its social responsibility toward its people seriously, meets its disabled-employee quota and is in compliance with official accident prevention and job safety regulations (see also "Sustainability"). Flexible working-hour models ("Job Sharing") and part-time employment opportunities make it easier for mothers with children to re-enter the working world. The principles of equitable treatment for all and protection of minors are observed worldwide.

Labor relations and codetermination

The Company pays employees at its German location either on the basis of the general collective-bargaining agreement for the metalworking and electrical engineering industries or at higher pay scales. The codetermination principles are observed in a spirit of trustful collaboration between management and Employee Council.

Research & development

Our technicians, physicists and engineers are hard at work in our modern Research and Development Department helping to develop new products that will enable even better vacuum to be generated and measured in even less time. 77 engineers, physicists and technicians are devoted to developing, refining and evolving our product portfolio (2006: 75). We also collaborate closely with universities and with companies in Germany and other countries that possess key technologies.

In 2007, research & development expenditures totaled € 7.2 million, as opposed to € 7.3 million in 2006, resulting in a research & development ratio of 3.7 % of total sales (2006: 4.1 %).

Numerous patent applications and patents granted document the Company's continued high level of innovative strength. Twelve new patent applications were filed in fiscal 2007 (2006: 18). In addition, ten patents were granted on pending applications. We hold a total of over 80 fundamental patents worldwide, as well as more than 110 patent families with nearly 400 national intellectual property rights.

Development focuses in fiscal 2007

"Leading innovations. Too fast to be copied" was the motto of our innovation offensive. Consequently our products should be capable of generating and measuring even better vacuum in less time. And customer benefits also include a significant reduction in cost of ownership.

Turbopumps pfeiffer vacuum is developing a new line of turbopumps. This line represents the rigorous evolution of the Company's established, successful compact turbopumps and bears the name HiPace™. This name stands for a line of especially compact and powerful turbopumps in the pumping speed range of 10 to 700 l/s. The line comprises five different sizes of pumps, equipped with drive units that have been newly developed from scratch. The pumps are characterized by their high cost-effectiveness and application flexibility. A further advantage consists of their ability to be installed in any desired orientation.

Thanks to refinement of their rotor design, all of the vacuum technology performance data for the HiPace™ pumps have been able to be significantly improved, broadening the range of applications for these pumps. What makes them additionally attractive is their extremely compact, modern design, the employment of a proven, reliable bearing system as well as longer service intervals.

In the field of magnetically levitated turbopumps, a larger version of the established HiMag™ 2400 was developed in the 3,000 l/s pumping speed class: The HiMag™ 3400. This pump is opening up new markets, including major research facilities or the semiconductor sector, where they can be employed on lithography machines, for example.

Backing pumps pfeiffer vacuum is developing the new PentaLine™ rotary vane pumps for low and medium vacuum applications ranging up to 10^{-3} mbar. They cover pumping speeds of between 10 m³/h and 35 m³/h. PentaLine™ pumps handle applications in research & development, in the analytical industry, in critical industrial applications and in coating processes with ease.

The optimized drive system in these pumps offers convincing, environmentally friendly cost-effectiveness. Their approximately 50 % lower power consumption by comparison with ordinary rotary vane pumps makes for significantly lower operating costs. And the standby operating mode that is implemented in them assures significantly longer service life, coupled with savings in maintenance.

The hermetically sealed design of the PentaLine™ pumps makes oil leaks a thing of the past. As a further innovation, these pumps also incorporate a totally innovative motor concept that harmonizes with all customary electrical supply systems throughout the world. The low noise level of the PentaLine™ pumps also has a positive impact on their work environment. Numerous patent applications document the level of innovation in these rotary vane pumps.

HeptaDry™ is a complete line of dry screw pumps that are optimally suited for low and medium vacuum applications. In addition to industrial applications, they can also be employed in coating. HeptaDry™ is the ideal solution for all applications that require oil-free vacuum. The pumping speeds of this product line range from 100 to 600 m^3/h. First and foremost, these latest-generation pumps are extremely rugged and dependable. HeptaDry™ pumps are suitable for use as stand-alone pumps for processes of up to 10^{-1} mbar. And when used in combination with our OktaLine™ Roots pumps, they produce outstanding ultimate pressure results (up to $5 \cdot 10^{-3}$ mbar).

Valves pfeiffer vacuum angle valves are an important component in assuring safe, dependable processes in vacuum systems. Building upon the experience gained from the thousands of valves that have already been sold, pfeiffer vacuum has now brought a new line of angle valves to market.

These products are characterized by improved flow, even less leakage, as well as longer service life. Combining all connections within one and the same housing translates into greatly simplified handling by comparison with competition products. This well thought-out concept enables the valve to be cleaned by loosening only four screws.

Vacuum measurement With three lines of vacuum measurement equipment, pfeiffer vacuum always has the right solution to offer for the widest possible range of vacuum technology applications: ActiveLine is the series of products that integrates the sensor with electronics and outputs a voltage signal of between 0 and 10 V. This functionality enables any of the nine different types of sensors to be integrated into a plant control system. The new series of capacitative ActiveLine CMR and CCR transmitters was brought to market in 2007 for maximum-accuracy measurements, regardless of the type of gas in question. These products are characterized by a ceramic sensor element. Its advantages include outstanding service life and the avoidance of memory effects and wear. Innovative signal processing affords an expanded measurement range (up to 10^{-5} mbar) and excellent zero-point stability.

The DigiLine™ series of digital measurement equipment was also expanded in 2007. With this move, pfeiffer vacuum is responding to the growing demand for Fieldbus-compatible measurement equipment (Profibus, DeviceNet). With the MPT 100 transmitter, which unites a cold cathode sensor and a Pirani sensor in one and the same housing, pfeiffer vacuum offers its customers a rugged measurement device for the pressure range of between $5 \cdot 10^{-9}$ and 1,000 mbar. Its patent-pending functionality of enabling selection of the transition range between two sensors qualifies this product for a wide range of applications.

Vacuum analysis With PrismaPlus™, pfeiffer vacuum has brought to market a compact mass spectrometer for residual gas analysis and analytical applications. The highly successful Prisma™ mass spectrometer – 10,000 units have been sold – made way for a further improved successor during the course of the year 2007. Superior technologies like the biased ionization chamber and field axis technology afford outstanding results for the user. Its modular concept enables customers to select from any number of versions, thus assuring that they always obtain the best solution for their measurement needs.

And the new Quadera® software assures intuitive operation. This tool affords the user the opportunity of performing all applications, from simple residual gas analysis right through to quantitative analysis.

Purchasing

Efficient and cost-oriented sourcing of goods and services is a key basis for a company's profitability. Our activities here are characterized by ongoing optimization of our purchasing processes, access to new purchasing sources and the best possible prices combined with a high degree of flexibility and quality. Maintaining intensive contacts with existing and potential suppliers both in Germany and in other countries, along with collaboration in a spirit of partnership, assure a good and trustful relationship with our suppliers. Only this method of vendor management and the way in which we collaborate leads to sustained success for both sides. pfeiffer vacuum's involvement of suppliers in the product creation process early on, in particular in connection with categories of goods that are highly demanding in terms of technology, additionally enables us to utilize our suppliers' development competence during early phases of the development work. This affords us the opportunity of creating innovative products at optimal cost in shorter development cycles, with make-or-buy decisions being taken into consideration. Depending upon the focus of the task in question, our Development, Purchasing, Logistics, Quality and Manufacturing operations are involved to a greater or lesser extent in the joint process. And, finally, the fact that all products are manufactured exclusively at our facility in Asslar, Germany, enables us to centralize all major purchasing processes and thus achieve economies of scale. Additionally, electronic handling of purchasing processes is a further major element in our internal process optimization.

Construction of the Company's own Logistics Center, which was begun during the year under review, also relates to efficient, cost-oriented sourcing. In addition to optimizing the flows of materials in Manufacturing and central handling of Shipping operations, attention here is also focusing on improving the way movements of goods are managed. This will be achieved through fully automated handling of a portion of inventories by means of a high-bay warehouse system and networked computer capture of all movements of goods. Given the progress of construction thus far, it is anticipated that the Logistics Center will be completed on schedule in the early summer of 2008.

Sustainability

There is no contradiction between sustainability in the Company and in society and economic success. Responsibility toward resources, sustainability in product development, outstanding product quality, safeguarding our people at their workplaces and social commitment are the cornerstones of visionary, entrepreneurial stewardship and major elements of the corporate culture at pfeiffer vacuum.

Our Company has been contained in the Kempen SNS Smaller Europe SRI Index without interruption since the launch of this index in 2003. This index is the first sustainability index for smaller European companies. Only recently, we again satisfied the strict criteria under this index for socially and environmentally responsible behavior.

Environmental protection

All environmental factors, such as electricity, gas and water consumption as well as waste disposal, are regularly monitored and assessed. We achieved our targets for reducing the consumption of materials and energy. During the course of the fiscal year, eleven environmental audits were conducted (2006: Seven). The items that were audited included compliance with legal requirements in handling, storing and disposing of hazardous substances. No material variances were identified.

The Company's environmental management system was reviewed by an independent certifier in connection with a repeat audit in September 2007. We passed the audit without any variances, with the certificate under ISO 14001:2004 being reissued for a further three years.

In 2007, the thermal insulation on various factory building roofs was improved and the heating in various manufacturing buildings was modernized. This will enable the Company to considerably reduce its energy consumption, and thus contribute to lowering CO_2 emissions.

A photovoltaic system having an output of 131 kWp was installed on one of the Company's buildings. The production of approximately 112,000 kWh of solar energy per year will reduce CO_2 emissions by around 67,000 kg per year. The installation of further solar modules is planned for 2008.

Sustainability in product development

In developing new products, we place great emphasis on environmental design engineering. This relates to both the materials that are used, including their recyclability, as well as to such customer-specific environmental aspects as reducing the consumption of the energy needed to operate pumps. In designing these products, particular attention is also paid to avoiding hazardous materials in electrical and electronic equipment.

Quality

Our quality management system was reviewed by an independent certifier in September 2007 in connection with a repeat audit under ISO 9001:2000. The audit was passed without any variances, and a new certificate was issued for a further three years.

Within the framework of our quality management system, all business processes are continuously scrutinized and enhanced. Eight internal quality audits were conducted in 2007 for this purpose (2006: Eight), with no material variances being identified. Internal processes are documented and available to employees in our quality handbook. In parallel to this, quality goals are defined, assessed and quantified, with compliance being measured. Continuous improvement processes are an element of all of the Company's processes, from the development of a product right through to its employment by the customer.

At 98 %, our on-time delivery status in 2007 was sustained at the same high level as the year before. This, too, documents the success of our ongoing efforts aimed at process improvement, because clearly defined processes are ultimately a major aspect in on-time handling of customer orders.

Further process improvements will be made possible through the Logistics Center that is currently under construction and the resulting optimization of the flow of materials.

Job safety

In 2007, a total of 19 job safety audits were conducted (2006: 17), four of them together with the plant medical service and the Employee Council (2006: Ten). Four employees were trained at external accident prevention seminars. The Company's job safety organization and job safety measures were reviewed in October 2007 in connection with the audits under ISO 9001:2000 and ISO 14001:2004. No deficiencies were found.

Social responsibility

pfeiffer vacuum also lives up to its social responsibility outside the Company. It awards grants to aid the work of facilities for children and the disabled, and also sponsors regional sports clubs. Schools and universities are supported through both cash and non-cash donations. For over 40 years, we have been one of the two companies that sponsor the prestigious Röntgen Prize, which is awarded annually at Justus Liebig University in Giessen in recognition of outstanding research work performed by the coming generation of scientists.

Risk and Opportunities Report

The purpose of entrepreneurialism is to utilize opportunities that have been identified in order to increase the value of the Company. However this intrinsically involves the taking of risks. The opportunity and risk management system that we employ serves to utilize opportunities and provide guidance to us in taking specific risks. To do this, we use and evolve suitable instruments for identifying, analyzing and controlling opportunities and risks. We have defined the areas of risk management within the individual departments and have put in place the necessary procedures, early warning and monitoring systems. We take the opportunity and risk factors we have defined into consideration in our annual budgeting process. The budget and our current business position are comprehensively deliberated with the Supervisory Board. Moreover, the Supervisory Board also receives monthly overviews of our financial results by region, as well as further reports from the Management Board.

Overall, this enables meaningful opportunities for the further positive development of PFEIFFER VACUUM to be identified and utilized early on and the identified risks to be combated. The major opportunities and risks for the corporate group are presented below.

Technology opportunities

The motto of our innovation campaign is "Leading innovations. Too fast to be copied," which describes the technology opportunity of setting ourselves apart from the competition through ongoing technology and innovation leadership. PFEIFFER VACUUM is highly successful in developing viable, innovative products and bringing them to market. These innovative products afford the opportunity of being able to better cover existing markets, such as in Europe and the United States, while generating additional sales volume by gaining market share. Moreover, additional sales growth can be achieved in the Eastern European economic region and in China by working these markets more intensively. We view China, in particular, as an opportunity for broadening our business, and we have been utilizing this opportunity since the beginning of the year 2008 through our own sales subsidiary in Shanghai.

Purchasing and manufacturing opportunities

In addition to growing the Company's unit sales, further optimization of purchasing and manufacturing processes offers a major opportunity for improving the Company's profitability. Aside from external parameters (purchasing prices, for example), such internal factors as the flows of materials in the manufacturing operation will also play a role. In this connection, construction of a new Logistics Center at the Asslar location began in fiscal 2007. When completed as planned in 2008, further improvements in cycle times will be able to be achieved. Together with centralized, standardized product shipping, this, too, will afford opportunities for the Company.

Overall economic risks, industry risks

As a globally operating enterprise, we are highly dependent upon the development of the world economy. Declining world economic growth has a direct impact on our sales and earnings. In addition, the strong competition that prevails in our market poses the risk of market share and name recognition losses. One risk that is often encountered in the vacuum industry is its pronounced dependency upon economic developments in the semiconductor industry.

PFEIFFER VACUUM is becoming increasingly successful in winning new customers from a variety of industries in order to avoid dependencies. Accounting for 10.5 % of total sales, we have only limited risk exposure from the semiconductor industry. Overall, we are not dependent upon any one market segment, as our sales mix is very balanced. We respond to negative changes in the economy through measures aimed at adjusting capacities as well as swift cost reduction. In addition, we are constantly analyzing our market environment and the competitive situation. Ongoing customer contact and the market intimacy that this brings with it supplies us with important information about the needs of our customers. This information enables us to develop and offer products that satisfy technological needs and thus further expand our competitive position and name recognition.

Technology risks

The major risk factors here include insufficient innovativeness as well as a decline in the quality of our products.

With the objective of continuing to satisfy our customers' needs in the future, PFEIFFER VACUUM continuously invests in the development of new products. In fiscal 2007, we spent a total of € 7.2 million on research & development (2006: € 7.3 million). This correlates to 3.7 % of sales – as opposed to 4.1 % the year before. Through these development investments, we will continue to combat the risk of insufficient innovation. In addition, maintaining high standards of quality is a top priority for us as a manufacturer of quality high-tech products. We first received certification under ISO 9001:2000 in the year 1995, which has since been sustained without interruption.

Purchasing and manufacturing risks

Risks in the purchasing market exist in particular in the form of supply bottlenecks and dependence upon individual vendors. From a manufacturing standpoint, downtimes must be viewed as a major risk.

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, are combated through long-term framework contracts. Qualified technicians and modern production machinery keep technically related downtimes to a low level. Business interruption insurance is in force to cover the effects of downtimes resulting from fire, storm or flood damage, for example.

Foreign exchange risks

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. With the United States accounting for € 41.4 million, or 21.5 %, of our total sales, this applies in particular with respect to the exchange rate of the U.S. dollar.

PFEIFFER VACUUM engages in active foreign exchange management for sales revenues in the United States: The Company enters into transactions in currency options and futures to hedge foreign exchange risks. Aside from the U.S. dollar, there are no material exchange rate risks, as the vast majority of our invoices are issued in euros.

Financial and liquidity risks

In sound economic situations, too, financial risks result, in particular, from the insolvency of customers. Generally speaking, liquidity risks consist of the inability to satisfy payment obligations in a timely fashion.

We minimize creditworthiness risks, and thus accounts receivable losses, with the aid of a rigorous system of accounts receivable management and by monitoring our customers' payment patterns. Moreover, our dependence upon individual customers is very limited, as no end customer accounts for more than 5 % of our total sales. To steer liquidity, a cash management system is in place between the German companies, which assures the companies a sufficient supply of cash. Overall, we possess sufficient liquid assets to finance our operative business, to cushion negative developments and to continue to grow from within.

Human resources risks

As a high-tech manufacturer, we are dependent upon the high level of training and education of our qualified employees and are threatened by the risk of losing them.

Training and educating young, qualified employees serves to minimize the strategic risk. To minimize the operative risk, we provide continuing training and education for our employees and support their self-direction in order to create incentives and foster the ideas of our people. An ongoing low attrition rate, which is well below the industry average, demonstrates our Company's appeal to its employees.

Information technology risks

The major information technology risks are loss of data and system outages. Moreover, risks also exist in the form of unauthorized access to enterprise data by hackers and the infestation of hardware and software with computer viruses.

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 copies are stored in secure, fireproof locations. The activities of our in-house support team reduce system outages to a low level. The Company uses regularly updated virus scanners and modern firewalls to protect its hardware and software against the risk of computer viruses and hacking.

Legal risks

As an internationally operating enterprise, we are subject to a variety of legal risks. International contract law and taxation are of particular significance, as they can have a direct impact on the Company's earnings or financial positions.

The professional expertise required for assessing the Company's day-to-day business is provided by our qualified staff. To further minimize risk, we draw upon the assistance of external legal and tax advisors in connection with complex questions. No legal disputes are currently pending whose outcome could have a material impact on the Company's earnings or financial position.

General comments on the risk management system

We are of the opinion that the risk management system that has been established is suitable for identifying, analyzing and quantifying existing risks in order to adequately control them. In connection with the audit of the Annual Financial Statements, our auditor has reviewed the risk management system that has been established. This review did not result in any objections.

No risks exist which could endanger the Company's survival, neither for the current year nor for the following years.

Summarized in a SWOT Analysis, the major strengths and weaknesses, opportunities and risks that relate to the PFEIFFER VACUUM Group are as follows:

SWOT-Analysis of the pfeiffer vacuum Group

	Strengths	Weaknesses
Company-related	■ Technology leadership and world market leader in turbopumps ■ Highly innovative ■ Balanced mix of products, markets and regions ■ Global sales and service network ■ High equity ratio ■ Debt-free, strong cash position	■ Low market share in backing pumps ■ Niche market, in part dependent upon economic cycles ■ Low presence in the chemical and process technology markets
	Opportunities	**Risks**
Market-related	■ Strengthen technology leadership ■ Develop and supply needed products ■ Expand position in the solar market ■ Expand backing pump market share through innovative products ■ Buy-in appropriate companies	■ Further weakening of the dollar and yen relative to the euro ■ Further heightening of competitive pressure

Assembly

As planned, a perfect fit: The sum total of all the components produces a perfectly functioning unit! The assembly operation confirms the precision of the engineering and manufacturing processes.

Early 2008 and Outlook

Early 2008

There have not been any significant changes in the Company's position or the industry environment since the beginning of the 2008 fiscal year.

Outlook

General economic development

A growth rate of around 4.5 % for the world economy is anticipated for the year 2008. The economic growth in the United States will decrease from 2.2 % to 1.5 %. Thereby, the real estate/subprime crisis will have a significant impact. The weak U.S. dollar, on the other hand, will continue to be favorable for the country's exports. High growth rates are again anticipated in 2008 for the Asian economic region. Growth of 9.7 % is expected in China (2007: 11.4 %), while economic growth of 8.1 % is forecast for India for 2008, as opposed to 9.0 % in 2007. Expectations are that gross domestic product in Japan will grow at a rate of 1.7 %, roughly paralleling its level in 2007. The European economies are expected to develop on a moderately declining note, with a growth rate of around 1.6 % overall. The strong euro will impact exports, and the effects of the real estate/subprime crisis could result in rising loan interest rates. Due to the economic burdens on the economy posed by the real estate/subprime crisis and the strong euro, a decline in the growth rate to 1.5 % is anticipated for Germany. The improved situation on the labor market and the resulting higher trend of consumer spending prevent a further decline.

Development of sales revenues

Consequently, the economic environment for PFEIFFER VACUUM will be similar to that of the past 2007 fiscal year. This suggests that fiscal 2008 will initially see a sales revenue growth roughly comparable to fiscal 2007. Yet the year 2007 also showed that sales revenues are highly contingent upon the development of the exchange rate of the euro. This applies – as already described in connection with the analysis of sales revenues – with respect to the translation of U.S. dollar-denominated sales revenues. Another key factor in the development of sales revenues in fiscal 2007 consisted of the sales that were lost in the Asian economic region due to billings in euros, thus effectively making our products more expensive there. We are intentionally refraining from disclosing our planning numbers by countries, products and markets here, because as a vendor of products for generating, measuring and analyzing vacuum we operate in a niche market. A precise listing of these internal expectations would give our competitors insight into the strategic alignment of PFEIFFER VACUUM and allow them to respond accordingly. This would hurt both the Company and ultimately its shareholders. So we would like to retain a known and proven approach at PFEIFFER VACUUM and refrain from making any statements that relate to the development of sales revenues this early in the year. In spite of the above-indicated imponderabilities, however we expect as a general rule to see percentage sales revenue growth keep pace with the previous year's level.

What serves as the basis for this assessment? First of all, the development of sales revenues and new orders was highly promising during the initial weeks of the 2008 fiscal year. In addition, we will be bringing various new products to market in 2008 that we also expect will have a positive influence on sales revenues. These products include the HiPace™ line of turbopumps, innovative leak detectors and further vacuum analysis and measurement innovations. Regionally, we expect to see improvements in sales revenues as a result of our new sales subsidiary in Shanghai, China, and a new sales office in Moscow, Russia. The Chinese sales subsidiary assumed the activities of our former agency effective January 1, 2008, and will broaden these operations during the further course of the 2008. The Russian market, which had previously been covered by sales agencies, will be worked by our own sales office in Moscow beginning in fiscal 2008. This measure, too, is expected to produce sales revenue growth. Organizationally, this office is integrated in the Austrian sales subsidiary. We also expect to see sales revenue growth in the markets of Germany, Europe and the United States. In the case of the U.S. – in spite of the somewhat weaker economic environment – this applies at least to sales that are invoiced in U.S. dollars. Whether and the extent to which this will also have an impact after being translated into euros will, as already explained above, be contingent upon the development of the parity between the U.S. dollar and the euro. The exchange rate of the euro will have only an immaterial influence on sales revenues in Germany and Europe. Because of the stable economic situation, sales revenues are expected to rise here. Moreover, we will begin adapting our former organizational structure in fiscal 2008. The organizational departments of Sales & Marketing, Customer Service, Product Management and Service will be replaced by a team structure that is based upon market segments. The specialization of the teams and our ability to now provide holistic support to our customers will enable us to focus even better on the needs and special technical aspects of the market segment in question.

Development of profitability

We have repeatedly analyzed and optimized our internal processes in the past. The above-average EBIT margin generated in the PFEIFFER VACUUM Group demonstrates that these measures were highly successful. The new Logistics Center, whose construction was commenced in fiscal 2007, should also be seen with a view toward further optimization of internal processes. After construction is completed in June 2008, a fully automated, computer-controlled warehouse system will be installed. The flows of materials in Manufacturing will then be aligned to the new Logistics Center. At the same time, the machinery will be modernized. The construction project is scheduled to be concluded in the summer of 2008. The total volume of capital expenditures in 2008 in this connection will be € 5.6 million, of which construction will account for € 4.4 million and the warehousing system for € 1.2 million. Since the entire capital investment will be financed from cash provided by operating activities, no borrowed capital will be required. In spite of the initially anticipated burden on the Company's EBIT margin (depreciation expense and building operating costs), we anticipate an EBIT margin of between 25 and 27 % for the 2008 fiscal year. As-yet unforeseeable price rises in connection with the costs of materials and energy, in particular, are what prompted us to indicate a range for the anticipated EBIT margin.

Research & development

Expenditures for research & development will continue to remain at a high level in the years to come. They represent an investment in the future development of the Company's sales. Identifying market needs early on and responding to them with customer-driven new developments are fundamental prerequisites for being able to continue to remain competitive in the future and for broadening market share.

Tax environment

In 2007, both houses of the German parliament adopted the 2008 corporate tax reform. Essentially, this reform calls for significantly lowering the corporate tax rate from 25 % to 15 %, as well as a reduction in the trade tax rate. The offsetting financing measures that were passed at the same time as the reduction in the tax rates (including restrictions on the deductibility of interest as expenses, elimination of declining-balance depreciation, limitations on the utilization of loss carryforwards following a change in ownership) will have little or no impact on profitable companies that have a good equity base, in particular. With a current before-tax return of 30.9 % and an equity ratio of 84.2 %, PFEIFFER VACUUM will benefit from the 2008 corporate tax reform. As described in connection with analysis of tax expenditures in 2007, there initially was an increase in tax expenditures. This was caused by the required write-down of the deferred tax assets of the consolidated German companies. However we expect to see a significantly lower tax rate of 31 through 33 % in the corporate group beginning in fiscal 2008. The after-tax return will rise sharply and liquidity will improve because less cash will be needed for current taxes.

Dividend

Following the successful 2007 fiscal year, the Management and Supervisory Boards want to enable our shareholders to participate for the tenth time in a row in the Company's success. Following payment of a high dividend of € 2.50 per share to shareholders the year before, the proposed appropriation of the 2007 retained earnings calls for a dividend of € 3.15 per share of no-par stock. This represents a further increase of 26.0 %. Subject to the approval of the Annual Shareholders Meeting, 75.2 % or € 27.9 million of the net income attributable to the shareholders of PFEIFFER VACUUM TECHNOLOGY AG will be distributed.

Distribution Rate, Dividend per Share, Dividend Yield

		2007	2006
Distribution Rate*	(in %)	75.2	74.6
Dividend per Share	(in EURO)	3.15	2.50
Dividend Yield**	(in %)	5.7	3.9

* Ratio between the (proposed) distribution for the respective year and after-tax income for that year
** Ratio between the (proposed) dividend per share and the trading price at the close of the fiscal year

The statements contained in this outlook are based upon assumptions relating to the development of both the overall economy and the industry. Actual results might differ materially from the Company's expectations regarding anticipated developments should the assumptions upon which the statements are based subsequently prove to be incorrect.

We have again set ourselves ambitious goals for the 2008 fiscal year. We assume that the Company's strategic alignment and its ongoing optimization justify this expectation. To no small degree, a workforce of well trained, educated, enthusiastic and motivated people will help to assure that these objectives will in fact be able to be achieved.

Final inspection

It takes the very best to satisfy our customers. And we give our very best. A punishing test safeguards against mediocrity.

Financial Statements

Statements of Income 84
Balance Sheets 85
Statements of Shareholders' Equity 86
Statements of Cash Flow 87
Notes to the Financial Statements 88
Certification of the Legal Representatives 141
Independent Auditor's Report 142

Statements of Income

(in K €)	Note	2007	2006
Net sales	14, 28	192,042	179,484
Cost of sales	12	–97,860	–91,829
Gross profit		**94,182**	87,655
Selling and marketing expenses	5	–21,487	–22,469
General and administrative expenses	6	–12,661	–12,909
Research and development expenses		–7,187	–7,320
Operating profit	28	**52,847**	44,957
Financial expenses	29	–21	–98
Financial income	29	6,001	1,996
Foreign exchange gains/losses	29	585	–463
Earnings before taxes	28	**59,412**	46,392
Income taxes	22	–22,127	–16,606
Net income		**37,285**	29,786
Thereof attributable to:			
> PFEIFFER VACUUM TECHNOLOGY AG shareholders		**37,025**	29,624
> Minority interests		260	162
Earnings per share (in €)	31		
Basic		4.19	3.39
Diluted		4.19	3.39

Balance Sheets

(in K €)	Note	2007	2006
Assets			
Intangible assets	7	221	319
Property, plant and equipment	8	26,251	22,901
Investment properties	9	1,767	1,838
Investment securities	10, 29	11,060	17,535
Prepaid pension cost	24	142	145
Deferred tax assets	22	4,185	5,585
Other non-current assets	11	1,901	1,822
Total non-current assets		**45,527**	50,145
Inventories	12	16,857	15,520
Trade accounts receivable	13	26,255	23,934
Receivables from construction contracts	14	2,631	–
Other accounts receivable	15	1,979	1,801
Prepaid expenses		608	449
Investment securities	10, 29	–	1,000
Other current assets	15	190	467
Cash and cash equivalents	16	83,383	75,354
Total current assets		**131,903**	118,525
Total assets	28	**177,430**	168,670
Shareholders' equity and liabilities			
Equity			
Share capital	17	22,965	22,965
Additional paid-in capital	17	13,305	13,305
Retained earnings	18	119,185	104,269
Other equity components	19	–3,113	1,520
Treasury shares	20	–3,722	–3,722
Equity of Pfeiffer Vacuum Technology AG shareholders		**148,620**	138,337
Minority interests		747	635
Total equity		**149,367**	138,972
Deferred tax liabilities	22	275	308
Provisions for pensions	24	1,599	3,859
Total non-current liabilities		**1,874**	4,167
Trade accounts payable	25, 29	4,803	4,428
Other payables	25	1,539	2,571
Provisions	26	12,455	13,564
Income tax liabilities	22	5,810	3,420
Customer deposits		1,582	1,548
Total current liabilities		**26,189**	25,531
Total shareholders' equity and liabilities		**177,430**	168,670

Dec. 31

Statements of Shareholders' Equity

(in K €)	Note	Equity of PFEIFFER VACUUM TECHNOLOGY AG shareholders						Minority Interests	**Total Equity**
		Share Capital	Additional Paid-in Capital	Retained Earnings	Other Equity Components	Treasury Shares	Total		
Balance on January 1, 2006		22,504	5,819	86,377	–833	–2,438	111,429	569	111,998
Currency changes		–	–	–	–1,587	–	–1,587	–26	–1,613
Net results from cash flow hedges	29	–	–	–	455	–	455	–	455
Revaluation of available-for-sale securities	10, 29	–	–	–	3,485	–	3,485	–	3,485
Earnings recorded directly in equity		**–**	**–**	**–**	**2,353**	**–**	**2,353**	**–26**	**2,327**
Net income		–	–	29,624	–	–	29,624	162	29,786
Total earnings for the year		**–**	**–**	**29,624**	**2,353**	**–**	**31,977**	**136**	**32,113**
Employee participation program	23	–	232	–	–	–	232	–	232
Dividend payments	18	–	–	–11,732	–	–	–11,732	–70	–11,802
Share buyback	20	–	–	–	–	–1,284	–1,284	–	–1,284
Conversion of convertible bonds	23	461	7,254	–	–	–	7,715	–	7,715
Balance on December 31, 2006		**22,965**	**13,305**	**104,269**	**1,520**	**–3,722**	**138,337**	**635**	**138,972**
Currency changes		–	–	–	–2,252	–	–2,252	–73	–2,325
Net results from cash flow hedges	29	–	–	–	–231	–	–231	–	–231
Revaluation of available-for-sale securities	10, 29	–	–	–	–2,150	–	–2,150	–	–2,150
Earnings recorded directly in equity		**–**	**–**	**–**	**–4,633**	**–**	**–4,633**	**–73**	**–4,706**
Net income		–	–	37,025	–	–	37,025	260	37,285
Total earnings for the year		**–**	**–**	**37,025**	**–4,633**	**–**	**32,392**	**187**	**32,579**
Dividend payments	18	–	–	–22,109	–	–	–22,109	–75	–22,184
Balance on December 31, 2007		**22,965**	**13,305**	**119,185**	**–3,113**	**–3,722**	**148,620**	**747**	**149,367**

Statements of Cash Flow

(in K €)	Note	2007	2006
Earnings before taxes	28	59,412	46,392
Adjustment for financial income/financial expense		–5,980	–1,898
Financial income received		5,852	1,748
Financial expenses paid		–13	–101
Income taxes paid		–16,865	–15,444
Depreciation/amortization	7, 8, 9, 28	3,271	3,114
Gains from disposals of assets		–2,230	–21
Provisions for doubtful accounts		240	–363
Changes in inventory reserves		29	19
Non-cash personnel expenses (convertible bonds)	23	–	232
Effects of changes in assets and liabilities:			
> Inventories		–4,041	–2,092
> Receivables and other assets		–6,493	–2,346
> Provisions, including pensions and income tax liabilities		–4,420	881
> Payables, other liabilities		–535	1,674
Net cash provided by operating activities		**28,227**	31,795
Proceeds from disposals of fixed assets		187	162
Capital expenditures	7, 8, 9, 28	–6,707	–5,610
Purchase of investment securities		–	–8,985
Redemptions of investment securities		1,000	3,000
Proceeds from disposals of investment securities	29	6,543	–
Net cash provided by/used in investing activities		**1,023**	–11,433
Dividend payments	18	–22,109	–11,732
Dividend payments to minority shareholders		–75	–70
Share buyback	20	–	–1,284
Conversion of convertible bonds	23	–	7,254
Net cash used in financing activities		**–22,184**	–5,832
Effect of foreign exchange rate changes on cash and cash equivalents		963	–827
Net increase in cash and cash equivalents		**8,029**	13,703
Cash and cash equivalents at beginning of year		75,354	61,651
Cash and cash equivalents at end of year	16	**83,383**	75,354

Notes

Remarks relating to the Company and its Accounting and Valuation Methods

1. General remarks relating to the Company

The parent company within the PFEIFFER VACUUM Group ("the Company" or "PFEIFFER VACUUM") is PFEIFFER VACUUM TECHNOLOGY AG, domiciled at Berliner Strasse 43, 35614 Asslar, Germany. PFEIFFER VACUUM TECHNOLOGY AG is a stock corporation organized under German law and recorded in the Register of Companies at the Local Court of Wetzlar under Number HRB 44. The Company is listed on the Deutsche Börse Stock Exchange in Frankfurt am Main, Germany, where it is included in the TecDAX index. Until the delisting became effective October 4, 2007, the Company's American Depositary Receipts (ADRS) had been traded on the New York Stock Exchange (NYSE) in the United States.

PFEIFFER VACUUM is one of the leading full-line vacuum technology manufacturers, offering custom solutions for a wide range of needs in connection with the generation, control and measurement of vacuum. The products developed and manufactured at the Company's production facility in Asslar, Germany, include turbopumps, a range of backing pumps, such as rotary vane, Roots and dry pumps, complete pumping stations, as well as custom vacuum systems and components.

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

2. Basis for preparing consolidated financial statements

Statement of compliance with IFRS The Consolidated Financial Statements of PFEIFFER VACUUM TECHNOLOGY AG for the fiscal year ended December 31, 2007, have been prepared in accordance with International Financial Reporting Standards (IFRS) and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) as applicable in the European Union (EU). This includes the International Accounting Standards (IAS), which continue to retain their validity, and the interpretations of the Standing Interpretations Committee (SIC). The PFEIFFER VACUUM Group has not been impacted by the fact that the EU has not yet endorsed all published IFRS or IAS. Those standards that have been published but whose application is not yet mandatory have not been adopted at an earlier stage. In variance thereto, IFRS 8, "Operating Segments," was already applied in fiscal 2007 (please refer to Note 3). The Notes to the Consolidated Financial Statements additionally include the information required by § 315a, Sub-Para. 1, of the German Commercial Code ("HGB").

Basic valuation principles The Consolidated Financial Statements are prepared essentially in accordance with the acquisition cost principle. However this does not include derivative financial instruments and financial investments available-for-sale, which are carried at fair values. PFEIFFER VACUUM prepares its Consolidated Financial Statements in euros (€). Unless otherwise indicated, the presentation is in thousands of euros (K €).

Consolidated companies and principles of consolidation All companies which PFEIFFER VACUUM directly or indirectly controls are consolidated. The Company is considered to control an entity if it either directly or indirectly holds a majority of the voting rights and can therefore decide the financial and operating policies of the controlled entity. In addition to PFEIFFER VACUUM TECHNOLOGY AG, one German (2006: One) and 13 foreign subsidiaries (2006: Twelve) are fully consolidated in the Company's Consolidated Financial Statements as of December 31, 2007.

PFEIFFER VACUUM Group on December 31, 2007

	Location	Holdings (in %)
PFEIFFER VACUUM TECHNOLOGY AG	D-Asslar	
PFEIFFER VACUUM GMBH	D-Asslar	100.0
PFEIFFER VACUUM AUSTRIA GMBH	A-Vienna	100.0
PFEIFFER VACUUM (SCHWEIZ) AG	CH-Zurich	99.4
PFEIFFER VACUUM (SHANGHAI) LTD.	CHI-Shanghai	100.0
PFEIFFER VACUUM FRANCE SAS	F-Saclay	100.0
PFEIFFER VACUUM LTD.	UK-Newport	100.0
PFEIFFER VACUUM NEDERLAND B. V.	NL-De Meern	100.0
PFEIFFER VACUUM SCANDINAVIA AB	S-Upplands	100.0
PFEIFFER VACUUM INC.	USA-Nashua	100.0
PFEIFFER VACUUM HOLDING B. V.	NL-De Meern	100.0
PFEIFFER VACUUM BELGIUM N. V.	B-Bruxelles	100.0
PFEIFFER VACUUM ITALIA S. P. A.	I-Rho	100.0
PFEIFFER VACUUM (INDIA) LTD.	IND-Secunderabad	73.0
PFEIFFER VACUUM KOREA LTD.	KR-Yongin-City, Kyungki-Do	75.5

PFEIFFER VACUUM (SHANGHAI) LTD., Shanghai, China, was founded in late 2007 and is included in the Consolidated Financial Statements. This company began operations in January 2008. Because the company was newly formed with equity equivalent to K € 65, its impact on the Consolidated Financial Statements was negligible. In particular, there was no goodwill.

Inclusion in the Consolidated Financial Statements is made on the basis of individual financial statements prepared in accordance with consistent accounting and valuation principles. The balance sheet date of the individual financial statements of the included companies is the same as the balance sheet date of the Consolidated Financial Statements.

There were no investments in jointly controlled entities or investments in associated companies as of December 31, 2007, or in previous years. Nor were there any controlled entities pursuant to the rules of SIC 12, “Consolidation – Special Purpose Entities.”

Until December 31, 2004, consolidation of investments in subsidiaries had been effected under U.S. GAAP rules in such a manner that in the case of additions the cost of acquisition of the investments was netted against the shareholders’ equity attributable to them at the time of acquisition or initial consolidation (“purchase accounting”). Employing the simplification rules under IFRS 1, the former consolidation of investments in securities was adopted for IFRS. There have been no consolidations of acquisitions since January 1, 2005.

Minority interests represent that portion of the earnings and net assets not held by the corporate group; in the Consolidated Financial Statements, they are presented in equity separately from the shareholders’ equity of the parent corporation. Minority interests of 0.6 %, 24.5 % and 27.0 %, respectively, exist at the PFEIFFER VACUUM (SCHWEIZ) AG, PFEIFFER VACUUM KOREA LTD. and PFEIFFER VACUUM (INDIA) LTD. subsidiaries.

All intercompany receivables and liabilities, gains and losses, revenues and expenses are eliminated in connection with the consolidation process.

Foreign currency translation The annual financial statements of subsidiaries domiciled outside the European Currency Union have been translated into euros (€) in accordance with IAS 21, “The Effects of Changes in Foreign Exchange Rates.” Each company within the corporate group stipulates its own functional currency. The functional currency of the subsidiaries is the respective local currency. When translating financial statements presented in foreign functional currencies, year-end exchange rates are applied to assets and liabilities, while average exchange rates are applied to income statement accounts. The resulting translation adjustments are recorded in other equity components.

In the individual financial statements of consolidated companies, foreign-currency transaction gains and losses from regular operations are recorded as a separate line item in the income statement.

3. Application of amended or new standards

The accounting and valuation principles used are essentially the same as those used the year before. In variance thereto, the Company has applied the following new or amended standards and interpretations. The Consolidated Financial Statements were not impacted by this application, however new disclosures have been made.

IFRS 7, "Financial Instruments: Disclosures," requires information that enables the users of the financial statements to assess the meaning of financial instruments for the group's financial position and profitability, as well as the nature and extent of the risks arising from these financial instruments. This new information is included in various notes.

New disclosures result from the amendment of IAS 1, "Presentation of Financial Statements – Capital Disclosures," which enables the users of the financial statements to evaluate the objectives, policies and processes for managing capital. The new disclosures are discussed in Note 30.

On November 30, 2006, the International Accounting Standards Board (IASB) had issued IFRS 8, "Operating Segments." This standard replaces the former IAS 14, "Segment Reporting" and largely adopts the segment reporting rules from United States Generally Accepted Accounting Principles (U.S. GAAP). Thus, IFRS 8 no longer requires that a distinction be made between the primary and secondary segmentation. At the same time, the segment reporting had been adjusted to reflect internal reporting (management approach) and the range of information in segment reporting was increased. IFRS 8 is mandatory for reporting periods beginning on or after January 1, 2009. The endorsement under European law was performed in November 2007. pfeiffer vacuum has complied with the IASB's recommendation and adopted IFRS 8 in advance. Aside from the omission of the secondary segmentation, there was no significant impact on segment reporting. In particular, the identification of reportable segments has not been changed.

In addition, IFRIC 7, "Applying the Restatement Approach under IAS 29, Financial Reporting in Hyperinflationary Economies," IFRIC 8, "Scope of IFRS 2," IFRIC 9, "Reassessment of Embedded Derivatives," and IFRIC 10 "Interim Financial Reporting and Impairment" have also been endorsed by the eu and their application is mandatory for financial years beginning on or after January 1, 2007. This had no impact on profitability, financial position or liquidity. IFRIC 11, "IFRS 2 – Group and Treasury Share Transactions" was also endorsed by the eu, however its application is mandatory only for financial years beginning on or after March 1, 2007, and it was not adopted earlier. No significant impact on profitability, financial position or liquidity is expected to result from the adoption of this interpretation.

The following standards and interpretations have thus far not yet been endorsed by the eu:

On March 29, 2007, the IASB reissued IAS 23, "Borrowing Costs." Under IAS 23, the capitalization of borrowing costs is mandatory under certain conditions and the former capitalization option has been eliminated. IAS 23 in its amended version is applicable for borrowing costs that are capitalized on or after January 1, 2009. Earlier adoption is permitted. Due to the funding of capital expenditures through liquidity generated within the pfeiffer vacuum Group, there are no borrowing costs. Accordingly, the adoption of IAS 23 will have no impact on the Consolidated Financial Statements.

IAS 1, “Presentation of Financial Statements: A Revised Presentation,” was issued on September 6, 2007. The revised version of IAS 1 predominantly deals with the naming of the mandatory elements of the financial statements and with the mandatory presentation of income and expenses recorded directly in equity (other comprehensive income) in the statement of comprehensive income. IAS 1 is applicable for the first time for financial years beginning on or after January 1, 2009 and will impact only the presentation of PFEIFFER VACUUM's Consolidated Financial Statements.

IFRS 2, “Share-based Payment,“ IFRS 3, “Business Combinations,“ IAS 27, “Consolidated and Separate Financial Statements,“ IFRIC 12, “Service Concession Arrangements,“ IFRIC 13, “Customer Loyalty Programs,” and IFRIC 14, “IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction,” were amended or issued before the preparation of the Consolidated Financial Statements. These standards and interpretations were not adopted earlier. Here, too, no significant impact on profitability, financial position or liquidity is expected.

4. Accounting and valuation methods

Income recognition Sales revenues are recognized when the material risks and rewards relating to the ownership of the products sold passes to the purchaser, which is essentially the case when the goods are shipped. Should product sales be subject to customer acceptance, revenues are not recognized until customer acceptance has occurred. Service revenues are recognized when the underlying services are performed. These revenues include the invoiced working hours of the service personnel, as well as spare parts and replacement products. Rebates are recorded as a reduction of sales revenues. Interest income is recorded when the interest originates. Rental income from investment properties is recorded on a straight-line basis over the term of the leases.

Construction contracts Construction contracts were entered into for the first time in fiscal 2007, which are accounted for under IAS 11, “Construction Contracts.”

The percentage of completion method is used for revenue recognition, with the stage of completion being calculated as the ratio between contract costs incurred and expected total contract costs (cost-to-cost method). Receivables from construction contracts are presented as a separate line item on the assets side of the balance sheet, net of prepayments received, if applicable, or, if the prepayments received exceed the receivables, as a separate line item on the liabilities side of the balance sheet.

Cost of sales The cost of sales presented in the income statement include all expenses that are directly or indirectly attributable to the (sold) product or service. This essentially includes materials consumed (including inbound freight charges), production-related wages and salaries, purchasing and receiving costs, as well as certain service costs. Inventory excess and obsolescence charges, as well as warranty-related expenses, are also recorded as cost of sales. Warranty provisions for recognized revenues are formed as of year-end.

Research & development expenses Research & development costs are expensed as incurred. Development costs are not capitalized, since the capitalization prerequisites in IAS 38, “Intangible Assets,” are not fully satisfied.

Property, plant and equipment and intangible assets Property, plant and equipment and intangible assets are stated at cost and depreciated/amortized on a straight-line basis over the customary useful lives of the assets. At the close of each fiscal year, the useful lives and depreciation/amortization methods, as well as the residual values in the case of property, plant and equipment, are reviewed and adjusted where necessary. The following useful lives are assumed:

Production halls, production and administration buildings and similar facilities	20 – 40 years
Machinery and equipment (including IT equipment)	3 – 15 years
Software*	2 – 5 years

* There are currently no intangible assets with indefinite useful lives.

Scheduled depreciation and amortization are allocated to the expense lines in the income statement on the basis of the input involved.

The Company reviews long-lived assets for impairment whenever events or changes in circumstances suggest that the carrying amount of an asset may not be recoverable. Should impairment indicators exist, the Company performs the analyses required under IAS 36, “Impairment of Assets,” with the carrying amount of the asset being compared to the recoverable amount. The recoverable amount of an asset is the greater of the fair value of an asset or a cash-generating unit less its selling costs and value in use. The resulting amount must be determined for each individual asset, unless an asset generates cash flows that are dependent upon those from other assets or other asset groups. Should the carrying amount of an asset be higher than its recoverable amount, the asset is viewed as being impaired and is written down to its recoverable amount. To determine the value in use of an asset, the anticipated future cash flows are discounted to their cash value, taking into consideration a before-tax discount rate that reflects current market expectations with respect to the interest rate effect and the specific risks of the asset in question. An appropriate valuation model is employed to determine the fair value less selling costs. This model is based on valuation multiples and other available indicators for the fair value.

Any resulting impairment loss is recorded in the income statement. Any required reversals of impairment losses are recorded in future-period income statements up to the amount of the impairment loss reversal limit. This limit is determined by the amount that would have resulted at the close of the respective fiscal year given scheduled depreciation of the asset. Repair and maintenance costs are expensed as incurred.

A fixed or intangible asset is derecognized either at the time of disposal or at such time as no economic benefit can any longer be expected from the further utilization or sale of the asset. Gains and losses from disposals of assets are determined and recorded in the income statement on the basis of the difference between selling costs and carrying amount, less any directly attributable selling costs, where applicable.

Investment properties Real estate properties are allocated to the portfolio of investment properties if they are held for the purpose of generating rental income. They are stated at cost and depreciated on a straight-line basis over their estimated useful lives (cost model). Assessment of their residual values, useful lives and depreciation methods, as well as any impairment losses, is performed analogously to the procedure described in connection with property, plant and equipment. Investment properties are derecognized upon disposal or when they are no longer being permanently used and they are no longer expected to produce any further future economic benefit. Investment properties are reclassified to property, plant and equipment if a change in use is caused by self occupancy. Conversely, property and plant is reclassified to investment properties if self occupancy ends and leasing is then effected. Due to valuation at amortized cost in both cases, no revaluation is required upon reclassification.

Financial Instruments A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or an equity instrument of another entity. Accounting for financial instruments in the case of usual and customary purchase or sale is performed on the settlement date, i.e. the day on which the asset is delivered. According to IAS 39, "Financial Instruments: Recognition and Measurement," financial instruments are allocated to the following categories upon initial recognition:

- Financial assets at fair value through profit and loss (financial assets held for trading)
- Financial assets held-to-maturity
- Loans and receivables
- Financial assets available-for-sale
- Financial liabilities at fair value through profit and loss (financial liabilities held for trading)
- Financial liabilities measured at amortized cost

Interest-bearing securities (such as bank or corporate bonds, bonded loans) are non-derivative financial assets having a contractually agreed maturity and redeemable at their notional value. Securities for which the Company has the ability and the intention to hold until maturity are classified as "held-to-maturity." Upon initial recognition, they are valued at their fair value, less transaction costs. Subsequent valuation is effected at their carrying amount. Equity securities do not have contractually agreed maturities and are classified as "available-for-sale" and measured at fair value based on identified market prices. Changes in fair value are not recorded in the income statement but directly in other equity components. Securities with remaining maturities of one year or less are classified as current.

Accounts receivable, in particular trade accounts receivable are categorized as "loans and receivables" and are measured at (amortized) cost. They typically do not bear interest. Cost are recorded at the invoiced amount (including any value added tax). The Company continuously assesses the adequacy of the allowances for doubtful accounts receivable and makes appropriate adjustments on the basis of both specific probability and aging distribution. Any subsequent reversal is recorded in the income statement in an amount not to exceed its carrying amount (net of amortization or depreciation). Receivables are derecognized after all means of collection have been exhausted.

The Company uses derivatives only to manage foreign-currency exchange rate risks. Around 35 % of total consolidated sales revenues are invoiced in foreign currency (non-euro, predominantly in U.S. dollars). The Company enters into forward exchange and option transactions to hedge its future sales revenues invoiced in foreign currencies against exchange rate fluctuations. Derivative financial instruments are acquired exclusively for this purpose. PFEIFFER VACUUM does not engage in speculative transactions. Derivative financial instruments employed for hedging purposes are recorded at their fair values both at the time they are first recorded as well as in subsequent periods. Derivative financial instruments are recorded as assets if their fair value is positive and as liabilities if their fair value is negative. Changes in the fair value of these derivatives are recorded in equity without any impact on the income statement if the hedging is classified as a cash flow hedge according to IAS 39 and is effective. The derivative is reclassified as income at the time of realization of the underlying transaction that has been hedged. Ineffective hedging elements of the change in the fair value of derivatives are recorded in the income statement. If derivatives were purchased for hedging purposes but do not formally qualify for hedging under IAS 39, they are recorded at fair value through profit and loss. The fair values of derivatives are determined using accepted option pricing models, taking into account current exchange rates prevailing on the balance sheet date. Please refer to Note 29 for further information relating to financial instruments.

Trade accounts payable are categorized as financial liabilities and are measured at amortized cost. Trade accounts payable are recorded at the higher of their notational value or their redemption amount at the close of the fiscal year, including any value added tax.

Cash and cash equivalents Cash and cash equivalents consist of cash on hand, bank balances and all highly liquid bank investments having original maturities of three months or less. Cash and cash equivalents are defined accordingly in the cash flow statements.

Inventories Inventories are valued at acquisition or manufacturing costs or market price, with the market price being defined as the net realizable value. Removals from inventory are determined on an average-cost basis. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated selling costs. Valuation adjustments on excess inventories are determined on the basis of internal procedures in accordance with the ratio between inventory turnover and future sales or usage. Excess inventories are stocks of individual inventory items that exceed anticipated sales or usage. Management utilizes its judgment in forecasting sales or usage.

Other accounts receivable and other assets Other accounts receivable and other assets are recorded at amortized cost and less allowances, where applicable. Non-current receivables and assets are valued using the effective interest method.

Provisions Provisions are formed when the corporate group presently has a legal or constructive outside obligation as a result of a past event and it is likely that settlement of the obligation will lead to an outflow of economic resources and the amount of the obligation can be reliably determined. The valuation is made on the basis of the best estimate of the extent of the obligation.

Pensions Valuation of pension obligations under defined benefit plans is based upon the projected unit credit method in accordance with IAS 19, "Employee Benefits." Under this rule, changes in the amount of either the defined benefit obligation (under pension plans), the actuarial present value of earned entitlements (under other plans) or variances between actual and expected returns on plan assets or from changes in assumptions can result in actuarial gains or losses not yet recognized in the Company's Consolidated Financial Statements. Actuarial gains or losses are recognized in the income statement when the balance of the cumulative, unrecorded actuarial gains or losses for each individual plan exceeds the greater of the two amounts resulting from 10 % of the defined benefit obligation or 10 % of the fair value of the plan assets at the close of the previous reporting period. These gains or losses are amortized over the average remaining service period of active employees who are expected to receive benefits under the plan. The accounting for obligations under defined benefit plans is based upon actuarial reports calculated as per the close of the fiscal year. The existing pension plans are detailed in Note 24.

Expenses for defined contribution plans are recorded as expense in the income statement when the premium obligation is incurred. Provisions are formed only if the payment is not made in the year the premium was incurred.

Other accounts payable Other accounts payable are recorded at their notational value or at their higher redemption amount at the close of the fiscal year, including any value added tax.

Income taxes Current income taxes are stated as a liability to the extent to which they have not yet been paid. General tax risks within the group are additionally considered. Should the amounts already paid for income taxes exceed the amount owed, the difference is stated as an asset. Calculation of the amount is based upon the tax rates and tax legislation applicable at the close of the fiscal year.

Under IAS 12, "Income Taxes," deferred tax assets and liabilities are formed in the consolidated and taxation financial statements for temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases (liability method). In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. In making this assessment, management considers the scheduled reversal of temporary differences, projected future taxable income and tax planning strategies. Valuation of deferred tax assets and liabilities is performed using the local tax rates expected to be in effect at the time of realization of the asset or satisfaction of the liability, with the tax rates applicable at the close of the fiscal year being employed. The effects of changes in tax laws are recognized in the results of operations in the period in which the new tax rates go into effect. Deferred taxes that relate to line items recorded directly under shareholders' equity are recorded directly under equity and not in the income statement. An adjustment is formed for deferred tax assets if it is unlikely that future tax advantages will be realized. Deferred tax assets and liabilities are offset if the entitlements and obligations relate to one and the same tax authority.

Treasury shares Should the corporate group acquire treasury shares, they are deducted from shareholders' equity. The purchase, sale, issuance or recall of treasury shares is not recorded in the income statement.

Share-based compensation Accounting for share-based compensation in connection with convertible bonds issued to employees had been based upon IFRS 2, "Share-based Payment," until fiscal 2006. The share-based compensation paid to employees consisted of equity-settled plans under which the total value of the conversion rights granted to employees was determined as of the issue date using an option pricing model (Black-Scholes model). The total value of the conversion rights thus calculated was then recorded as personnel expense on a straight-line basis throughout the vesting period. After all convertible bonds were converted in fiscal 2006, no further share-based compensation plans exist within the PFEIFFER VACUUM Group.

Use of estimates The process of preparing financial statements requires the use of estimates and assumptions on the part of management. These estimates are based upon management's historical experience. Certain of the Company's accounting policies are considered critical, as they can have a major impact on the profitability, financial position and liquidity of the corporate group and necessitate significant or complex judgment on the part of management. These estimates and assumptions could differ from the actual results. As of December 31, 2007, no judgment uncertainties existed that could lead to the significant risk of the need for a material adjustment of book values in the 2008 fiscal year.

Material forward-looking estimates and assumptions exist, among others, in connection with the formation of pension and warranty provisions, in forecasting the useful lives of fixed assets, in forecasting the expected total cost for construction contracts or in connection with deferred tax assets; the major assumptions are detailed in the notes relating to the individual line items of the balance sheet or in the accounting principles.

Notes to the Consolidated Balance Sheets and Consolidated Statements of Income

5. Selling and marketing expenses

Selling and marketing expenses predominantly include wages and salaries, marketing and advertising costs, costs relating to trade shows and conventions, as well as other merchandising costs (such as catalogs, brochures, etc.).

6. General and administrative expenses

General and administrative expenses predominantly include wages and salaries, expenses related to allowances for doubtful accounts, audit and other general consulting fees, as well as all costs relating to the Company as a whole.

For further analysis of operating expenses please refer to Note 12 (relating cost of sales), to Note 24 (relating to development of pension expenses) and to Note 34 (relating to development of personnel expenses). Furthermore, the Company's profitability is detailed in Management's Discussion and Analysis (see section profitability, financial position and liquidity).

7. Intangible assets

The intangible assets item includes purchased software within the consolidated group. The development of intangible assets in 2007 and 2006 was as follows:

Development of Intangible Assets (in K €)

	2007	2006
Acquisition cost		
Balance on January 1	3,125	2,945
Currency changes	–26	–28
Additions	129	208
Disposals	–138	–
Balance on December 31	3,090	3,125
Amortization		
Balance on January 1	2,806	2,612
Currency changes	–26	–28
Additions	227	222
Disposals	–138	–
Balance on December 31	2,869	2,806
Net book value on December 31	**221**	319

Impairment losses did not have to be recorded for intangible assets in fiscal 2007 and 2006.

8. Property, plant and equipment

Development of Property, Plant and Equipment 2007 (in K €)

	Land and Buildings	Technical Equipment and Machinery	Other Equipment, Factory and Office Equipment	Con-struction in Progress	**Total**
Acquisition or manufacturing cost					
Balance on January 1, 2007	28,731	23,965	15,944	787	69,427
Currency changes	–4	–11	–203	–	–218
Additions	261	2,684	1,073	2,560	6,578
Disposals	–	–2,000	–2,857	–	–4,857
Reclassifications	–	556	–	–556	–
Balance on December 31, 2007	28,988	25,194	13,957	2,791	70,930
Depreciation					
Balance on January 1, 2007	13,171	20,880	12,475	–	46,526
Currency changes	–3	–8	–174	–	–185
Additions	980	937	1,056	–	2,973
Disposals	–	–1,981	–2,654	–	–4,635
Balance on December 31, 2007	14,148	19,828	10,703	–	44,679
Net book value on December 31, 2007	**14,840**	**5,366**	**3,254**	**2,791**	**26,251**

Development of Property, Plant and Equipment 2006 (in k €)

	Land and Buildings	Technical Equipment and Machinery	Other Equipment, Factory and Office Equipment	Con-struction in Progress	**Total**
Acquisition or manufacturing cost					
Balance on January 1, 2006	27,217	23,203	15,599	–	66,019
Currency changes	–5	–20	–155	–	–180
Additions	1,379	893	1,409	777	4,458
Disposals	–	–101	–909	–	–1,010
Reclassifications	140	–10	–	10	140
Balance on December 31, 2006	28,731	23,965	15,944	787	69,427
Depreciation					
Balance on January 1, 2006	12,239	20,078	12,401	–	44,718
Currency changes	–4	–12	–140	–	–156
Additions	936	915	982	–	2,833
Disposals	–	–101	–768	–	–869
Balance on December 31, 2006	13,171	20,880	12,475	–	46,526
Net book value on December 31, 2006	**15,560**	**3,085**	**3,469**	**787**	**22,901**

Impairment losses did not have to be recorded for property, plant and equipment for fiscal 2007 and 2006. No such assets were offered as security for loans.

9. Investment properties

Development of Investment Properties (in K €)

	2007	2006
Acquisition or manufacturing cost		
Balance on January 1	4,496	4,352
Additions	–	944
Disposals	–	– 660
Reclassifications	–	– 140
Balance on December 31	4,496	4,496
Depreciation		
Balance on January 1	2,658	3,259
Additions	71	59
Disposals	–	– 660
Reclassifications	–	–
Balance on December 31	2,729	2,658
Net book value on December 31	**1,767**	1,838

The real estate shown in this line item was fully rented in fiscal 2007 and 2006. Rental revenues amounted to K € 603 (2006: K € 550), as opposed to direct operating expenses of K € 311 (2006: K € 159). Impairment losses did not have to be recorded in the years 2007 and 2006.

The fair values of investment properties totaled € 1.9 million as per December 31, 2007 (December 31, 2006: € 2.1 million). Fair values were derived on the basis of the Company's own calculations by discounting expected net rental revenues during the estimated remaining life by a discount rate of 6.0 to 8.0 %.

10. Investment securities

Those investment securities classified as available-for-sale consist of publicly traded equity securities having no defined maturity or fixed interest rate. A portion of the holdings was sold in fiscal 2007, realizing a gain of K € 2,265. The remaining interests were valued at fair value as of December 31, 2007, with changes in fair value being recorded directly in equity.

The investment securities classified as held-to-maturity consist of bank or corporate bonds having variable interest rates or bonded loans. Non-current investment securities with a net book value of € 5.0 million will mature in 2015. The issuer of the securities is allowed to redeem the securities earlier if certain stipulations contained in the terms and conditions are satisfied. PFEIFFER VACUUM considers the impairments to be temporary as the securities will be redeemed at notional value.

Please refer to Note 29 for the composition of fair values and the net book values.

11. Other non-current assets

Other non-current assets include, among others, the non-current portion of the German corporate tax reduction claims (K € 1,009; 2006: K € 1,098).

12. Inventories

Composition of Inventories (in K €)

	2007	2006
Raw materials	7,910	6,132
Work in process	4,537	4,590
Finished products	7,440	8,116
Reserves	– 3,030	– 3,318
Total inventories, net	**16,857**	15,520

Dec. 31

Materials consumption in fiscal 2007 amounted to € 73.1 million (2006: € 69.4 million) and is included in cost of sales.

Development of Inventory Reserves (in K €)

	2007	2006
Balance on January 1	3,318	3,456
Currency changes	−65	−59
Additions	87	295
Inventory written off	−310	−374
Balance on December 31	**3,030**	3,318

13. Trade accounts receivable

Composition of Trade Accounts Receivable (in K €)

	2007	2006
Trade accounts receivable	26,790	24,320
Allowance for doubtful accounts	−535	−386
Trade accounts receivable, net	**26,255**	23,934

Dec. 31

The Company provides credit in connection with its normal course of business to a wide variety of customers. The Company performs ongoing credit evaluations of its customers and establishes allowances for identified credit risks. Trade accounts receivable do not bear any interest and have a remaining term of less than one year.

Summary of Activity in the Allowance for Doubtful Accounts (in K €)

	2007	2006
Balance on January 1	386	774
Currency changes	–14	–23
Additions	248	77
Accounts written off	–85	–442
Balance on December 31	**535**	386

The increase in allowance for doubtful accounts is mainly due to the insolvency of a sales company's foreign customer.

Composition of Unreserved Trade Accounts Receivable (in K €)

	Net Book Value	Thereof: Unreserved and not Overdue	Thereof: Unreserved and Overdue in the Following Periods					
			< 30 Days	30 – 60 Days	61 – 90 Days	91 – 180 Days	181 – 360 Days	> 360 Days
2006	23,934	16,626	3,801	2,238	310	133	234	62
2007	**26,255**	18,463	5,009	840	699	136	40	39

Dec. 31

In 2007, expenses for derecognition of receivables amounted to K € 120 (2006: K € 110). The income from cash proceeds on derecognized receivables totaled K € 10 (2006: Zero).

14. Receivables from construction contracts

Receivables from construction contracts as of December 31, 2007, include the net amounts resulting from offsetting the prorated sales revenues of K € 7,249 against the prepayments received (K € 4,618). IAS 11 rules became mandatory for the first time in 2007.

15. Other accounts receivable, other current assets

Other accounts receivable in the amount of K € 1,979 (2006: K € 1,801) consist predominantly of tax claims for overpaid income taxes (K € 766; 2006: K € 1,256) and V.A.T. (K € 427; 2006: K € 383). Other current assets include the derivatives valued at fair value amounting to K € 188 (2006: K € 417).

16. Cash and cash equivalents

The cash and cash equivalents item consists of cash at banks and cash on hand. Additionally, the Company records all bank deposits having an original maturity of three months or less as cash equivalents. The fair value of cash and cash equivalents corresponds to their net book value.

17. Share capital and additional paid-in capital

As in the year before, the share capital of PFEIFFER VACUUM TECHNOLOGY AG (parent company) consists of 8,970,600 no-par ordinary shares issued and 8,843,524 no-par ordinary shares outstanding as per December 31, 2007.

The Annual Shareholders Meeting on June 8, 2005, authorized the Management Board to increase the Company's share capital by K € 11,252 or 4,395,300 shares in consideration for contributions in cash and/or kind. This authorization is valid though June 7, 2010, and is subject to the consent of the Supervisory Board.

On December 31, 2007, additional paid-in capital totaled K € 13,305. There were no changes in fiscal 2007.

18. Paid and proposed dividends

The Annual Shareholders Meeting on May 31, 2007, resolved to pay a dividend of € 2.50 per share (Annual Shareholders Meeting on May 31, 2006: € 1.35 per share). The dividend payment carried out thereunder amounted to K € 22,109 (2005: K € 11,732).

At the Annual Shareholders Meeting the Management and Supervisory Boards will propose, that the shareholders participate in the Company's success in the form of a dividend in the amount of € 3.15 per share. The resulting payment of K € 27,857 had not been recorded as a liability in the balance sheet as of December 31, 2007.

19. Other equity components

Other equity components comprise unrealized gains/losses on hedges, foreign currency translation adjustments and gains from the revaluation of available-for-sale securities at fair value.

Development of Other Equity Components (in K €)

	Unrealized Gains/Losses on Hedges	Foreign Currency Translation Adjustments	Revaluation of Available-for-Sale Securities	**Total**
Balance on January 1, 2006	−196	−637	–	– 833
Changes in fair value of cash flow hedges (net of tax)	455	–	–	455
Changes in foreign currency translation	–	−1,587	–	−1,587
Revaluation of securities classified as available-for-sale (net of tax)	–	–	3,485	3,485
Balance on December 31, 2006	**259**	**−2,224**	**3,485**	**1,520**
Changes in fair value of cash flow hedges (net of tax)	−231	–	–	−231
Changes in foreign currency translation	–	−2,252	–	−2,252
Revaluation of securities classified as available-for-sale (net of tax)	–	–	−2,150	−2,150
Balance on December 31, 2007	**28**	**−4,476**	**1,335**	**−3,113**

Due to the fact that the terms of all cash flow hedges are less than one year, the reported year-end balances are reclassified to the income statement in each succeeding year. The new year-end balances result only from changes in that year and thus not from prior years.

The decrease in other equity components from the revaluation of available-for-sale securities primarily relates to the sale of a portion of the holdings and the resulting reclassification of the realized gain on the sales to the income statement.

20. Treasury shares

The Annual Shareholders Meeting on May 31, 2007 authorized the Company to purchase treasury shares pursuant to § 71, Sub-Para. 1, No. 8, German Stock Corporation Act ("AktG"). This authorization covers the purchase of a proportionate amount of share capital up to € 2,296,473.60 (897,060 shares equal to 10 % of share capital as per the date of authorization) and is valid through November 28, 2008. As of December 31, 2007, treasury shares totaled € 3.7 million and consisted of 127,076 ordinary shares, carried at acquisition cost. These shares had been repurchased under former authorizations in prior years.

21. Long-term debt

There continued to be no long-term debt as of December 31, 2007. PFEIFFER VACUUM and its subsidiaries have various lines of credit available for operating purposes, totaling approximately € 7.9 million (2006: € 10.7 million). No amounts under these lines were outstanding on December 31, 2007, or 2006.

22. Income taxes

Under current German corporate tax law, taxes on income comprise corporate taxes, trade taxes and an additional surtax.

Income Before Tax was Taxable in the Following Jurisdictions (in K €)

	2007	2006
Germany	50,310	38,025
Outside Germany	9,102	8,367
Total	**59,412**	46,392

Composition of Income Tax Expenses and Benefits (in K €)

	2007	2006
Current taxes		
> Germany	17,401	14,089
> Outside Germany	3,215	2,617
	20,616	16,706
Deferred taxes		
> Germany	1,494	–378
> Outside Germany	17	278
	1,511	–100
Income tax expenses	**22,127**	16,606

Amounting to K € 20,441, current tax expenses relate to earnings in 2007 (2006: K € 17,482). This item additionally contains tax effects for prior years amounting to K € –175 (2006: K € + 776).

Reconciliation from Expected to Actual Income Tax Expense (in K €)

	2007	2006
Earnings before taxes	59,412	46,392
Expected tax expense using a tax rate of 37.87 %	22,499	17,569
Effects of tax rate reductions under the corporate tax reform 2008	1,033	–
Non-deductible expenses	138	49
Loss carryforwards for a non-German subsidiary	–	–28
Effects due to dividend payments	–111	12
Tax debits/credits due to tax filings in prior years	–132	226
Higher/lower foreign tax rates	–366	–274
Effects relating to capital gains on securities	–850	–
Capitalization of German corporate tax reduction claims	–	–1,098
Other	–84	150
Income tax expense	**22,127**	16,606

As opposed to 35.8 % in 2006, the tax rate for the PFEIFFER VACUUM Group amounted to 37.2 % in 2007. The primary reason for this increase was the devaluation of the German group companies' deferred tax assets due to the corporate tax reform 2008.

Deferred Taxes Relate to the Following Balance Sheet Items (in K €)

	2007	2006
Deferred tax assets		
> Pensions	3,201	4,187
> Personnel and other provisions	1,434	1,057
> Inventories	887	1,032
> Intangible assets	124	195
> Property, plant and equipment	47	51
> Receivables (including allowances for doubtful accounts)	21	20
Total deferred tax assets	**5,714**	6,542
Deferred tax liabilities		
> Receivables (including allowances for doubtful accounts)	−860	−61
> Property, plant and equipment	−410	−568
> Tax-privileged reserves of the Swedish subsidiary	−275	−288
> Inventories	−157	−123
> Personnel and other provisions	−55	–
> Cash flow hedges	−27	−158
> Unrealized gains from available-for-sale securities	−20	−67
Total deferred tax liabilities	**−1,804**	−1,265
Total deferred taxes, net	**3,910**	5,277

Dec. 31

Amounts Recorded in the Balance Sheet (in K €)

	2007	2006
Deferred tax assets	4,185	5,585
Deferred tax liabilities	−275	−308
Total deferred taxes, net	**3,910**	5,277

Dec. 31

Deferred Taxes Recorded in the Income Statement (in K €)

	2007	2006
Pensions	948	–10
Personnel and other provisions	–333	–132
Inventories	180	–165
Receivables (including allowances for doubtful accounts)	798	133
Tax loss carryforwards	–	28
Property, plant and equipment	–151	–28
Tax-privileged reserves of the Swedish subsidiary	–1	15
Other	70	59
Total deferred taxes	**1,511**	–100

As of December 31, 2007, the Company recorded deferred tax assets amounting to K € –31, which were recorded directly in equity (2006: K € –225). The amount of K € –11 thereof relates to unrealized gains/losses on cash flow hedges (2006: K € –158), and the amount of K € –20 thereof applies to unrealized gains from available-for-sale securities (2006: K € –67).

Provisions have not been established for additional taxes on the undistributed earnings of non-German subsidiaries. These earnings are considered to be permanently reinvested and could become subject to additional tax if remitted or deemed remitted as dividends. Following effective German law, dividends from non-German and German subsidiaries are 95 % tax-exempt, i.e. 5 % of dividend income is not deductible from income for corporate tax purposes. Management estimates that the effects of this rule will be negligible, as the German investments are consolidated for tax purposes.

23. Convertible bonds and share-based compensation

Within the scope of an employee participation program (term: 2002 through 2007), in July 2002 the Company issued 4,600 convertible bonds having an aggregate principle amount of € 0.6 million to certain salaried employees of the Company in Germany and other countries. All remaining bearers of convertible bonds exercised their conversion rights in the two conversion periods in 2006. In this connection, the outstanding convertible bonds having a notional value of K € 461 were converted into 180,000 no-par ordinary shares and the share capital was increased by K € 461. The total cash adjustment of K € 7,254 paid in connection with the conversion (equivalent to € 40.30 per share) was recorded in additional paid-in capital.

In fiscal 2006, personnel expenses in the amount of K € 232 had been recorded with regard to the convertible bonds.

24. Pensions and similar obligations

Defined benefit plans Most employees in Germany, the United States, the Netherlands and Belgium are entitled to receive pension benefits from the Company, which are covered by defined benefit plans in their respective countries. In the United States, the Company has established a pension fund for all employees and a supplemental pension fund for executives (SERP), a non-qualified, non-funded pension plan for certain officers. In Germany, the Company sponsors two pension plans. In the year 2003, the Company established PFEIFFER VACUUM TRUST E. V. ("the Trust") to fund its pension plans. The Trust is an independent, bankruptcy-protected, separate legal entity whose sole purpose is to act in a fiduciary capacity as trustee for the assets held and has invested the contributions in a mutual fund managed by an unrelated third party. The pursued target allocation consists of equities (up to 30 %) and of fixed-income securities and cash (at least 70 %).

Composition of Net Periodic Pension Cost (in K €)

	2007	2006
Service cost	923	1,179
Interest cost	2,310	2,235
Expected return on plan assets	–2,080	–1,906
Net periodic pension cost	**1,153**	1,508

Composition of the Net Amounts Recorded in the Balance Sheets (in K €)

	2007	2006
Present value of funded pension obligations	–45,155	–49,719
Present value of unfunded pension obligations	–629	–633
Total present value of pension obligations	–45,784	–50,352
Fair value of plan assets	47,584	44,917
Present value of net obligations	1,800	–5,435
Unrecognized actuarial gains/losses	–3,257	1,721
Net amount recorded in balance sheets	**–1,457**	–3,714
> Thereof: Prepaid pension costs	142	145
> Thereof: Provisions for pensions	–1,599	–3,859

Dec. 31

Development of Benefit Obligations (in k €)

	2007	2006
Present value of benefit obligations on January 1	50,352	50,678
Service cost	923	1,179
Interest cost	2,310	2,235
Actuarial gains	−5,531	−1,655
Benefit payments	−1,946	−1,756
Currency changes	−324	−329
Present value of benefit obligations on December 31	**45,784**	50,352

Development of Plan Assets (in k €)

	2007	2006
Fair value of plan assets on January 1	44,917	41,595
Expected return on plan assets	2,080	1,906
Company contributions	3,316	2,158
Benefit payments	−1,946	−1,756
Actuarial gains/losses	−567	1,210
Currency changes	−216	−196
Fair value of plan assets on December 31	**47,584**	44,917

The actual return on plan assets in fiscal 2007 amounted to k € 1,513 (2006: k € 3,116).

Actuarial Assumptions (in %)

	2007	2006
Germany		
Discount rate	5.60	4.60
Long-term rate of increase in compensation levels	2.75	2.75
Expected long-term rate of return on assets	4.50	4.60
United States, Netherlands, Belgium		
Discount rate	4.60 – 6.25	4.60 – 5.75
Long-term rate of increase in compensation levels	3.00 – 4.00	3.00
Expected long-term rate of return on assets	4.50 – 7.50	4.50 – 7.50

Dec. 31

The Company's expected long-term rate of return on assets is based upon premium corporate bonds and the appreciation of equities held by the Trust.

The Company expects that cash contributions to plan assets in 2008 will approximate 2008's net periodic pension cost (€ 1.1 million).

Composition of Plan Assets

	2007		2006	
	K €	%	K €	%
Equity securities	11,381	23.9	12,232	27.2
Fixed-income securities	31,440	66.1	27,311	60.8
Cash and cash equivalents	3,087	6.5	3,800	8.5
Other	1,676	3.5	1,574	3.5
Total	**47,584**	**100.0**	44,917	100.0

Dec. 31

Plan assets do not contain financial instruments issued by the Company or other assets owned by the Company.

Development of Benefit Obligations and Plan Assets 2005 – 2007 (in K €)

	2007	2006	2005
Present value of benefit obligations	45,784	50,352	50,678
Fair value of plan assets	47,584	44,917	41,595
Surplus/Deficit	1,800	–5,435	–9,083
Experience adjustments on plan liabilities	–5,531	–1,655	4,236
Experience adjustments on plan assets	–567	1,210	–356

Dec. 31

Defined contribution plans Employees of the Company in certain other countries are covered by defined contribution plans. Generally, contributions are based upon a percentage of the employee's wages or salaries. The costs of these plans charged to operations amounted to K € 417 for both, 2007 and 2006.

Under a retirement arrangement for the formerly uncovered employees of PFEIFFER VACUUM GMBH made for December 31, 2007, a total of € 2.5 million was recorded in personnel provisions. This obligation is based upon the Group's results, covers the contributions for the years 2006 and 2007 and will be funded to the PFEIFFER VACUUM TRUST E.V. in 2008. The Management Board restipulates the contributions to PFEIFFER VACUUM TRUST E.V. each year, on the basis of the economic success of the PFEIFFER VACUUM Group. Amounts contributed and funded in the past can not be used to project future contributions and funding.

25. Trade accounts payable and other payables

Trade accounts payable do not bear any interest and have maturities less than one year.

Other payables primarily consist of payroll taxes and V.A.T. as well payables from social security contributions. They do not bear any interest and also have maturities of less than one year.

26. Provisions

Composition of Provisions (in k €)

	2007	2006
Warranty provisions	1,983	1,929
Personnel provisions	9,525	10,932
Other provisions	947	703
Total	**12,455**	13,564

Dec. 31

Warranty provisions include the amounts expected due to claims in connection with product warranties. They are recorded as per the close of the fiscal year for realized revenues based on management's estimates and experience.

Employee-related expenses primarily include provisions for bonuses and service anniversary awards. The decrease year on year was attributable to the further funding of old-age part-time obligations to PFEIFFER VACUUM TRUST E.V.

Development of Provisions (in k €)

	Warranty	Personnel	Other	**Total**
Balance on January 1, 2007	1,929	10,932	703	13,564
Currency changes	–51	–165	–78	–294
Additions	724	6,430	1,021	8,175
Utilization	–252	–6,776	–633	–7,661
Releases	–367	–896	–66	–1,329
Balance on December 31, 2007	**1,983**	**9,525**	**947**	**12,455**

27. Commitments and other financial obligations

The Company has entered into leases and maintenance agreements which expire on various dates, some of which are renewable. The tables below present the maximum amount of the contractual commitments as of year end, classified by the periods in which the contingent liabilities or commitments will expire.

Contractual Obligations as of December 31, 2007 (in K €)

		Payments Due by Period			
	Total	< 1 Year	1 – 3 Years	3 – 5 Years	> 5 Years
Operating leases	1,993	743	936	205	109
Purchase obligations	2,510	915	1,595	–	–
Repair and maintenance	481	350	112	19	–
Total	**4,984**	**2,008**	**2,643**	**224**	**109**

Contractual Obligations as of December 31, 2006 (in K €)

		Payments Due by Period			
	Total	< 1 Year	1 – 3 Years	3 – 5 Years	> 5 Years
Operating leases	2,299	842	1,082	360	15
Purchase obligations	3,524	541	2,796	187	–
Repair and maintenance	452	352	100	–	–
Total	**6,275**	**1,735**	**3,978**	**547**	**15**

Purchase obligations include long-term arrangements for future supplies of materials. Rental expenses amounted to € 0.9 million and € 1.1 million for fiscal 2007 and 2006, respectively. The Company did not have any capital lease obligations in fiscal 2007 and 2006.

28. Segment reporting

The Company's business operations include the development, manufacture, sale and service of vacuum pumps, vacuum components and instruments, as well as vacuum systems. The subsidiaries in the individual countries are independent legal entities with their own management, which distribute products and provide services. The entire product portfolio is offered by all sales subsidiaries.

Controlling of business development by corporate management is carried out on the legal entity's level. Accordingly, the Company identifies its primary operating segments geographically (by legal entity). Due to the similarity of their economic characteristics, including nature of products sold, type of customers, methods of product distribution and economic environment, the Company aggregates its European subsidiaries outside Germany into one reporting segment, "Europe (excluding Germany)." All information is based upon the geographic location of the group company in question.

Transactions between segments are based upon the arm's-length principle. The internal reporting on which the disclosures are based is IFRS. Segment sales and segment results in the primary reporting format initially include the effects of inter-segment transactions. These effects are eliminated in connection with the consolidation process.

Segment Reporting as of December 31, 2007 (in K €)

	Germany	Europe (Excluding Germany)	United States	Rest of World	Other/ Consoli-dation	**Group**
Net sales	161,218	46,447	41,723	6,941	−64,287	192,042
> Third party	98,708	46,275	41,682	5,377	–	192,042
> Intercompany	62,510	172	41	1,564	−64,287	–
Operating profit	44,918	3,222	3,234	1,459	14	52,847
Financial income	–	–	–	–	6,565	6,565
Income before income tax	44,918	3,222	3,234	1,459	6,579	59,412
Segment assets	131,319	19,344	23,020	3,747	–	177,430
> Thereof: Assets according to IFRS 8.33 (b)*	28,277	686	133	1,044	–	30,140
Segment liabilities	19,149	6,436	1,926	552	–	28,063
Capital expenditures:						
> Property, plant and equipment**	6,062	313	22	181	–	6,578
> Intangible assets	123	6	–	–	–	129
Depreciation**	2,668	236	59	81	–	3,044
Amortization	214	13	–	–	–	227

* Non-current assets other than financial instruments, deferred tax assets and prepaid pension cost
** Including investment properties

Segment Reporting as of December 31, 2006 (in K €)

	Germany	Europe (Excluding Germany)	United States	Rest of World	Other/ Consoli- dation	**Group**
Net sales	144,202	53,425	41,635	6,118	−65,896	179,484
> Third party	79,700	52,999	41,577	5,208	–	179,484
> Intercompany	64,502	426	58	910	−65,896	–
Operating profit	37,368	3,525	3,255	872	−63	44,957
Financial income	–	–	–	–	1,435	1,435
Income before income tax	37,368	3,525	3,255	872	1,372	46,392
Segment assets	124,165	20,556	20,824	3,125	–	168,670
> Thereof: Assets according to IFRS 8.33 (b)*	25,164	733	186	797	–	26,880
Segment liabilities	20,187	7,036	1,867	608	–	29,698
Capital expenditures:						
> Property, plant and equipment**	4,915	367	104	16	–	5,402
> Intangible assets	201	7	–	–	–	208
Depreciation**	2,482	277	62	71	–	2,892
Amortization	202	20	–	–	–	222

* Non-current assets other than financial instruments, deferred tax assets and prepaid pension cost
** Including investment properties

Aside from reasonably relatable assets the segment “Other” contains all assets that can not be allocated on a reasonable basis (e.g. securities, deferred tax assets).

Sales by Product (in K €)

	Turbopumps	Measurement and Analysis Equipment	Backing Pumps	Service	Systems	Other	**Group**
2006	78,284	45,938	24,786	25,344	4,582	550	179,484
2007	79,992	45,222	29,817	25,394	11,014	603	**192,042**

There were no sales to major customers, as no single customer accounts for more than 10 % of total sales.

29. Financial instruments

Fair value The net book value of financial instruments (e.g. cash and cash equivalents, trade accounts receivable and trade accounts payable, available-for-sale securities) essentially equals their fair value. In variance thereto, differences between net book value and fair value exist with regard to those securities held-to-maturity.

Interest rate risks The interest-bearing portion of cash and cash equivalents, as well as those securities held-to-maturity, involve in interest rate risks. All investment forms have variable interest rates and are – with the exception of held-to-maturity securities – invested on a short-term basis. There are no further investment forms that result in interest rate risks within the PFEIFFER VACUUM Group.

Due to the short investment period for cash and cash equivalents the agreed interest rate equals the market rate. Even if the market rate should change significantly, there will be no impact on the fair value of cash and cash equivalents because the interest rate can be adjusted after only a short period of time. There are no changes in the net book value of the held-to-maturity securities due to changing interest rates because these investments are valued at amortized cost, and interest-based changes in their fair value will therefore not affect their net book value.

All interest-sensitive securities as of December 31, 2007, and 2006, respectively, are categorized as held-to-maturity financial instruments. Accordingly, a hypothetical change in the interest rates on the balance sheet dates will not result in any changes in net income or shareholders' equity due to these securities. As a result of cash and cash equivalents on December 31, 2007, and on December 31, 2006, respectively, an increase (decrease) in interest rate by 50 basis points would increase (decrease) earnings by K € 417 (2006: increase/decrease by K € 377).

Credit risks Due to the Company's heterogeneous customer structure and the fact that no single end customer accounts for more than 10 % of total sales, there are no material credit risk concentrations within the group. Credit risks are additionally minimized through a rigorous accounts receivable management and by monitoring our customers' payment patterns. Furthermore, deliveries to new customers are essentially made only after credit assessment, against payment in advance or credit limit. As a result, PFEIFFER VACUUM is able to keep the level of its allowance for doubtful accounts low, even in difficult economic times. The purchased securities consist predominantly of bank or corporate bonds of undoubted creditworthiness, making the credit risk minimal here as well. The maximum credit risk is determined by the net book value of the financial assets (including derivatives with positive fair values) recorded in the balance sheet.

Liquidity risks Due to the above-average level of cash and cash equivalents, no liquidity risks can be identified.

Foreign exchange rate risks Approximately 35 % of the Company's net sales are denominated in currencies other than the euro, primarily in U.S. dollars. The Company enters into foreign currency forward contracts and options to hedge the exposure of its forecasted sales against currency fluctuations. All derivative financial instruments are entered into only within this scope. Some of the derivatives held do not qualify for hedge accounting under IAS 39. In this cases the derivatives are measured at fair value through profit and loss. K € 57 were recorded as income in the income statement due to changes in the fair value in fiscal 2007.

The derivatives that qualify for cash flow hedges under IAS 39 are recognized either as assets or liabilities at their fair values. Changes in the values of these cash flow hedges are recorded in equity under other equity components, net of applicable taxes. These amounts are subsequently reclassified as earnings (foreign exchange gains/losses) in the same period as the underlying transactions affect operating income. For the fiscal years ended December 31, 2007, and 2006, there were no gains or losses that were recognized in earnings due to hedge ineffectiveness. For the same periods, no gains or losses had to be reclassified to earnings from other equity components as a result of the discontinuance of cash flow hedges.

The Company's derivatives are marked to market at period end using quoted forward rates. The fair values recorded in other current assets for the period ended December 31, 2007 totaled K € 188 (2006: K € 417). Due to recording of the changes in fair value for cash flow hedges directly in equity, other equity components increased by K € 28, net of tax of K € 11 (2006: Other equity components increased by K € 259, net of tax of K € 158).

The Company does not engage in speculative hedging for investment purposes. The maturities of all forward contracts are aligned with the date the cash receipts are anticipated to occur. As of December 31, 2007, and December 31, 2006, no contracts held by the Company had a maturity date greater than one year.

As of December 31, 2007, and 2006, the notional amounts of the U.S. dollar forward contracts were € 9.0 million and € 11.2 million, respectively. The Company performs ongoing credit evaluations of the parties to these contracts and enters into contracts only with well-established financial institutions.

Currency risks as defined by IFRS 7 arise as a result of financial instruments being denominated in a currency that is not the functional currency and being of a monetary nature; differences resulting from the translation of financial statements into the Group's presentation currency are not taken into consideration. Relevant risk variables are generally all non-functional currencies in which PFEIFFER VACUUM has financial instruments.

The vast majority of non-derivative monetary financial instruments within the PFEIFFER VACUUM Group are directly denominated in functional currency. In variance thereto, exchange rate risks arise from the securities available-for-sale, from a portion of trade accounts receivable and from derivative financial instruments. If derivative financial instruments are classified as cash flow hedges, changes in the exchange rate do not impact the income statement but are recorded directly in equity. Exchange rate-based changes in securities available-for-sale are also recorded directly in equity.

Had the euro lost 10 % against the currencies involved in the Consolidated Financial Statements as of December 31, 2007, net income would have been K € 440 higher and total equity would have been K € 818 higher (K € 665 thereof being due to the Swiss franc and K € 153 to the U.S. dollar). A 10 % gain in the euro as of December 31, 2007, would have decreased net income by K € 567 and total equity by K € 797 (K € –542 thereof being due to the Swiss franc and K € –255 to the U.S. dollar). A 10 % loss in the euro as of December 31, 2006 would have led to a K € 347 increase in net income and a K € 1,386 increase in total equity (K € 1,366 thereof being due to the Swiss franc and K € 20 to the U.S. dollar). A 10 % gain in the euro as of that balance sheet date would have decreased net income by K € 323 and total equity by K € 1,347 (K € –1,118 thereof being due to the Swiss franc and K € –229 to the U.S. dollar). In all cases, net income was affected solely by sensitivity of the U.S. dollar.

Composition of financial instruments The following tables show the composition of financial instruments by balance sheet line item and valuation category and fair value as well as net results by valuation category.

Composition of Financial Instruments as of December 31, 2007 (in K €)

Assets	Category According to IAS 39	Net Book Value	Amounts Recognized According to IAS 39			Fair value
			Amortized Cost	Fair Value Recognized in Equity	Fair Value Through Profit and Loss	
Cash and cash equivalents	LaR	83,383	83,383	–	–	83,383
Trade accounts receivable	LaR	26,255	26,255	–	–	26,255
Receivables from construction contracts	LaR	2,631	2,631	–	–	2,631
Securities						
> Held-to-Maturity	HtM	4,998	4,998	–	–	4,253
> Available-for-Sale	AfS	6,062	–	6,062	–	6,062
Derivative financial instruments (incl. cash flow hedges)	N/A	102	–	102	–	102
Derivative financial instruments (excl. cash flow hedges)	FAHfT	86	–	–	86	86
Liabilities						
Trade accounts payable	FLAC	4,803	4,803	–	–	4,803
Totals by valuation categories:						
Loans and Receivables (LaR)		112,269	112,269	–	–	112,269
Held-to-Maturity-Investments (HtM)		4,998	4,998	–	–	4,253
Financial Assets Available-for-Sale (AfS)		6,062	–	6,062	–	6,062
Financial Assets Held for Trading (FAHfT)		86	–	–	86	86
Financial Liabilities Measured at Amortized Cost (FLAC)		4,803	4,803	–	–	4,803

Composition of Financial Instruments as of December 31, 2006 (in K €)

Assets	Category According to IAS 39	Net Book Value	Amounts Recognized According to IAS 39			Fair value
			Amortized Cost	Fair Value Recognized in Equity	Fair Value Through Profit and Loss	
Cash and cash equivalents	LaR	75,354	75,354	–	–	75,354
Trade accounts receivable	LaR	23,934	23,934	–	–	23,934
Securities						
> Held-to-Maturity	HtM	5,998	5,998	–	–	5,188
> Available-for-Sale	AfS	12,537	–	12,537	–	12,537
Derivative financial instruments (incl. cash flow hedges)	N/A	417	–	417	–	417
Derivative financial instruments (excl. cash flow hedges)	FAHfT	–	–	–	–	–
Liabilities						
Trade accounts payable	FLAC	4,428	4,428	–	–	4,428
Totals by valuation categories:						
Loans and Receivables (LaR)		99,288	99,288	–	–	99,288
Held-to-Maturity-Investments (HtM)		5,998	5,998	–	–	5,188
Financial Assets Available-for-Sale (AfS)		12,537	–	12,537	–	12,537
Financial Assets Held for Trading (FAHfT)		–	–	–	–	–
Financial Liabilities Measured at Amortized Cost (FLAC)		4,428	4,428	–	–	4,428

Net Results by Valuation Categories (in k €)

	From Interests/ Dividends	From Subsequent Valuation at Fair Value	Currency Translation	Impairment/ Reversal of Impairment	From Derecog-nition	**Net Results** 2007	2006
Loans and Receivables (LaR)	3,404	−33	629	−240	−110	3,650	1,433
Held-to-Maturity-Investments (HtM)	84	–	–	–	–	84	152
Financial Assets Available-for-Sale (AfS)	248	−2,197	–	–	2,265	316	3,552
Financial Assets Held for Trading (FAHfT)	–	57	–	–	–	57	–
Financial Liabilities Measured at Amortized Cost (FLAC)	–	–	−68	–	–	−68	113

30. Management of financial risks

With an equity ratio of 84.2 % PFEIFFER VACUUM has an equity base that is far above-average. In the past three years the equity ratio has always been higher than 80 %. Additionally, cash and cash equivalents totaled to € 83.4 million as of December 31, 2007, and are invested on a short-term conservative basis. Due to its high equity ratio and its superior liquidity, PFEIFFER VACUUM does not depend upon interest-bearing liabilities to fund its capital expenditures for replacement and expansion. Moreover, there are sufficient liquidity reserves to respond to changes in the economic situation.

31. Earnings per share

Computation of Earnings* per Share

	2007	2006
Net income (in K €)	37,025	29,624
Weighted average number of shares	8,843,524	8,728,672
Number of conversion rights	–	–
Adjusted weighted average number of shares	8,843,524	8,728,672
Earnings per share in € (basic/diluted)	4.19	3.39

* Attributable to PFEIFFER VACUUM TECHNOLOGY AG shareholders

Because all outstanding convertible bonds had been converted by December 31, 2006, and no conversion rights were thus outstanding, there were no dilutive effects either in 2007 or 2006.

There were no transactions with ordinary shares or issued ordinary shares during the period between the balance sheet date of December 31, 2007, and the preparation of the Consolidated Financial Statements.

Additional Notes and Supplemental Information

32. Related party disclosures

Related party transactions predominantly consist of all transactions with those companies included in the Consolidated Financial Statements. The amounts of these transactions are detailed in the segment reporting in Note 28, which also includes intercompany sales. All transactions are carried out at conditions that are usual and customary in the market and are entirely eliminated during the consolidation process. There is therefore no impact on financial position or results. PFEIFFER VACUUM does not have holdings in any jointly controlled or associated entities. Furthermore, no factual control exists with respect to special purpose entities.

Please refer to Notes 36 and 37 regarding the compensation paid to members of the Management and Supervisory Boards, as well as regarding potential transactions with members of these corporate bodies. The members of the Supervisory Board do not provide material individual services for the Group or any of its companies. In contrast thereto, the employees' representatives on the Supervisory Board receive salaries under the rules of the respective employment contracts for their work at the Company.

On December 31, 2007, members of the Management and Supervisory Boards held an aggregate total of 1,577 shares in the Company (December 31, 2006: 15,077 shares and 400 ADRs). The holdings of members of corporate bodies are thus negligible.

The net contributions to the PFEIFFER VACUUM TRUST E.V. in 2007 amounted to € 3.5 million (2006: € 0.6 million).

33. Events after the balance sheet date

Since the beginning of the 2008 fiscal year, there have not been any significant changes in the Company's position or the industry environment.

34. Personnel expenses

Personnel Expenses (in K €)

	2007	2006
Wages and salaries	35,564	38,353
Social security, pension and other benefit cost	9,130	8,892
> Thereof for pensions	2,993	2,262
Total	**44,694**	47,245

At a Glance
MD & A
Financial Statements
Further Information

35. Number of employees

On December 31, 2007, and 2006, the number of employees was as follows:

Number of Employees

	2007	2006
Annual average		
Male	557	560
Female	122	125
Total	**679**	685
Balance sheet date		
Male	566	557
Female	126	127
Total	**692**	684

36. Management Board

As of December 31, 2007, the Management Board of the parent company PFEIFFER VACUUM TECHNOLOGY AG consisted of:

- Manfred Bender (CEO), Diplom-Betriebswirt
- Dr. Matthias Wiemer (Member of the Management Board), Diplom-Ingenieur

In its meeting on March 26, 2007, the Supervisory Board of PFEIFFER VACUUM TECHNOLOGY AG appointed Dr. Matthias Wiemer as a new member of the Company's Management Board effective from April 1, 2007.

After a long and successful tenure as chief executive officer, Wolfgang Dondorf stepped down from the Management Board at his own request effective June 30, 2007. The Supervisory Board appointed Manfred Bender as the new chief executive officer, with effect from July 1, 2007.

The aggregate amount of compensation paid to all members of the Management Board for fiscal 2007 was € 1.2 million (2006: € 1.1 million). Pursuant to § 289, Sub-Para. 2, No. 5, German Commercial Code ("HGB") the compensation paid to the members of the Management Board is detailed in the compensation report (part of MD & A). Benefits to former members of the Management Board (pensions) were paid for the first time in 2007 and amounted to € 0.1 million.

37. 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 shall comprise four members elected by the Annual Shareholders Meeting and two members elected by the Company's employees.

In 2007, the Supervisory Board comprised the following persons:

- Dr. Michael Oltmanns (Chairman), Attorney at Law and Tax Advisor
  Further supervisory board seats:
  > Becker Mining Systems AG, Friedrichsthal (chairman)
  > HPC AG, Weinheim, Germany (chairman)
  > Jetter AG, Ludwigsburg, Germany (chairman)
  > Merkur Bank KGaA, Munich, Germany (vice chairman)
  > Scholz AG, Essingen, Germany (chairman)
- Götz Timmerbeil (Vice Chairman and Chairman of the Audit Committee), Certified Public Accountant and Tax Advisor
- Michael J. Anderson, Investment Banker
- Helmut Bernhardt (Employee representative), Development Engineer
- Manfred Gath (Employee representative), Chairman of the Employee Council
- Wilfried Glaum, Business Administrator

Pursuant to § 289, Sub-Para. 2, No. 5, HGB the compensation paid to the members of the Supervisory Board is detailed in the compensation report (part of MD & A).

38. Exempting provision under § 264 (3), HGB

Pfeiffer Vacuum GmbH, Asslar, Germany, is included in the Consolidated Financial Statements of Pfeiffer Vacuum Technology AG. Accordingly, this company has made use of the exempting provision under § 264 (3), HGB.

39. Audit fees for independent auditors

The expenses for fiscal 2007 and 2006 for services rendered by the auditor of the Consolidated Financial Statements as recorded in the statements of income were as follows:

Audit Fees for the Auditor of the Consolidated Financial Statements (in K €)

	2007	2006
Fees resulting from:		
> Audit services	536	564
> Other certification and consulting services	–	13
> Tax advisory	44	46
> Other services	–	17
Total	**580**	640

40. German corporate governance code/ declaration pursuant to § 161 AktG

Pursuant to § 161 AktG, the Management and Supervisory Boards issued the statement of compliance for the year 2007 in December 2007 and made it permanently available for shareholders and interested parties. With the following exceptions, this statement reflects compliance with the recommendations of the German corporate governance code government commission:

- No agreement was able to be reached in negotiations with our D & O insurance carrier to obtain a lower premium if a deductible is arranged. The Company will therefore not arrange for a deductible. A deductible would not improve the overall motivation and sense of responsibility of the Management and Supervisory Boards. Both the Management and Supervisory Boards work to the benefit of the enterprise.
  (Point 3.8 of the Code)

- The Supervisory Board does not have a nomination committee. Such committee will be built in the next Supervisory Board's meeting in March 2008.
  (Point 5.3.3 of the Code)

- The members of the Supervisory Board have in the past received and presently still receive fixed compensation, which does not contain any performance-related variable income elements. Their compensation is stated in the compensation report.
  (Point 5.4.7 of the Code)

The full text of the Code is available at the following Internet address:
www.corporate-governance-code.de

41. Authorization for issuance of Consolidated Financial Statements

Through a resolution by the Management Board on February 22, 2008, the Consolidated Financial Statements were authorized for issuance.

Asslar, February 22, 2008

Management Board

Manfred Bender Dr. Matthias Wiemer

Certification of the Legal Representatives

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

Asslar, February 22, 2008

Management Board

Manfred Bender Dr. Matthias Wiemer

Independent Auditors' Report

We have audited the Consolidated Financial Statements prepared by PFEIFFER VACUUM TECHNOLOGY AG, Asslar, comprising the income statement, the balance sheet, statement of changes in equity, cash flow statement and the notes to the Consolidated Financial Statements, together with the group management report for the fiscal year from January 1 to December 31, 2007. The preparation of the Consolidated Financial Statements and the group management report in accordance with IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to Sec. 315a (1) HGB are the responsibility of the parent company's management. Our responsibility is to express an opinion on the Consolidated Financial Statements and on the group management report based on our audit.

We conducted our audit of the Consolidated Financial Statements in accordance with Sec. 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the Consolidated Financial Statements in accordance with the applicable financial reporting framework and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the Consolidated Financial Statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by management, as well as evaluating the overall presentation of the Consolidated Financial Statements and the group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the Consolidated Financial Statements comply with IFRSs as adopted by the EU, the additional requirements of German commercial law pursuant to Sec. 315a (1) HGB and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. The group management report is consistent with the Consolidated Financial Statements and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Eschborn/Frankfurt am Main, February 25, 2008

Ernst & Young AG
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Klingelhöfer	Pott
Wirtschaftsprüfer	Wirtschaftsprüferin
(German Public Auditor)	(German Public Auditor)

Shipment

From the initial idea to manufacturing the product right through to shipment throughout the world. We never lose sight of our customers' wants and needs. Transforming ideas into solutions.

Further Information

Product Portfolio 146
Addresses Worldwide 150
Index 152

Product Portfolio

Vacuum

The surface of the earth is surrounded by a layer of air (atmosphere) that exerts a given pressure (atmospheric pressure). A vacuum exists if the pressure prevailing in a vessel is lower than the atmospheric pressure that surrounds it. Vacuum technology differentiates between four vacuum ranges:

- Low vacuum: From 10^3 to 1 mbar, e.g. for vacuum packaging
- Medium vacuum: From 1 to 10^{-3} mbar, e.g. for decorative coating
- High vacuum: From 10^{-3} to 10^{-7} mbar, e.g. for thin layer solar cell coating systems and equipment used in environmental analysis
- Ultra-high vacuum: From 10^{-7} to 10^{-12} mbar, e.g. for space simulation or scientific research

Vacuum generation

Turbopumps

The turbomolecular pump was invented at Pfeiffer nearly 50 years ago, and has since been steadily evolved. Turbopumps are the Company's most important product. These pumps are available in a wide range of sizes for all applications in the high- and ultra-high vacuum ranges.

TurboCube™ pumping stations

In addition to stand-alone pumps, we also offer ready-to-run pumping stations for analytical applications and research & development needs. These TurboCube™ pumping stations are modularly designed and essentially consist of a turbopump, a backing pump, a vacuum gauge, as well as a controller.

Rotary vane pumps

Rotary vane pumps are employed as backing pumps for turbomolecular and Roots pumps, in addition to being used as stand-alone pumps. We offer models for all applications in the low- and medium-vacuum ranges.

Product Portfolio Our extensive line of products and services ranges from individual components right through to complex vacuum systems. As a leading supplier in vacuum technology, we have the right vacuum solution for every application.

■ **Vacuum generation**	Turbopumps, rotary vane pumps, dry pumps, Roots pumps, Vacuum pumping stations
■ **Vacuum measurement and analysis equipment**	Vacuum gauges and controllers, mass spectrometers, leak detectors
■ **Installation elements**	Fittings, flanges, valves
■ **Vacuum systems**	leak detection systems, multi-stage vacuum processes

Dry pumps

A dry pump does not require lubricants in the pump chamber. This guarantees a high level of process purity and very good environmental compatibility. We have developed a line of dry pumps for employment in the semiconductor industry, in freeze-drying and in metallurgy, for example.

Roots pumps

We offer a complete line of Roots pumps for applications in the low- and medium-vacuum ranges. These pumps are characterized by an optimum ratio between pumping speed and physical size.

CombiLine™ pumping stations

We also offer a broad range of CombiLine™ pumping stations. In addition to our proven standard pumping stations, in which various sizes of Roots pumps are combined with rotary vane and dry pumps as backing pumps, we also offer custom solutions for specific processes.

Vacu² multi-stage vacuum processes

Together with die casting specialists, PFEIFFER VACUUM has made a crucial advance in die casting technology. The purpose of vacuum in a die casting system is to evacuate a given volume of air from the mold cavity and the shot sleeve within the shortest possible period of time.

Vacuum measurement and analysis equipment

Vacuum gauges and controllers

In addition to vacuum generation pumps, we also offer a variety of vacuum measurement and analysis equipment.

Mass spectrometers

In industrial production processes, it is often not only important to know "how much" is in something, but also "what it is." With the aid of a mass spectrometer, it is possible to analyze the composition of a gas.

Leak detectors

Our helium leak detectors enable troublesome, quality-reducing leaks in products and processes to be identified. These devices are employed, for example, for quality assurance in building and operating vacuum systems, refrigerators, air conditioning systems, automotive fuel tanks and brake lines.

Installation elements

In order to interconnect the various vacuum components or to disconnect them from one another, we offer a broad selection of installation elements, such as flanges, fasteners, gaskets, seals and valves.

Vacuum systems

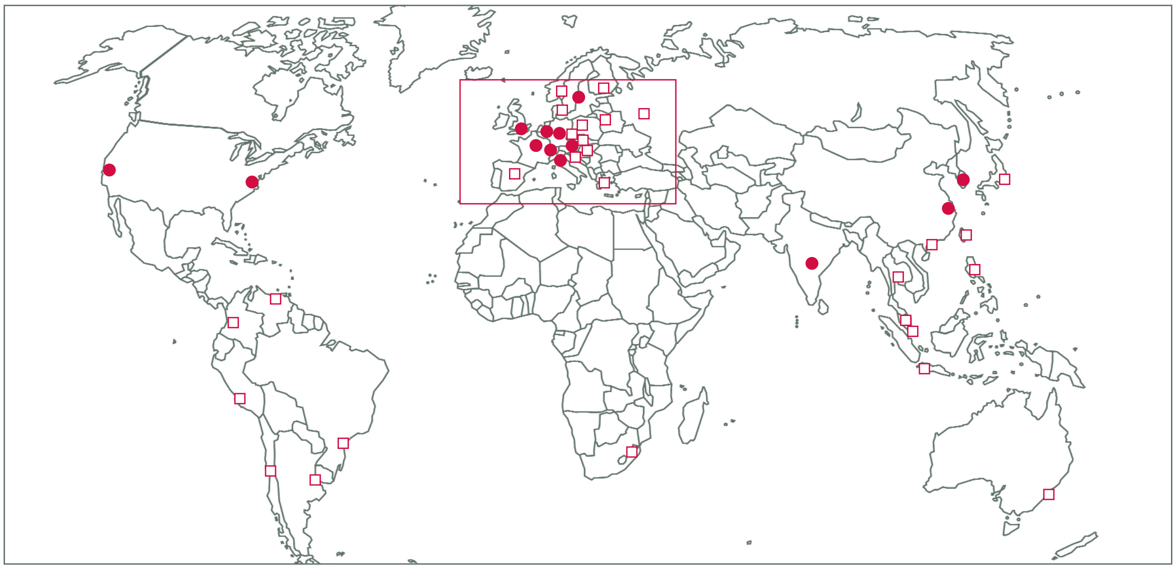
Thin layer solar cell coating systems

Developed in close collaboration with our customer, these coating systems feature an ingenious, process-adapted vacuum system that incorporates the latest products from PFEIFFER VACUUM (turbopumps, dry backing pumps, measurement and analysis equipment).

Leak detection systems

PFEIFFER VACUUM develops and manufactures complete vacuum systems for customer-specific processes, such as components for applications in the automotive industry, for pressure vessels or for the food industry. The products in this category also include helium leak detection systems.

Addresses worldwide



● Subsidiaries ☐ Agencies

Austria

PFEIFFER VACUUM AUSTRIA GMBH
Diefenbachgasse 35
1150 Wien
Phone: +43 1 8941704
Fax: +43 1 8941707
office@pfeiffer-vacuum.at

China

PFEIFFER VACUUM (SHANGHAI) CO., LTD.
Room 102, Building 5
289 Bisheng Road
Pudong
Shanghai 201204
Phone: +86-(0)21-339 339 40
Fax: +86-(0)21-339 339 44
info@pfeiffer-vacuum.cn

France

PFEIFFER VACUUM FRANCE
Domaine Technologique
4 rue René Razel
Bâtiment azur – Hall C
91400 Saclay
Phone: +33 1 69 30 92 82
Fax: +33 1 69 30 92 94
info@pfeiffer-vacuum.fr

Germany

PFEIFFER VACUUM TECHNOLOGY AG
PFEIFFER VACUUM GMBH
Berliner Straße 43
35614 Asslar
Phone: +49 (0) 64 41 802-0
Fax: +49 (0) 64 41 802-202
info@pfeiffer-vacuum.de

PFEIFFER VACUUM GMBH
Sales & Service Euregio
Pascalstraße 17
52076 Aachen
Phone: +49 (0) 24 08 7094-530
Fax: +49 (0) 24 08 7094-5330
info@pfeiffer-vacuum.de

India

PFEIFFER VACUUM (INDIA) LTD.
25/5 Nicholson Road, Tarbund
Secunderabad 500 009
Phone: +91 40 2775-0014
Fax: +91 40 2775-7774
pfeiffer@vsnl.net

Italy

PFEIFFER VACUUM ITALIA S. P. A.
Via San Martino 44
20017 Rho
Phone: +39 02 939905-1
Fax: +39 02 939905-33
contact@pfeiffer-vacuum.it

Scandinavia

PFEIFFER VACUUM SCANDINAVIA AB
Johanneslundsvägen 3
194 61 Upplands Väsby
Sweden
Phone: +46 8 590748-10
Fax: +46 8 590748-88
sales@pfeiffer-vacuum.se

South Korea

PFEIFFER VACUUM KOREA LTD.
703 Ho, Hankuk Mulru B/D, 853-1
Dongchun-Dong, Yongin City
Kyungki-Do, 449-120
Phone: +82 31 266-0741
Fax: +82 31 266-0747
sales@pfeiffer-vacuum.co.kr

Switzerland

PFEIFFER VACUUM (SCHWEIZ) AG
Förrlibuckstrasse 30
8005 Zürich
Postal Address: P. O. Box 437
8037 Zürich
Phone: +41 44 444-2255
Fax: +41 44 444-2266
info@pfeiffer-vacuum.ch

United Kingdom

PFEIFFER VACUUM LTD.
2–4 Cromwell Business Centre
Howard Way, Interchange Park
Newport Pagnell, MK16 9QS
England
Phone: +44 1908 500-600
Fax: +44 1908 500-601
sales@pfeiffer-vacuum.co.uk

United States

PFEIFFER VACUUM INC.
24 Trafalgar Square
Nashua, NH 03063-1988
Phone: +1 603 57865-00
Fax: +1 603 57865-50
contact@pfeiffer-vacuum.com

Index

A

Accounting and valuation methods 94
Accounts receivable 85, 108
Addresses worldwide 150
ADRs 18, 135
Annual Shareholders Meeting ... 22, 52, 110, 111

B

Balance sheet 85

C

Capital expenditures 6, 45, 87, 125
Cash flow 43, 87
Certification of legal representatives 141
Consolidated companies 49, 89
Construction contracts 37, 94, 110
Corporate governance 11, 52, 138
Corporate governance report 52
Currency translation 90

D

Dates and contacts .... Back fold-out
Delisting 6, 18, 48
Development focuses 63
Development of new orders 39
Development of sales 26, 30, 84, 125
Dividend 4, 7, 20, 23, 43, 80, 111
Dividend distribution proposal 7, 20, 80, 111
Dividend yield 20, 23, 81

E

Early 2008 77
Earnings (development) 39, 84
Earnings per share 20, 23, 84, 134
EBIT 26, 40, 84, 125
Education 60
Employees 59, 136
Environmental management 67
Equity investments 49, 89
Export business, percentage of 32, 72

F

Financial calendar 2008 .... Back fold-out
Financial glossary .... Back fold-out
Financial instruments 127
Financial position 42, 85, 125
Financial results 41, 84
Fixed assets 45, 85, 104, 125
Foreword 6

G

Group structure 49, 89

H

Holdings 49, 89
Human resources 59, 136

I

IAS/IFRS 58, 88
Income statement 84
Independent auditor's report 142
Inventories 85, 107
Investments 49, 89
Investor relations 21

K

Key performance indicators .... Front fold-out

L

Letter from the Management Board 6
Liquidity 43, 87

M

Management Board 7, 53, 136
Management’s discussion and analysis 26
Markets 36
Market capitalization 6, 23
Minority interests 85, 90

N
New orders 39
Notes to the Consolidated
Financial Statements 88

O
Old-age pension 61, 117
Operating profit 26, 40, 84, 125
Orders on hand 39
Outlook 77
Overall economic environment 28

P
Pension 85, 117
Pension commitments 85, 117
Personnel 59, 136
Personnel expenses 59, 135
Pfeiffer Vacuum Trust e.V. 62, 117, 121, 135
Principles of consolidation 89
Products 34, 126, 146
Profile .... Front fold-out
Profit (development) 39, 84
Property, plant
and equipment 45, 85, 104, 125
Provisions 85, 122
Purchasing 66

Q
Quality 68

R
Report of the Supervisory Board 10
Research & development 37, 40, 63, 72
Risk and opportunities report 70
Risk management 11, 70, 127
Risks 70, 127

S
Sales by market 36
Sales by product 34, 126
Sales by region 32
Sales, development of 26, 30, 84, 125
Sarbanes Oxley Act 6
Segment reporting 30, 92, 125
Sensitivity analysis 128, 130
Service 35, 126
Share price performance 6, 17, 23
Shareholders' equity 26, 43, 85, 86, 110
Shares/Share price 6, 17, 23
Social commitment 62, 69
Statements of income 84
Subsidiaries 49, 89
Supervisory Board 10, 14, 54, 137
Sustainability 67
SWOT-Analysis 75

T
Tax expenses 41, 84, 112
Training and education 60

V
Value Reporting 46

W
Workforce 59, 136

Concept and content
pfeiffer vacuum technology ag, Asslar

Photos
Maik Scharfscheer, Frankfurt am Main
Alex Habermehl, Frankfurt am Main

Graphic design and typesetting
zellnerundpirker Werbeagentur GmbH,
Munich

This version of the Annual Report is a translation from the German version. Only the German version is binding.

Financial Glossary >>

Please unfold >>

In our financial glossary you will find formulas for calculating the key performance indicators and ratios, as well as definitions of financial terms.

Financial Glossary

Cash and cash equivalents
Bottom line in statement of cash flow/total liquid assets

Cash flow from investment/divestiture activities
Net cash used for/provided from investments/divestitures

Cash flow from operating activities
Net cash used/provided, not influenced by investment, divestiture or financial activities

Corporate governance
Responsible corporate management and supervision with a view to long-term economic value added (eva)

Current assets ratio
Current Assets : Current Liabilities x 100

Dividend yield
Dividend : Trading Price x 100

Equity ratio
Shareholders' Equity : Balance Sheet Total x 100
(The higher the ratio, the lower the debt level)

Free-float
Broadly held shares

Gross profit
Net sales less cost of sales

Market capitalization
Number of Shares x Trading Price

Operating profit (ebit)
Earnings before interest and taxes

Operating profit margin (ebit margin)
Operating Profit : Net Sales x 100
(The higher the percentage, the higher the profitability)

Research & development expense ratio
R & D Expenses : Net Sales x 100

Return on equity
Net Income : Shareholders' Equity x 100

Return on Capital Employed (roce)
Ratio between operating profit and the total of property, plant and equipment plus current assets less current liabilities

SWOT-Analysis
Analysis of Strengths, Weaknesses, Opportunities and Threats

Financial Calendar 2008

- 2007 Annual Results
  Thursday, March 27, 2008
- 1st Quarter 2008 Results
  Tuesday, May 6, 2008
- 2nd Quarter 2008 / 1st Half Year 2008 Results
  Tuesday, August 5, 2008
- 3rd Quarter 2008 / 9-Month 2008 Results
  Tuesday, November 4, 2008
- 2008 Annual Shareholders Meeting
  Wednesday, May 28, 2008, 2:00 pm
  Townhall Wetzlar

Contacts

Investor Relations
Gudrun Geissler
Berliner Straße 43
35614 Asslar
Germany
Phone: +49 (0) 6441 802-314
Fax: +49 (0) 6441 802-365
Gudrun.Geissler@pfeiffer-vacuum.de
www.pfeiffer-vacuum.net

Public Relations
Sabine Trylat
Berliner Straße 43
35614 Asslar
Germany
Phone: +49 (0) 6441 802-169
Fax: +49 (0) 6441 802-500
Sabine.Trylat@pfeiffer-vacuum.de
www.pfeiffer-vacuum.net

PFEIFFER VACUUM TECHNOLOGY AG

Annual Report 2007