A PASSION FOR PERFECTION

PFEIFFER VACUUM

PFEIFFER VACUUM TECHNOLOGY AG

Half Year Financial Report
Second Quarter 2010

Half Year Financial Report / Second Quarter 2010

Contents

Key Figures

		Q2 2010	Q2 2009	Change	Q1-Q2 2010	Q1-Q2 2009	Change
Sales and profit							
Total Sales	K €	49,932	46,643	7.1 %	99,466	98,597	0.9 %
Germany	K €	15,496	21,629	-28.4 %	31,225	43,645	-28.5 %
Other countries	K €	34,436	25,014	37.7 %	68,241	54,952	24.2 %
Operating profit	K €	11,391	8,896	28.0 %	22,658	21,870	3.6 %
Net income	K €	8,543	6,454	32.4 %	17,781	15,554	14.3 %
Return on sales	%	17.1	13.8	+3.3 pp	17.9	15.8	+2.1 pp
Operating cash flow	K €	6,734	2,542	164,9 %	16,476	7,318	125.1 %
Capital expenditures	K €	403	1,279	-68.5 %	624	2,578	-75.8 %
Earnings per share	€	1.00	0.75	33.3 %	2.07	1.82	13.7 %
Workforce							
Workforce (average)		879	724	21.4 %	877	729	20.3 %
Germany		703	550	27.8 %	701	555	26.3 %
Other countries		176	174	1.1 %	176	174	1.1 %
Sales per employee	K €	57	64	-10.9 %	113	135	-16.3 %

		June 30, 2010	December 31, 2009	Change
Balance sheet				
Total assets	K €	163,380	159,054	2.7 %
Cash and cash equivalents	K €	44,020	61,983	-29.0 %
Number of shares issued		8,970,600	8,970,600	0.0 %
Shareholders' equity	K €	138,079	138,337	-0.2 %
Equity ratio	%	84.5	87.0	-2.5 pp

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

The half year financial report as of June 30, 2010, is unaudited.

The Company

Pfeiffer Vacuum – a name that stands for innovative solutions, high technology, dependable products and first-class service. For 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 more than 50 years ago. Thanks to our know-how, we continue to be the technology and world market leader in this field. To no small degree, this also manifests itself in our extremely high profitability.

Pfeiffer Vacuum is a provider of solutions for industrial applications and research projects requiring vacuum in the very low pressure range. In this connection, our vacuum solutions include all processes and steps that are needed to create perfect vacuum conditions, including advice, products, accessories, training and service. Our customers' requirements are typically highly complex. They relate to both the concrete vacuum need in question as well as to the specifics of the system, the materials and products being used or processed, as well as the process conditions. 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 ongoing development work and through the enormous enthusiasm and commitment of our people. These are virtues that we will continue to embrace!

Our customers come from environmental technologies, chemistry, semiconductor production, coating technologies, automotive industry and many other segments. The Company's main markets are located in Europe, the US and Asia. Established in 1890, Pfeiffer Vacuum including Trinos Vakuum-Systeme is today active with 879 employees, 14 subsidiaries and over 20 agencies worldwide.

Pfeiffer Vacuum	
Headquarters	Asslar
Established	1890
Purpose of the Company	To develop, manufacture and market components and systems for vacuum generation, measurement and analysis
Manufacturing sites	Asslar, Göttingen
Workforce (June 30, 2010)	879
Sales and service	14 subsidiaries and over 20 agencies worldwide
Export ratio	69 %
Quality management	Certified under ISO 9001:2008
Environmental management	Certified under ISO 14001:2004
Stock exchange listing	Deutsche Börse, Prime Standard/TecDAX
Accounting	IFRS

For more information please visit www.pfeiffer-vacuum.net.

Share Performance

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

Basic information about Pfeiffer Vacuum shares	
Deutsche Börse Symbol	PFV
ISIN	DE0006916604
Bloomberg Symbol	PFV.GY
Reuters Symbol	PV.DE
Number of shares issued	8,970,600 (including 456,352 treasury shares)
Free-float as at June 30, 2010	94.91 %
Market capitalization as at June 30, 2010	€ 517.6 million

On January 4, 2010, Pfeiffer Vacuum shares opened at € 58.50 at Deutsche Börse, while the closing price on June 30, 2010, was € 60.79. This represents an increase by 3.9 %. With € 63.50, the high for the first half year 2010 was reached on June 18, 2010. The low was recorded at € 52.52 on May 25, 2010. Thus, Pfeiffer Vacuum shares developed considerably better than the TexDAX which lost 12.0 % during the first six months of 2010, starting at 834 points on January 4, 2010 and closing at 734 points on June 30, 2010.

By means of the dividend payout in Mai 2010, Pfeiffer Vacuum strengthened its position as the highest dividend issuer in the TecDAX. At the Annual Shareholders' Meeting on May 20, 2010, a vast majority of shareholders followed the common proposal of Management and Supervisory Board and resolved a dividend of € 2.45 for the fiscal year 2009 (€ 3.35 per share for 2008). Thus, the payout ratio of around 75 % of consolidated net income was kept constant. A total of € 20.9 million was paid to the shareholders.

Unchanged compared to December 31, 2009, the free-float is 94.91 % because treasury shares (5.09 %) have to be deducted. This free-float is also the basis for the calculation of market capitalization as at June 30, 2010.

Interim Management Report

In an overall economic environment affected by positive development tendencies, Pfeiffer Vacuum was able to slightly increase sales by € 0.9 million, or 0.9 %, to € 99.5 million, despite sales in the first half year of 2009 being significantly impacted by the sales contribution from a big order from the solar industry. This satisfactory sales development also led to profitability improving on both, an absolute and a relative basis. With an operating profit of € 22.7 million and an EBIT margin of 22.8 % the prior year results (€ 21.9 million at an EBIT margin of 22.2 %) were exceeded, though the margin was slightly diluted by the first time inclusion of Trinos Vakuum-Systeme GmbH as of January 1, 2010. Considering financial results (€ 1.7 million) and income taxes (tax rate 27.1 %) this adds up to a net income of € 17.8 million (2009: € 15.6 million). Following € 1.82 in 2009, earnings per share stood at € 2.07 – an increase by excellent 13.7 % coming from an already above-average profitability level in 2009.

Overall Economic Environment and Industry Situation

Following the severe crisis in 2009, global economy is expected to grow at 4.5 % and thus to return comparatively fast to the growth path. For virtually all industrialized nations positive growth rates of gross domestic product (GDP) are forecasted following a weak year 2009. In total, economic experts project a 2.4 % growth rate for industrialized countries, mainly fuelled by the development in the United States (3.3 %) and Japan (3.2 %). For the Euro zone an increase of 1.0 % is predicted for full 2010 with Germany at a GDP growth rate of 2.0 % contributing disproportionally to this number. But the main driver for the global economic development still is the Asian region (excluding Japan) with a growth rate of 8.8 %. Thereby, the expected development in China with 10.2 % and in India with 8.9 % has to be pointed out.

The positive worldwide economic development also impacts the vacuum industry. Especially the semiconductor industry which stands at the beginning of a growth cycle contributes to this development, which is regionally reflected in a sales growth in Asia.

Business

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

Sales

Presented below are net sales by segment, by region, by product and by market for the periods ended June 30, 2010 and 2009. 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 location 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 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 the sales of our Asian subsidiaries in India, Korea and China. The presentation for the Asian region, on the other hand, additionally includes sales generated directly with Asian customers by the German company, such as with customers in Japan, and Taiwan. Net sales in the U.S. region and the U.S. segment, on the other hand, are nearly identical, because virtually all sales in this region are handled by our American subsidiary.

Sales by Segment (Companies)

Pfeiffer Vacuum's subsidiaries in the individual countries are independent legal entities with their own management which distribute the products and provide services. Accordingly, we identify our operating segments geographically. Due to the similarity of their economic characteristics, including nature of products sold, type of customers, method of product distribution and economic environment, we aggregate our European subsidiaries outside Germany into one reportable segment, "Europe (excluding Germany)."

Sales by Segment (in K €)

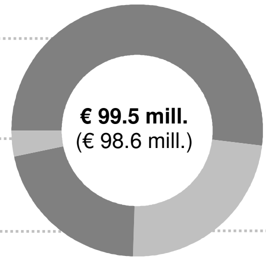
	Three months ended June, 30		Six months ended June, 30	
	2010	2009	**2010**	2009
Germany	25,050	28,345	51,709	58,541
United States	13,526	7,579	23,440	17,814
Europe*	9,498	9,761	20,991	20,474
Asia	1,858	958	3,326	1,768
Total	**49,932**	46,643	**99,466**	98,597

* Excluding Germany

While sales in the first half year 2010 compared to 2009 slightly increased by € 0.9 million to € 99.5 million, the development in the second quarter with an increase by € 3.3 million was significantly better. In the Germany segment sales in the prior year were characterized by the sales recognized in connection with a big order from the solar industry. Despite the positive development in the core business and the impacts from the first time inclusion of Trinos, sales in 2010 thus decreased. While sales in Europe (excluding Germany) slightly increased by € 0.5 million, the development in the United States was very good. Sales here increased by € 5.6 million, or 31.6 %. Sales expressed in US dollars grew at the same rate. Neither in the first half year nor in the second quarter material exchange rate impacts occurred. The main reason for this very satisfactory development in the US was predominantly the recovery in the analytical and semiconductor business. This led to the present sales increase being achieved only in the second quarter of 2010. Sales of our subsidiaries in Korea, China and India, which we combine in the Asia segment, also increased significantly by € 1.6 million, or 88.1 %, mainly due to the development in the Korean market.

As a consequence of the sales development in the Germany segment its share of total sales decreased from 59.4 % in the first half year of 2009 to 52.0 % in 2010. Accounting for 23.6 % of total sales, the US segment now ranks second, followed by Europe (excluding Germany) and Asia.

Sales by Segment H1/2010 (H1/2009)



* Excluding Germany

Sales by Region

To provide additional information, we also present sales by region in the following table. It includes all sales in a given region, regardless of which company in the Pfeiffer Vacuum Group actually generated these sales.

Sales by Region (in K €)

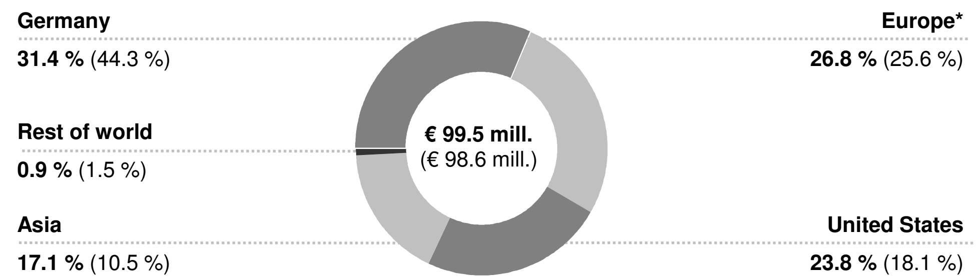
	Three months ended June 30,		Six months ended June 30,	
	2010	2009	**2010**	2009
Germany	15,496	21,629	31,225	43,645
Europe*	12,180	11,349	26,633	25,264
United States	13,603	7,714	23,652	17,827
Asia	8,279	5,039	17,026	10,356
Rest of world	374	912	930	1,505
Total	**49,932**	46,643	**99,466**	98,597

* Excluding Germany

The table above shows a decreasing sales development in Germany. In the first half year of 2010 as well as in the second quarter 2010 sales declines totaled € 12.4 million, or 28.5 %, and € 6.1 million, or 28.4 %, respectively. Crucial for this development were the sales recognized in connection with a big order from the solar industry which very positively impacted total sales in the previous year. On the other hand, sales from the first time inclusion of Trinos in 2010 partly compensated this decrease, as these sales were allocated predominantly to the Germany region. While sales in Europe (excluding Germany) were only slightly above the previous year's level (+€ 1.4 million), sales in Asia and the United States significantly increased by € 6.7 million, or € 5.8 million, respectively. In the US, this was mainly caused by the positive development in the analytical and semiconductor business, while the US dollar exchange rate had virtually no impact. The very promising sales development in Asia is mainly due to the sales increases in Japan (+€ 2.4 million), China and Korea (each with +€ 1.2 million). Here, too, exchange rate impacts were negligible.

Despite the sales decrease in Germany, with a portion of 31.4 % of total sales in the first six months of 2010 this still is the most important region. Nevertheless, the gap to Europe (excluding Germany) and the United States, where sales accounted for 26.8 %, and 23.8 %, of total sales, became smaller.

Sales by Region H1/2010 (H1/2009)



* Excluding Germany

Sales by Product

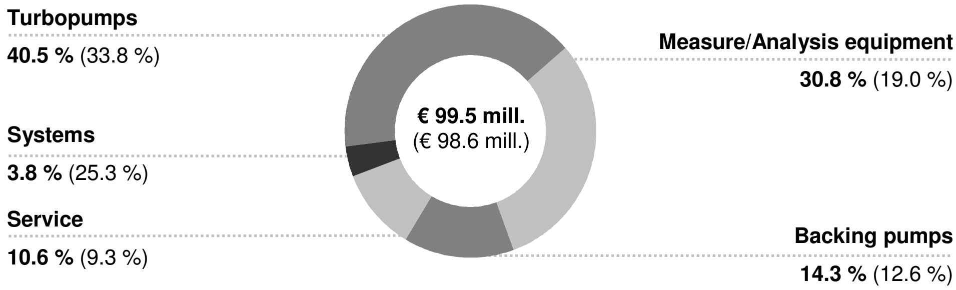
Sales by Product (in K €)

	Three months ended June 30,		Six months ended June 30,	
	2010	2009	**2010**	2009
Turbopumps	20,265	16,274	40,358	33,336
Measurement/Analysis equipment	14,812	8,533	30,605	18,752
Backing pumps	7,736	5,030	14,224	12,410
Service	5,578	4,460	10,525	9,174
Systems	1,541	12,346	3,754	24,925
Total	**49,932**	46,643	**99,466**	98,597

Compared to the prior year, sales by product in H1 2010 generally showed a reversed image where particularly the significant decrease in the systems business can be noticed (-€ 21.2 million). Among others, this is caused by the decrease in recognized sales from a big order from the solar industry. However, it is satisfactory that this strong decrease was more than offset by sales increases in all other product groups. The sales increase in measurement and analysis equipment (+€ 11.9 million), which was not only achieved due to the consideration of the Trinos sales allocated to this product group, has to be pointed out. Even more enjoyable is the development in the turbopump product group. Following € 33.3 million in the previous year, the sales volume in the current fiscal year totaled € 40.4 million. This represents an increase by € 7.1 million, or 21.1 %. In backing pumps and in service, too, sales increases by € 1.8 million, and € 1.4 million, respectively, were achieved.

Due to the sales decrease in systems business also the portion of total sales decreased to 3.8 % (2009: 25.3 %). After the turbopumps with highest share in total sales (40.5 %) we now have measurement and analysis equipment at 30.8 % (2009 at rank 3), followed by backing pumps (14.3 %) and service (10.6 %).

Sales by Product H1/2010 (H1/2009)

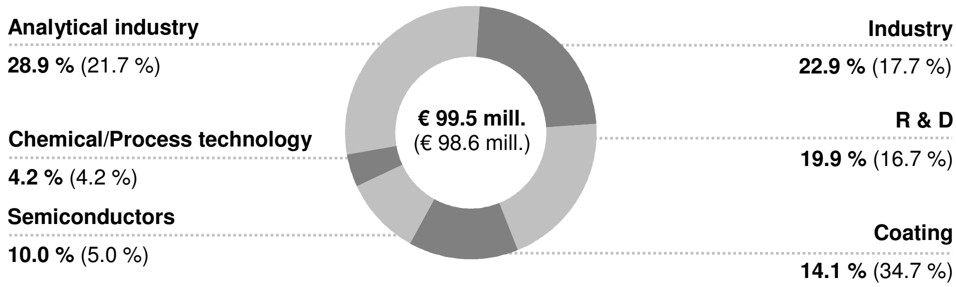


Sales by Market

Sales by Market (in K €)	Three months ended June 30,		Six months ended June 30,	
	2010	2009	**2010**	2009
Analytical industry	14,891	10,328	28,720	21,378
Industrial	11,913	8,246	22,827	17,422
R & D	8,773	7,876	19,829	16,474
Coating	6,974	16,522	14,067	34,228
Semiconductors	5,566	2,414	9,989	4,902
Chemical and process technology	1,815	1,257	4,034	4,193
Total	**49,932**	46,643	**99,466**	98,597

Analysis of sales by market shows the expected decrease in the coating market as a consequence of the sales recognized in connection with a big order from the solar industry in the prior year. Following € 34.2 million in 2009, sales in the first six months of 2010 totaled € 14.1 million; this represents a decrease by € 20.1 million, or 58.9 %. Opposed to that, all other market segments generally reported a positive development. With +€ 7.3 million in the first half year 2010 the analytical business recorded the highest absolute increase while the semiconductor industry with +103.8 % saw the highest increase in relative terms. But also market segments industrial and R & D developed on a very positive note (+€ 5.4 million, and +€ 3.4 million, respectively). Especially in the R & D market segment this is noteworthy as here even in the difficult market environment of 2009 sales increases were recorded. The anew sales increase in 2010 verifies the outstanding position Pfeiffer Vacuum possesses in this market segment. With a marginal decrease by € 0.2 million in the first half year, the chemical and process technology market showed virtually no change compared to the prior year period.

Sales by Market H1/2010 (H1/2009)



Order Intake and Order Backlog

The development of new orders in 2010 was very satisfactory. Following € 80.0 million in the first six months of 2009, new orders for the current financial year stand at € 103.2 million. This represents an increase by € 23.2 million, or 29.0 %. Thus, with € 53.8 million, the second quarter 2010 is the fourth quarter in row in which a sequential increase was achieved. The book-to-bill ratio, the quotient of new orders and sales, was 1.04 on June 30, 2010 (June 30, 2009: 0.81). Compared to the first quarter of 2010, when this ratio was 1.00, this also represents a slight improvement.

With orders on hand totaling € 45.5 million as at June 30, 2010, the visibility approximates three months. Coming from € 40.2 million as at December 31, 2009, and € 41.7 million as at March 31, 2010, to the said € 45.5 million as at June 30, 2010, the order backlog continuously increased. Almost two thirds of the order backlog relate to our vacuum pumps. As at June 30, 2009, orders on hand totaled € 42.4 million. The acquisition of Trinos on January 1, 2010, has to be considered in the development of order backlog.

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

Cost of Sales and Gross Profit

Totaling € 53.8 million in the first half year 2010, cost of sales decreased by € 1.8 million, or 3.3 %, compared to prior year figure (€ 55.6 million). Despite the slight increase in sales, cost of sales were thus reduced. As a result, gross profit at € 45.6 million and gross margin at 45.9 % were significantly higher than in the first half of 2009 (€ 43.0 million, and 43.6 %, respectively). The extensive reorganization and modernization of the production facilities in 2009 led to an increase in production efficiency in 2010. Additionally, the related expenses only occurred in 2009 and thus impacted the earnings development on double counts. The product mix, too, positively affected the increase in margins.

Selling and Marketing Expenses

Following € 11.7 million in the first half year 2009, selling and marketing expenses amounted to € 12.8 million in the first six months of the current fiscal year. This increase was predominantly due to the selling expenses accounted for by Trinos which still have to be seen against the backdrop of integrating Trinos into the Pfeiffer Vacuum Group. With 12.9 % of total sales, the relative portion of selling and marketing expenses also increased (2009: 11.8 %).

General and Administrative Expenses

General and administrative expenses increased by € 1.3 million from € 5.4 million in the first half year 2009 to € 6.7 in 2010. The main reasons for this development were the administrative expenses accounted for by Trinos and increased fees for memberships in industrial associations. Relative to sales, this ratio rose from 5.5 % to 6.8 %.

Research and Development Expenses

Totaling € 3.7 million in the first six months of 2010, research and development expenses were on the same level as in 2009. The R&D ratio, the ratio between R&D expenses and sales also remained stable at 3.7 5 in the first half year 2010.

Other operating income and expenses

Following foreign exchange losses of € 0.4 million in the first half year of 2009, € 0.3 million foreign exchange gains were recorded in 2010. The main reason for this was the development of the US dollar.

Operating Profit

Operating profit increased from € 21.9 million in the first six months of 2009 to € 22.7 million in 2010. This represents an increase by € 0.8 million, or 3.6 %. The EBIT margin, the ratio between operating profit and sales, also increased. Following 22.2 % in the first half year of 2009, it now stands at 22.8 %. In the second quarter, too, the EBIT margin was 22.8 %, representing a very steady margin situation. Slightly increased selling and administrative expenses were more than offset by the improvement in the gross margin. Additionally, the development of foreign exchange results positively impacted operating profit and EBIT margin.

Financial Result

Amounting to € 1.7 million, the financial result in the first half year of 2010 was significantly higher than the € 0.4 million in the year before. The main reasons for this development were gains from disposals of investment securities amounting to € 1.4 million which were particularly realized in the first quarter of 2010. In contrast, cash and cash equivalents decreased due to the acquisition and debt relief of Trinos at the beginning of 2010 and the dividend payment in May 2010.

Income Taxes

With 27.1 %, the tax rate for the first two quarters of 2010 was below the previous year’s level (30.3 %). In the second quarter of 2010 the tax rate was at 28.1 % after 30.0 % in the prior year. This decrease was due to the virtually tax free gains from disposals of investment securities.

Net Income

After € 15.6 million in the prior year, net income for the six months ended June 30, 2010, increased by € 2.2 million, or 14.3 %, to € 17.8 million. The related net return on sales was 17.9 % (2009: 15.8 %). This improvement is also reflected in the earnings per share. Following € 1.82 in the previous year, outstanding € 2.07 were recorded for the first half year of 2010 (€ 1.00 for the second quarter of 2010). Pfeiffer Vacuum thus returns to its well known profitability.

Financial Position

Compared to December 31, 2009, the balance sheet total increased by € 4.3 million, or 2.7 %, from € 159.1 million to € 163.4 million as at June 30, 2010. This development was, among others, attributable to the inclusion of Trinos in the Pfeiffer Vacuum Group. The inclusion impacted non-current assets, in particular property, plant and equipment as well as intangible assets (primarily goodwill). Please refer to Note 3 in the Notes to the Consolidated Interim Financial Statements for a detailed overview of assets and liabilities recognized in connection with the Trinos acquisition. Cash and cash equivalents decreased by € 18.0 million from € 62.0 million to € 44.0 million. This was mainly due to the payment of the purchase price to the former shareholders and the cash outflows in connection with the debt relief of Trinos as well as the dividend payment to the Pfeiffer Vacuum Technology AG shareholders amounting to € 20.9 million on the one hand and the operating cash flow of € 16.5 million on the other hand side. Accounting for 26.9 % of total assets, this position still is very important for the asset side of the balance sheet (December 31, 2009: 39.0 %). Additionally, receivables and inventories increased which was mainly caused by the sound business development in current fiscal 2010.

Amounting to € 138.1 million, total shareholders' equity as at June 30, 2010, virtually stood at the level of December 31, 2009 (€ 138.3 million). The dividend payment of € 20.9 million in May 2010, the net income of € 17.8 million for the six months period of 2010 as well as the positive development on other equity components (+€ 2.8 million) – as a consequence predominantly of exchange rate changes– were the main reasons for this. With 84.5 % as at June 30, 2010, the equity ratio is far above average (December 31, 2009: 87.0 %). Further material changes on the liabilities' side related to the increase in trade accounts payable (+€ 1.4 million) and in other accounts payable (+€ 1.3 million).

Cash Flow

Pfeiffer Vacuum continues to generate the required cash from operating activities to fund its day-to-day business and investment projects.

Compared to the first half year of 2009, the operating cash flow in the current fiscal year significantly increased. Following € 7.3 million in 2009, an operating cash flow of € 16.5 million was generated in the first two quarters of 2010. While the increase in inventories in 2010 led to a cash usage of € 2.5 million (2009: cash inflow of € 0.3 million), the prior year's operating cash flow was adversely affected by the significant decrease in liabilities and provisions (€ 10.2 million in total compared to a cash inflow of € 1.3 million in 2010). Additionally, the net income increase by € 2.2 million positively impacted the cash flow.

Net cash used in investing activities was € 7.3 million in the first six months of 2010 and was predominantly characterized by the net cash used for the Trinos acquisition totaling € 9.9 million. Proceeds from disposals of investment securities totaled € 3.2 million in the current year while redemptions by the issuer of investment securities amounted to € 3.0 million in the prior year. Additionally, capital expenditures of € 0.6 million were significantly below the prior year's level (€ 2.6 million). In the first two quarters of 2009, net cash provided by investing activities totaled € 0.4 million.

At the Annual Shareholders' Meeting on May 20, 2010, a dividend for the year 2009 amounting to € 2.45 per share was resolved. The amount paid to the shareholders totaled € 20.9 million. Additionally, the debt relief of Trinos at the beginning of 2010 led to a cash outflow from financing activities of € 7.9 million. Thus, net cash used in financing activities totaled € 28.5 million in 2010. In 2009, the dividend payment in the amount of € 28.8 million was the only determinant for the cash flow from financing activities.

Considering exchange rate impacts of € 1.7 million, total cash outflow thus amounted to € 18.0 million and resulted in a decrease in cash and cash equivalents from € 62.0 million to € 44.0 million.

Workforce

As of June 30, 2010, the company employed a workforce of 879 people, 703 of them in Germany and 176 in other countries.

Workforce

	Germany		Other Countries		Total	
			June 30,			
	2010	2009	**2010**	2009	**2010**	2009
Manufacturing and Service	411	294	45	49	456	343
Research and Development	75	72	-	-	75	72
Sales and Marketing	149	126	105	102	254	228
Administration	68	58	26	23	94	81
Total	**703**	550	**176**	174	**879**	724

The significant increase by 155 employees, or 21.4 %, in workforce was virtually only attributable to the first time inclusion of Trinos in the Consolidated Financial Statements. This company employed a workforce of 148 persons as at June 30, 2010.

Risk and Opportunities Report

During the first six months of the 2010 fiscal year, there were no changes in the risks and opportunities as described in our Annual Report for the year ended December 31, 2009. The Annual Report is available on our homepage at www.pfeiffer-vacuum.net.

Mayor Events after the Balance Sheet Date

In July 2010, Pfeiffer Vacuum founded a new sales and service subsidiary in Moscow, Russian Federation. This step is based on the growing importance of the Russian market, especially in the R&D market segment.

After the end of the first half year 2010, there has not been any significant change in the industry environment.

Outlook

The current development of new orders shows a clearly positive trend. Adjusted for the special impact of a big order, the second quarter 2010 is the strongest quarter since the beginning of 2008. This confirms our assumption that for the whole fiscal 2010 a sales volume on the 2008 level can be achieved.

Also with regard to profitability we are in line with our targets. The EBIT margin in the second quarter of 2010 is slightly above the first quarter's level. We expect no extraordinary negative impacts for the remainder of 2010. To significantly increase the margin, the sales volume of our European sales companies would have to be increased stronger. But based on the general economic conditions in Europe no material stimulus can be foreseen here. In total we thus keep at our forecast of an EBIT margin above 22.0 %. Nevertheless, Pfeiffer Vacuum therefore returns to a level of highest profitability and leaves behind the crisis, which anyway impacted the year 2009 to only a comparably minor extend.

Consolidated Interim Financial Statements

Consolidated Statements of Income (in K €; unaudited)	Three months ended June 30,		Six months ended June 30,	
	2010	2009	**2010**	2009
Net sales	49,932	46,643	99,466	98,597
Cost of sales	-26,732	-27,087	-53,827	-55,638
Gross profit	**23,200**	19,556	**45,639**	42,959
Selling and marketing expenses	-6,535	-5,747	-12,802	-11,665
General and administrative expenses	-3,579	-2,829	-6,735	-5,384
Research and development expenses	-1,863	-1,735	-3,695	-3,664
Other operating income	444	73	800	416
Other operating expenses	-276	-422	-549	-792
Operating profit	**11,391**	8,896	**22,658**	21,870
Financial expenses	-22	-	-121	-235
Financial income	513	324	1,855	666
Earnings before taxes	**11,882**	9,220	**24,392**	22,301
Income taxes	-3,339	-2,766	-6,611	-6,747
Net income	**8,543**	6,454	**17,781**	15,554
Thereof attributable to:				
Pfeiffer Vacuum Technology AG shareholders	**8,477**	6,421	**17,631**	15,509
Minority interests	66	33	150	45
Earnings per share (in €):				
Basic	1.00	0.75	2.07	1.82
Diluted	1.00	0.75	2.07	1.82

See accompanying notes to the interim financial statements.

Consolidated Statements of Comprehensive Income (in K €; unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2010	2009	**2010**	2009
Net income	**8,543**	6,454	**17,781**	15,554
Other comprehensive income				
Currency changes	1,648	-937	3,394	-131
Results from cash flow hedges	-416	215	-620	814
Revaluation of available-for-sale securities	-179	363	-125	363
Income tax relating to other comprehensive income	119	-67	172	-240
Other comprehensive income, net of tax	**1,172**	-426	**2,821**	806
Total comprehensive income	**9,715**	6,028	**20,602**	16,360
Thereof attributable to:				
Pfeiffer Vacuum Technology AG shareholders	**9,639**	5,983	**20,387**	16,313
Minority interests	76	45	215	47

See accompanying notes to the interim financial statements.

Consolidated Balance Sheets (in K €; unaudited)

	June 30, 2010	December 31, 2009
Assets		
Intangible assets	9,322	783
Property, plant, and equipment	40,593	36,117
Investment properties	628	640
Investment securities	2,485	4,355
Prepaid pension cost	428	420
Deferred tax assets	698	489
Other non-current assets	2,173	1,458
Total non-current assets	**56,327**	44,262
Inventories	22,980	17,546
Trade accounts receivable	34,092	20,623
Receivables from construction contracts	-	5,775
Other accounts receivable	2,128	5,943
Prepaid expenses	1,527	924
Investment securities	1,998	1,998
Other current assets	308	-
Cash and cash equivalents	44,020	61,983
Total current assets	**107,053**	114,792
Total assets	**163,380**	159,054
Shareholders' equity and liabilities		
Equity		
Share capital	22,965	22,965
Additional paid-in capital	13,305	13,305
Retained earnings	125,139	128,368
Other equity components	-301	-3,057
Treasury shares	-23,808	-23,808
Equity of Pfeiffer Vacuum Technology AG shareholders	**137,300**	137,773
Minority interests	779	564
Total equity	**138,079**	138,337
Deferred tax liabilities	727	347
Financial liabilities	414	-
Provisions for pensions	2,185	1,478
Total non-current liabilities	**3,326**	1,825
Trade accounts payable	5,303	3,895
Liabilities from construction contracts	-	187
Other accounts payable	2,692	1,415
Provisions	9,031	8,900
Income tax liabilities	1,636	1,513
Customer deposits	2,425	2,982
Other current liabilities	888	-
Total current liabilities	**21,975**	18,892
Total shareholders' equity and liabilities	**163,380**	159,054

See accompanying notes to the interim financial statements.

Consolidated Statements of Shareholders' Equity (in K €; unaudited)

	Equity of Pfeiffer Vacuum Technology AG Shareholders							
	Share Capital	Additional Paid-in Capital	Retained Earnings	Other Equity Compo-nents	Treasury Shares	Total	Minority Interests	**Total Equity**
Balance on January 1, 2009	22,965	13,305	129,295	-4,467	-23,808	137,290	522	137,812
Net income	-	-	15,509	-	-	15,509	45	15,554
Other comprehensive income	-	-	-	804	-	804	2	806
Total comprehensive income	**-**	**-**	**15,509**	**804**	**-**	**16,313**	**47**	**16,360**
Dividend payment	-	-	-28,523	-	-	-28,523	-	-28,523
Balance on June 30, 2009	**22,965**	**13,305**	**116,281**	**-3,663**	**-23,808**	**125,080**	**569**	**125,649**
Balance on January 1, 2010	22,965	13,305	128,368	-3,057	-23,808	137,773	564	138,337
Net income	-	-	17,631	-	-	17,631	150	17,781
Other comprehensive income	-	-	-	2,756	-	2,756	65	2,821
Total comprehensive income	**-**	**-**	**17,631**	**2,756**	**-**	**20,387**	**215**	**20,602**
Dividend payment	-	-	-20,860	-	-	-20,860	-	-20,860
Balance on June 30, 2010	**22,965**	**13,305**	**125,139**	**-301**	**-23,808**	**137,300**	**779**	**138,079**

See accompanying notes to the interim financial statements

Consolidated Statements of Cash Flows (in K €; unaudited)

	Six months ended June 30, 2010	2009
Cash flow from operating activities:		
Net income	17,781	15,554
Depreciation and amortization	2,095	2,013
Gain/loss on disposal of assets	-1,408	1
Other non-cash income and expenses	409	790
Effects of changes in assets and liabilities:		
Inventories	-2,507	334
Receivables and other assets	-1,232	-1,218
Provisions, including pension and income tax liabilities	301	-3,754
Payables, other liabilities	1,037	-6,402
Net cash provided by operating activities	**16,476**	7,318
Cash flow from investing activities:		
Proceeds from disposals of fixed assets	55	18
Capital expenditures	-624	-2,578
Proceeds from disposals of investment securities	3,165	-
Redemptions of investment securities	-	3,000
Acquisitions	-9,917	-
Net cash used in/provided by investing activities	**-7,321**	440
Cash flow from financing activities:		
Dividend payment	-20,860	-28,523
Redemption of financial liabilities	-7,909	-
Net cash used in financing activities	**-28,769**	-28,523
Effects of foreign exchange rate changes on cash and cash equivalents	1,651	-155
Net decrease in cash and cash equivalents	**-17,963**	-20,920
Cash and cash equivalents at beginning of period	61,983	68,317
Cash and cash equivalents at end of period	**44,020**	47,397

See accompanying notes to the interim financial statements.

Notes to the Consolidated Interim Financial Statements (unaudited)

1. The Company and Basis of Presentation

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

Pfeiffer Vacuum is one of the leading full-line vacuum technology manufacturers, offering custom solutions for a wide range of needs in connection with the generation, control and measurement of vacuum. The products developed and manufactured at the Company's production facilities in Asslar and Göttingen, 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, vacuum chambers and components.

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

The Consolidated Financial Statements of Pfeiffer Vacuum Technology AG have been prepared in accordance with International Financial Reporting Standards (IFRS) and the interpretations of the 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).

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

2. Accounting and Valuation Methods

In preparing this interim report as of June 30, 2010, IAS 34 "Interim Financial Reporting" was applied. In doing so, essentially the same accounting and valuation methods as in the Consolidated Financial Statements for the fiscal year ended December 31, 2009 were used. Please refer to the detailed description of these methods in the Notes to the Consolidated Financial Statements 2009, which are available in the internet at www.pfeiffer-vacuum.net.

According the IFRS requirements the consolidation of Trinos Vakuum-Systeme GmbH (Trinos, please also refer to the following Note 3) was affected by offsetting the carrying amount of the investment against the equity of this company. The equity of Trinos was determined as the balance of assets, liabilities and deferred taxes measured at fair value on the acquisition date. In identifying the assets, all intangible assets that meet the recognition requirements according to IAS 38 were recognized, even if they have previously not been recognized in Trinos' financial statements (for example brand value, customer base).

Pursuant to IFRS 3, goodwill resulting from business combinations is the excess of carrying amount of the investment over the acquired assets and liabilities measured at fair value. Goodwill is measured at cost at the acquisition date and is not amortized but is tested for impairment annually or whenever there are indications for impairment (impairment test). Any impairment losses are recorded in the income statement.

3. Changes in the Consolidated Companies/Acquisitions

Effective January 1, 2010, Pfeiffer Vacuum Technology AG purchased all interests in Trinos Vakuum-Systeme GmbH, of Göttingen, Germany (Trinos). Trinos' product portfolio comprises high-quality vacuum components, chambers and systems, and thus complements the Pfeiffer Vacuum product portfolio. Additionally, these products can be sold well in the market via the worldwide Pfeiffer Vacuum sales network. The Company thus is even more able to offer its customers vacuum solutions tailored to their specific needs.

The fair value of identifiable assets and liabilities of Trinos on January 1, 2010 (acquisition date) comprises as follows:

Fair Value of Identifiable Assets and Liabilities (in K €)

	Jan. 1, 2010
Assets	
Property, plant and equipment	6,001
Intangible assets	233
Receivables	1,974
Inventories	2,604
Cash and cash equivalents	83
Other assets	820
Total assets	**11,715**
Liabilities	
Trade accounts payable	-360
Provisions	-297
Financial liabilities	-8,591
Deferred tax liabilities	-352
Other liabilities	-344
Total liabilities	**-9,944**
Identifiable net assets (at fair value)	**1,771**
Goodwill resulting from acquisition	8,229
Total Consideration (purchase price)	**10,000**

The purchase price consists exclusively of a cash component. Considering Trinos' acquired cash and cash equivalents (K€ 83), the net cash used for this acquisition was K€ 9,917.

The gross amount of receivables equals the recognized fair value. Presumably the total amount will be collectible.

Trinos has three subsidiaries (Trinos Vacuum Projects, S.L., Valencia, Spain; Trinos Vacuum Inc., Palatine, USA; Trinos Solar GmbH, Göttingen), which are not included in the Consolidated Financial Statements due to materiality reasons. Amounts were recorded at amortized cost or, in one case, at liquidation value.

The goodwill totaling € 8.2 million comprises synergies stemming from the expanded product portfolio and the possibility of distributing these products via Pfeiffer Vacuum's existing sales channels. The goodwill will not be deductible for tax purposes.

Sales and earnings contributions (after taxes) of Trinos since January 1, 2010 were € 7.8 million and € 0.7 million, respectively. Transaction costs incurred in 2010 totaled K € 7 (2009: K € 43). These costs relate to legal consulting and evaluation fees and were recorded as part of general and administrative expenses.

4. Intangible Assets

Intangible assets consist of the following:

Intangible assets (in K €)

	June 30, 2010	December 31, 2009
Goodwill	8,442	213
Software	700	570
Other intangible assets	180	-
Total intangible assets	**9,322**	783

5. Property, Plant and Equipment

Property, plant and equipment comprise the following:

Property, Plant and Equipment (in K €)

	June 30, 2010	December 31, 2009
Land and buildings	24,978	22,631
Technical equipment and machinery	9,504	7,010
Other equipment, factory and office equipment	6,056	5,746
Construction in progress	55	730
Total property, plant and equipment	**40,593**	36,117

6. Investment Securities

The Company holds fixed-income securities in the total amount of € 2.0 million which are classified as held-to-maturity and therefore carried at amortized cost. The portfolio of equity securities is categorized as available-for-sale. During the first half year of 2010, the stock was sold in part, realizing a gain of € 1.4 million. The remaining stock as at June 30, 2010, was valued at fair value.

Results from revaluation of available for sale securities of € -0.1 million as shown in the Consolidated Statements of Comprehensive relate to revaluation gains of € 0.6 million for the first half year of 2010 recorded directly in equity and amounts reclassified into the income statement of € -0.7 million.

7. Inventories

Inventories consist of the following:

Inventories (in K €)	June 30, 2010	December 31, 2009
Raw materials	8,139	8,073
Work in process	5,381	4,152
Finished products	13,532	9,119
Reserves	-4,072	-3,798
Total inventories	**22,980**	17,546

8. Paid Dividends

At the Annual Shareholders' Meeting on May 20, 2010, the shareholders resolved a dividend of € 2.45 per share for the year 2010. Thus, a total of € 20,859,907.60 was paid to the shareholders.

9. Pension Benefits and Similar Obligations

Pension expense for all plans included the following components:

Pension Expense for All Plans (in K €)	Three months ended June 30,		Six months ended June 30,	
	2010	2009	**2010**	2009
Service cost	346	347	688	699
Interest cost	665	657	1,326	1,314
Expected return on plan assets	-455	-483	-905	-967
Amortization	10	-	20	-
Total	**566**	521	**1,129**	1,046

10. Warranty

Warranty provisions developed as follows:

Warranty provisions (in K €)	2010	2009
Balance on January 1	3,125	3,301
Currency changes	80	-
Additions from acquisitions	101	-
Additions	174	764
Utilization	-244	-254
Balance on June 30	**3,236**	**3,811**

11. Earnings per Share

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

Earnings * per Share	Three months ended June 30		Six months ended June 30	
	2010	2009	**2010**	2009
Net income (in K €)	8,477	6,421	17,631	15,509
Weighted average number of shares	8,514,248	8,514,248	8,514,248	8,514,248
Number of conversion rights	-	-	-	-
Adjusted weighted average number of shares	8,514,248	8,514,248	8,514,248	8,514,248
Earnings per share in € (basic/diluted)	**1.00**	0.75	**2.07**	1.82

* Attributable to Pfeiffer Vacuum Technology AG shareholders

12. Segment Information

Segment Reporting as at June 30, 2010 (in K €)

	Germany	Europe (excluding Germany)	USA	Asia	Others/ Eliminations	**Total**
Net sales	85,555	21,026	23,446	4,068	-34,629	99,466
Third party	51,709	20,991	23,440	3,326	-	99,466
Intercompany	33,846	35	6	742	-34,629	-
Operating profit	18,730	1,067	1,680	903	278	22,658
Financial income	-	-	-	-	1,734	1,734
Income before income taxes	18,730	1,067	1,680	903	2,012	24,392
Segment assets	117,349	17,354	23,665	5,012	-	163,380
Thereof: Assets according to IFRS 8.33 (b)*	50,936	550	282	948	-	52,716
Segment liabilities	18,024	4,076	2,578	623	-	25,301
Capital expenditures:						
Property, plant and equipment**	286	100	12	44	-	442
Intangible assets	121	14	47	-	-	182
Depreciation **	1,805	101	28	34	-	1,968
Amortization	91	3	33	-	-	127

* Non-current assets other than financial instruments deferred tax assets and prepaid pension cost.

** Including investment properties

Segment Reporting as at June 30, 2009 (in K €)

	Germany	Europe (excluding Germany)	USA	Asia	Others/ eliminations	**Total**
Net sales	87,309	20,524	17,899	2,224	-29,359	98,597
Third party	58,541	20,474	17,814	1,768	-	98,597
Intercompany	28,768	50	85	456	-29,359	-
Operating profit	20,206	1,372	-21	310	3	21,870
Financial income	-	-	-	-	431	431
Income before income taxes	20,206	1,372	-21	310	434	22,301
Segment assets	96,343	19,043	28,096	3,777	-	147,259
Thereof: Assets according to IFRS 8.33 (b)*	35,957	613	172	843	-	37,585
Segment liabilities	14,649	4,798	1,638	525	-	21,610
Capital expenditures:						
Property, plant and equipment **	2,188	90	11	15	-	2,304
Intangible assets	173	-	101	-	-	274
Depreciation **	1,772	106	21	34	-	1,933
Amortization	68	3	9	-	-	80

* Non-current assets other than financial instruments deferred tax assets and prepaid pension cost.

** Including investment properties

13. Income Tax Expense

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

The Company's effective tax rate was 27.1 % for the first six months of 2010 and 30.3 % for the first six months of 2009. The effective tax rate for the second quarter 2010 was 28.1 % (2009: 30.0 %).

14. Independent Auditor

At the Annual Shareholders' Meeting on May 20, 2010, the Supervisory Board proposed and the Shareholders elected Ernst & Young GmbH, Wirtschaftsprüfungsgesellschaft, Eschborn, Germany, as the independent auditor of both the accounts of the Company and the consolidated accounts for the 2010 fiscal year.

15. Major Related Party Transactions

Besides the transactions with the subsidiaries that are eliminated during the consolidation process and the regular compensation of Management and Supervisory Board members, no material transactions with related parties occurred in the first half year of 2010.

Asslar, August 2, 2010

Pfeiffer Vacuum Technology AG

Management Board

Manfred Bender

Dr. Matthias Wiemer

Certification of the Legal Representatives

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

Asslar, August 2, 2010

Pfeiffer Vacuum Technology AG

Management Board

Manfred Bender

Dr. Matthias Wiemer

Additional Information

Financial Calendar 2010

- 3rd Quarter 2010 (9-Months) Results
  Wednesday, November 3, 2010

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