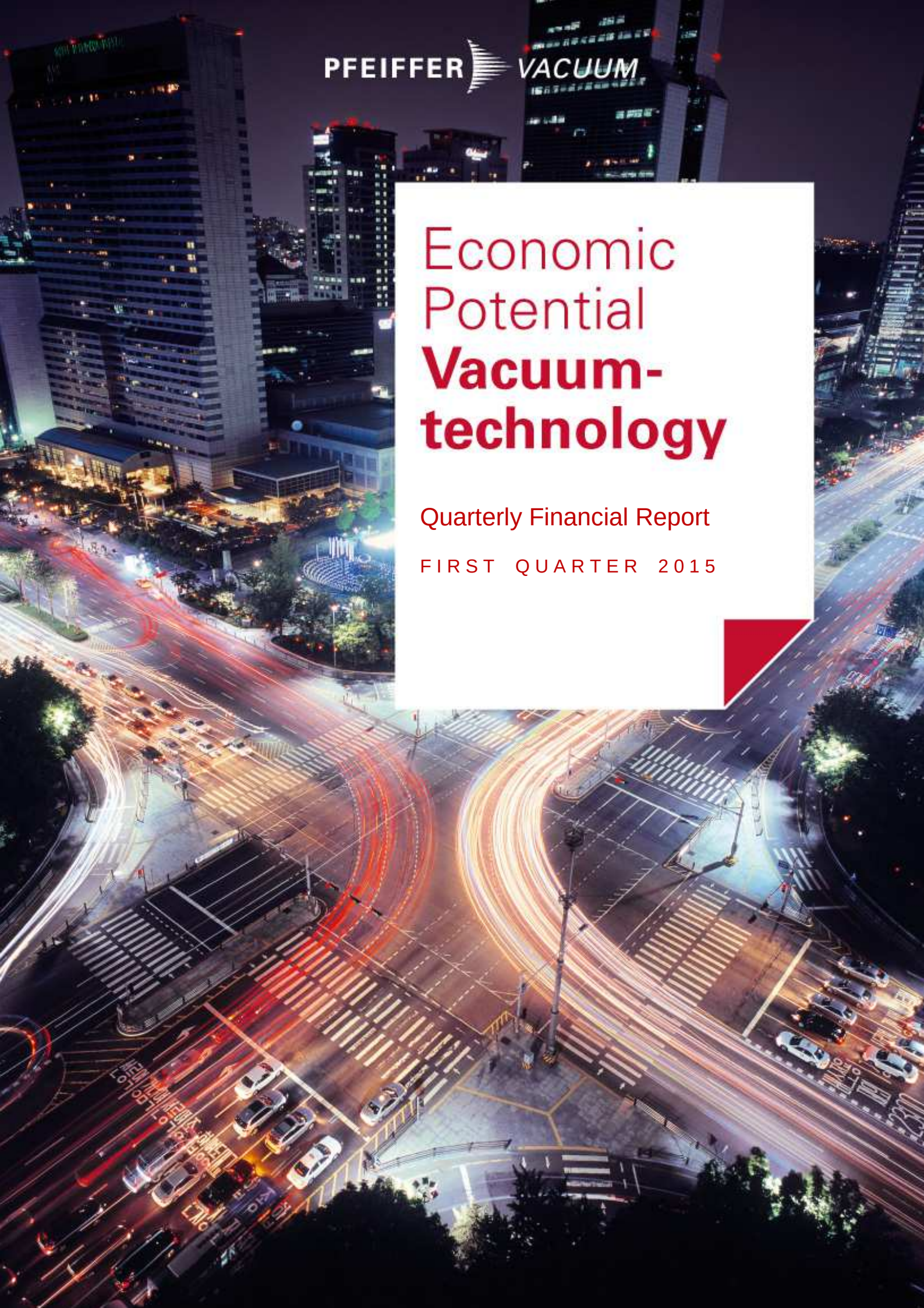
PFEIFFER VACUUM

Economic Potential **Vacuum-technology**

Quarterly Financial Report

FIRST QUARTER 2015



Quarterly Financial Report / First Quarter 2015

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Key Figures

		Q1 2015	Q1 2014	Change
Sales and profit				
Total sales	K€	106,895	98,550	8.5%
Germany	K€	18,239	19,605	-7.0%
Other countries	K€	88,656	78,945	12.3%
Operating profit	K€	16,440	10,204	61.1%
EBIT margin	%	15.4	10.4	5.0 Pp
Net income	K€	11,433	6,862	66.6%
Return on sales	%	10.7	7.0	3.7 Pp
Operating cash flow	K€	19,681	2,607	654.9%
Capital expenditures	K€	1,097	2,320	-52.7%
Earnings per share	€	1.16	0.70	65.7%
Workforce				
Workforce (average)		2,273	2,258	0.7%
Germany		854	840	1.7%
Other countries		1,419	1,418	0.1%
Sales per employee	K€	47	44	6.8%

		March 31, 2015	December 31, 2014	Change
Balance sheet				
Balance sheet total	K€	473,042	429,078	10.2%
Cash and cash equivalents	K€	120,294	101,468	18.6%
Number of shares issued		9,867,659	9,867,659	-
Shareholders' equity	K€	302,607	279,728	8.2%
Equity ratio	%	64.0	65.2	-1.2 Pp

This quarterly 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 quarterly financial report as of March 31, 2015, is unaudited.

Corporate Profile

Pfeiffer Vacuum – a name that stands for innovative solutions, high technology and dependable products, along with first class service. For more than 125 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 knowhow, we continue to be the technology and world market leader in this field. To no small degree, this also manifests itself in our strong profitability.

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 ongoing development work and through the enormous enthusiasm and commitment of our people. These are virtues that we will continue to embrace!

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, Germany; Göttingen, Germany; Annecy, France; Asan, Republic of Korea; Cluj, Romania
Workforce (March 31, 2015)	2,273
Sales and service	20 subsidiaries and a multitude of agencies worldwide
Quality management	Certified under ISO 9001
Environmental management	Certified under ISO 14001
Stock exchange listing	Deutsche Börse, Prime Standard/TecDAX
Accounting	IFRS

For more information please visit www.group.pfeiffer-vacuum.com.

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	9,867,659
Freefloat as at March 31, 2015	100 %
Market capitalization as at March 31, 2015	€ 781.0 million

In the first quarter 2015 Pfeiffer Vacuum shares developed similar to the TecDAX. An opening share price of € 68.90 on January 2, 2015 and closing price of € 79.15 on March 31, 2015 represented an increase by 14.9 %. The high for the first quarter 2015 was € 84.13 and was recorded on February 12, 2015. On January 6, 2015, the share price was € 65.69 and represented the low for the first three months of current fiscal 2015. In the same period the TecDAX, starting at 1,382 points on January 2, 2015 and closing at 1,615 points on March 31, 2015, increased by 16.9 %.

As a still strong dividend issuer in the TecDAX, Pfeiffer Vacuum distributed a dividend to its shareholders for the sixteenth year in a row in 2014 (€ 2.65 per share for fiscal year 2013). For fiscal year 2014, Management Board and Supervisory Board will again propose a dividend of € 2.65 per share at the forthcoming shareholders meeting on May 21, 2015. This would increase the payout ratio to around 81 % of consolidated net income.

Unchanged compared to December 31, 2014, the free-float is 100 %. This free-float is also the basis for the calculation of market capitalization as at March 31, 2015.

Interim Management Report

After € 98.6 million in the first quarter 2014, net sales of € 106.9 million were recorded for the first three months of 2015. This represents an increase by € 8.3 million, or 8.5 %, mainly stemming from the development in the Americas and Asia. Accordingly, operational cost increases were more than compensated by the sales development. Furthermore the foreign exchange results developed favorably and an operating profit of € 16.4 million was generated in the first quarter 2015 (Q1 2014: € 10.2 million). As a consequence the EBIT margin, the ratio between operating profit and sales, rose from 10.4 % to 15.4 % in the first quarter of 2015. With virtually constant net financial expenses and a slightly decreased tax rate, net income increased from € 6.9 million to € 11.4 million. Earnings per share were € 1.16 in the first quarter of 2015, up by € 0.46 from the previous quarter's level of € 0.70.

Overall Economic Environment and Industry Situation

Overall economic environment in the first quarter 2015 was characterized by a development without noteworthy changes compared to the close of fiscal 2014. The European economy as well as the U.S. economy thus showed a stable positive trend which overlaid the slightly declining development in Asia, particularly in China. Accordingly, demand from the vacuum industry was generally unchanged compared to the year 2014. In addition, the semiconductor industry and analytics registered positive impulses in demand which positively impacted the order intake development.

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 chambers and vacuum systems.

Sales

Presented below are net sales by segment, by region, by product and by market for the periods ended March 31, 2015, and 2014.

Sales by Segment

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, methods of product distribution and economic environment, the Company basically aggregates its European and Asian subsidiaries into one reporting segment, "Europe (without Germany, France)" and "Asia (without Republic of Korea)". In contrast, the companies in France and the Republic of Korea were each presented separately as an individual segment. This was caused by the different functions of the French entities, including research and development as well as production, and the production function of the Korean entities, respectively.

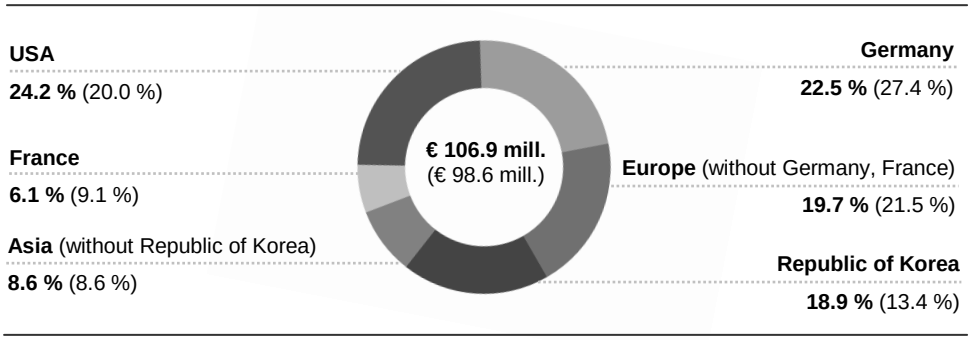
Sales by Segment

	Three months ended March 31,	
	2015	2014
	in K€	in K€
USA	25,850	19,674
Germany	24,060	27,020
Europe (without Germany, France)	21,085	21,232
Republic of Korea	20,214	13,221
Asia (without Republic of Korea)	9,180	8,453
France	6,506	8,950
Total	**106,895**	98,550

In analyzing the sales by segment a very heterogeneous trend can be noticed. The decrease of the sales in the both segments Germany and France (€ -3.0 million € -2.4 million, respectively) was compensated by the sales companies in the Republic of Korea and USA with a significant sales increase of € 7.0 million, or € 6.2 million, respectively. The sales in the rest of Europe and rest of Asia approximately remained at the previous year's level.

The following graphic shows the still balanced split of consolidated sales by segments.

Sales by Segment 3M/2015 (3M/2014)



Sales by Region

To provide additional information, we are also presenting 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.

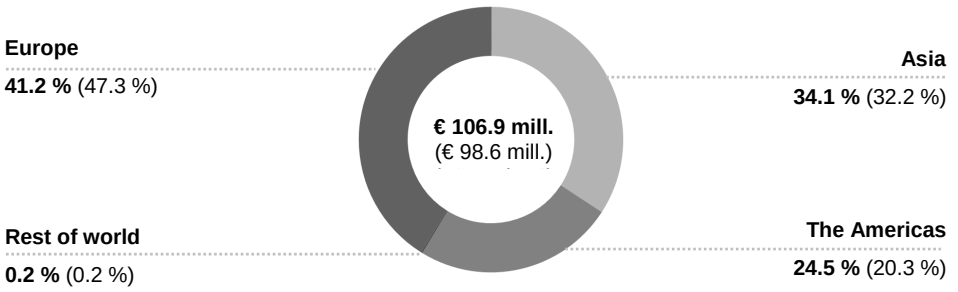
Sales by Region

	Three months ended March 31,	
	2015	2014
	in K€	in K€
Europe	44,076	46,612
Asia	36,402	31,746
The Americas	26,176	20,000
Rest of world	241	192
Total	**106,895**	98,550

The sales by region developed similar to the sales by segment. The overall sales increase in the first Quarter of 2015 was predominantly attributable to the development in the Americas and Asia. In contrast the sales in Europe declined slightly.

The following graphic shows the still balanced split of sales by region.

Sales by Region 3M/2015 (3M/2014)



Sales by Products

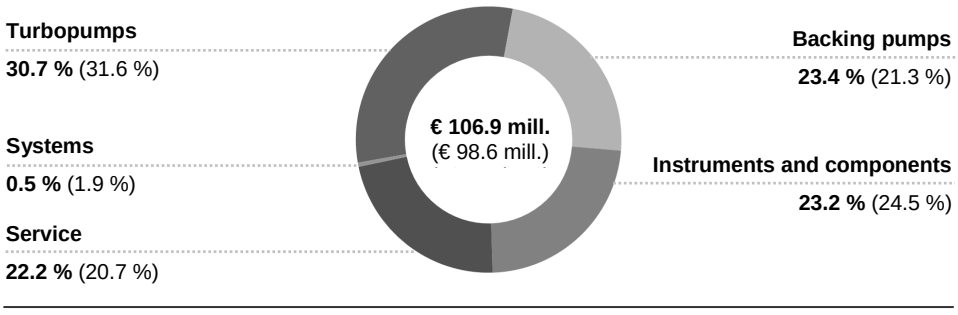
Sales by Products

	Three months ended March 31,	
	2015	2014
	in K€	in K€
Turbopumps	32,821	31,125
Backing pumps	24,996	20,982
Instruments and components	24,789	24,114
Service	23,746	20,449
Systems	543	1,880
Total	**106,895**	98,550

Except for systems (€ -1.3 million) the analysis of sales by products showed a satisfactory development. The strongest sales increase with € 4.0 million, or 19.1 %, was seen in backing pumps followed by service with € 3.3 million, or 16.1 %, respectively. A positive sales trend was also noticed for turbopumps as well as for instruments and components (+5.4 %, and +2.8 %, respectively).

However, the relative split of sales by products was still well balanced with no single product being overweight.

Sales by Products 3M/2015 (3M/2014)



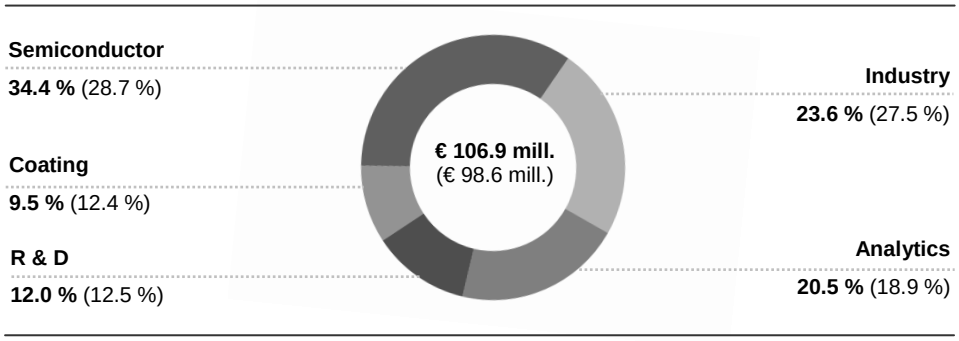
Sales by Market

	Three months ended March 31,	
	2015	2014
	in K€	in K€
Semiconductors	36,748	28,293
Industry	25,225	27,079
Analytics	21,917	18,647
R & D	12,802	12,271
Coating	10,203	12,260
Total	**106,895**	98,550

With a satisfactory sales increase by € 8.5 million, or 29.9 %, to € 36.7 million in the first three months of 2015 Semiconductors became again the strongest market segment (Q1 2014: € 28.3 million). The share of total sales amounted to 34.4 % after 28.7 % in the first quarter of 2014. With an increase by € 3.3 million the Analytics market also showed a positive development. Sales decreases were recorded in the market segments Coating and Industry (€ 2.1 million, and € 1.9 million, respectively).

The sales split by markets was as follows:

Sales by Market 3M/2015 (3M/2014)



Order Intake and Order Backlog

Order intake in the first quarter 2015 was € 120.3 million. Following € 100.7 million in the first three months of 2014, this represents an increase by € 19.6 million, or 19.5 %. Compared to the immediately preceding fourth quarter 2014 (€ 109.7 million) this also meant a significant increase. The book to bill ratio, the ratio between new orders and sales stood at very good 1.13 as at March 31, 2015 (1.02 as at March 31, 2014).

Order backlog increased from € 59.3 million at the end of December 2014 to € 72.7 million as at March 31, 2015. This represented an increase by € 13.4 million, or 22.6 %.

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, Gross Profit and Gross Margin

Following cost of sales of € 62.6 million in the first quarter 2014 cost of sales in the first three months of 2015 totaled € 67.3 million. This represents an increase by € 4.7 million, or 7.5 %, caused mainly by the rising development in sales. The gross profit increased by € 3.7 million from € 35.9 million to € 39.6 million in the first quarter 2015. Gross margin, the ratio between gross profit and sales, increased slightly from 36.5 % to 37.0 %, mainly due to the disproportional increase in cost of sales.

Selling and Marketing Expenses

Selling and marketing expenses totaled € 13.9 million in the first three months of the current fiscal year and were € 1.1 million higher compared to the first quarter in 2014 (€ 12.8 million). However, relative to sales, selling and marketing expenses increased slightly from 12.9 % to 13.0 %.

General and Administrative Expenses

Following € 7.6 million in the first quarter 2014 general and administrative expenses increased slightly to € 7.9 million in fiscal 2015. The general and administrative expenses ratio was 7.4 % in 2015 after 7.7 % in 2014.

Research and Development Expenses

With € 6.4 million in the first quarter of 2015, research and development expenses were up by € 0.4 million from the prior year's level of € 6.0 million. However, R&D ratio, the ratio between R & D expenses and sales, decreased slightly from 6.1 % to 6.0 %.

We will maintain the expenses allocated for research and development at a high level and invest in order to be able to continue to sustain our position on the world market, to expand market shares and to open up new markets. All expenditures for research and development are expensed as they are incurred.

Other Operating Income/Other Operating Expenses

Balance of other operating income and expenses totaled € +5.0 million in the first quarter of 2015 after a net balance of € +0.6 million was recorded in the prior year quarter. The amounts in 2015 included predominantly net foreign exchange gains of € 4.1 million (2014: net foreign exchange losses of € 0.2 million) and expense subsidies affecting net income of € 0.9 million (2014: € 0.8 million).

Operating Profit

Following € 10.2 million in the first quarter of 2014, operating profit in the first three months of 2015 increased by € 6.2 million to € 16.4 million. The EBIT margin, the ratio between operating profit and sales, rose from 10.4 % in the first three months of 2014 to 15.4 % in the first quarter of 2015. This positive development was due to the higher sales volume and increased foreign exchange results.

Financial Results

With € -0.1 million in the first quarter 2015 net financial result was slightly above the previous year's level (€ -0.2 million). The main reason was in the lower financial expenses following the anew repayment of financial liabilities in the end of 2014.

Income Taxes

The tax rate for the first three months of the current fiscal year was with 30.0 %, 1.5 % points below the prior year level (31.5 %).

Net income / Earnings per share

Totaling € 11.4 million net income for the first three months of 2015 was up by € 4.5 million from the comparable prior period number (€ 6.9 million). Return on sales (after taxes) stood – after 7.0 % in the first quarter of 2014 – at 10.7 %. With € 1.16, earnings per share, too, increased noticeably compared to the prior year (€ 0.70).

Financial Position

Pfeiffer Vacuum's balance sheet total increased by € 43.9 million, or 10.2 %, from € 429.1 million as at December 31, 2014, to € 473.0 million, as at March 31, 2015. On the assets side of the balance sheet, this was predominantly attributable to the increase of cash and cash equivalents and inventories by € 18.8 million, and € 15.4 million, respectively. The increase of the inventories as well as the increase of trade accounts receivable (€ +5.5 million) is mainly caused by the satisfactory development of sales and order intake in the first quarter of 2015.

As at March 31, 2015, shareholders' equity totaled € 302.6 million, up € 22.9 million from the level on December 31, 2014 (€ 279.7 million). Equity ratio was 64.0 % after 65.2 % at the end of fiscal 2014. Major changes in the liabilities related to the increase by € 11.9 million, and € 4.6 million, respectively in trade accounts payable and provisions.

Cash Flow

Totaling € 19.7 million, operating cash flow was up by € 17.1 million from the comparable prior year period (€ 2.6 million). In addition to the higher net income (€ +4.5 million) the development of trade accounts payable and customer deposits in the first quarter 2015 had a positive impact on the operating cash flow of € 13.6 million (2014: € +1.2 million). On the other hand the increase of inventories burdened the operating cash flow with € 13.4 million (2014: burden of € 7.5 million).

Net cash used in investing activities totaled € 1.1 million in the first three months of 2015 and thus down € 1.2 million from the level of previous year (€ 2.3 million). Main drivers were reduced capital expenditures.

Considering exchange rate impacts of € 0.4 million, total cash inflow thus amounted to € 18.8 million (Q 1 2014: € 0.5 million) and resulted in an increase in cash and cash equivalents by 18.6 % to € 120.3 million. Accordingly, the liquidity situation is still very sound and the Group continued to be net debt free.

Workforce

As of March 31, 2015, the company employed a workforce of 2,273 people, 854 of them in Germany and 1,419 in other countries.

Workforce

	Germany		Other countries		Total	
			March 31,			
	2015	2014	**2015**	2014	**2015**	2014
Manufacturing and Service	475	473	869	855	1,344	1,328
Research and Development	88	88	83	88	171	176
Sales and Marketing	201	187	329	330	530	517
Administration	90	92	138	145	228	237
Total	**854**	840	**1,419**	1,418	**2,273**	2,258

Risk and Opportunities Report

During the first three months of the 2015 fiscal year, there were no changes in the risks and opportunities as described in our Annual Report (Geschäftsbericht) for the year ended December 31, 2014. The Annual Report is available on our homepage at www.pfeiffer-vacuum.com.

Mayor Events in Fiscal 2015

After the end of the first quarter 2015, there has not been any significant change in the industry environment or in the Company's position.

Outlook

Development of order intake in the first quarter 2015 compared to the immediately preceding fourth quarter 2014 showed again an improvement. It represents a very positive progress and Pfeiffer Vacuum is very good prepared for any further growth. Nevertheless the outlook on the expected business development stays difficult. This applies particularly to the second half of the year. Albeit we confirm our forecast and continue to expect a noticeable sales and earnings increase for fiscal year 2015.

All in all we will adhere to our proven approach in the past and provide a detailed outlook on the expected business development in fiscal 2015 at the Annual Shareholders' Meeting on May 21, 2015.

Consolidated Interim Financial Statements

Consolidated Statements of Income (unaudited)

	Three months ended March 31,	
	2015	2014
	in K€	in K€
Net sales	106,895	98,550
Cost of sales	-67,306	-62,626
Gross profit	**39,589**	35,924
Selling and marketing expenses	-13,878	-12,750
General and administrative expenses	-7,901	-7,566
Research and development expenses	-6,365	-5,964
Other operating income	7,644	1,551
Other operating expenses	-2,649	-991
Operating profit	**16,440**	10,204
Financial expenses	-165	-253
Financial income	58	66
Earnings before taxes	**16,333**	10,017
Income taxes	-4,900	-3,155
Net income	**11,433**	6,862
Earnings per share (in €):		
Basic	1.16	0.70
Diluted	1.16	0.70

See accompanying notes to the interim financial statements.

Consolidated Statements of Comprehensive Income (unaudited)

	Three months ended March 31,	
	2015	2014
	in K€	in K€
Net income	11,433	6,862
Other comprehensive income		
Amounts to be reclassified to income statement in future periods (if applicable)		
Currency changes	11,482	-363
Results from cash flow hedges	96	-
Related deferred income tax effects	-32	-
	11,546	-363
Amounts not to be reclassified to income statement in future periods		
Valuation of defined benefit plans	-145	6
Related deferred income tax effects	45	-1
	-100	5
Other comprehensive income net of tax	**11,446**	-358
Total comprehensive income net of tax	**22,879**	6,504

See accompanying notes to the interim financial statements.

Consolidated Balance Sheets (unaudited)

	March 31, 2015	December 31, 2014
	in K€	in K€
Assets		
Intangible assets	79,402	77,857
Property, plant and equipment	84,518	85,135
Investment properties	514	520
Shares in associated companies	1,600	1,600
Deferred tax assets	23,009	22,202
Other non-current assets	5,548	4,819
Total non-current assets	**194,591**	192,133
Inventories	79,660	64,245
Trade accounts receivable	59,184	53,649
Income tax receivables	6,334	6,325
Prepaid expenses	2,167	1,230
Other accounts receivable	10,812	10,028
Cash and cash equivalents	120,294	101,468
Total current assets	**278,451**	236,945
Total assets	**473,042**	429,078
Shareholders' equity and liabilities		
Share capital	25,261	25,261
Additional paid-in capital	96,245	96,245
Retained earnings	191,634	180,201
Other equity components	-10,533	-21,979
Equity of Pfeiffer Vacuum Technology AG shareholders	**302,607**	279,728
Financial liabilities	20,760	20,697
Provisions for pensions	45,273	44,203
Deferred tax liabilities	7,432	7,614
Total non-current liabilities	**73,465**	72,514
Trade accounts payable	31,348	19,414
Customer deposits	4,788	3,029
Other accounts payable	20,427	18,544
Provisions	26,919	22,367
Income tax liabilities	3,161	2,974
Financial liabilities	10,327	10,508
Total current liabilities	**96,970**	76,836
Total shareholders' equity and liabilities	**473,042**	429,078

See accompanying notes to the interim financial statements.

Consolidated Statements of Shareholders' Equity (unaudited)

	Share Capital	Additional Paid-in Capital	Retained Earnings	Other Equity Components	**Equity of Pfeiffer Vacuum Technology AG Shareholders**
	in K€	in K€	in K€	in K€	in K€
Balance on Jan. 01, 2014	**25,261**	**96,245**	**173,931**	**-19,427**	**276,010**
Net income	-	-	6,862	-	6,862
Other comprehensive income	-	-	-	-358	-358
Total comprehensive income	**-**	**-**	**6,862**	**-358**	**6,504**
Balance on March 31, 2014	**25,261**	**96,245**	**180,793**	**-19,785**	**282,514**
Balance on Jan. 01, 2015	**25,261**	**96,245**	**180,201**	**-21,979**	**279,728**
Net income	-	-	11,433	-	11,433
Other comprehensive income	-	-	-	11,446	11,446
Total comprehensive income	**-**	**-**	**11,433**	**11,446**	**22,879**
Balance on March 31, 2015	**25,261**	**96,245**	**191,634**	**-10,533**	**302,607**

See accompanying notes to the interim financial statements.

Consolidated Statements of Cash Flows (unaudited)

	Three months ended March 31,	
	2015	2014
	in K€	in K€
Cash flow from operating activities:		
Net income	11,433	6,862
Depreciation/amortization	5,067	5,061
Other non-cash income/expenses	1,786	664
Effects of changes of assets and liabilities:		
Inventories	-13,380	-7,482
Receivables and other assets	-3,283	-3,790
Provisions, including pensions, and income tax liabilities	4,453	85
Payables, other liabilities	13,605	1,207
Net cash provided by operating activities	**19,681**	2,607
Cash flow from investing activities:		
Capital expenditures	-1,097	-2,320
Proceeds from disposals of fixed assets	13	43
Net cash used in investing activities	**-1,084**	-2,277
Cash flow from financing activities:		
Redemptions of financial liabilities	-156	-180
Net cash used in financing activities	**-156**	-180
Effects of foreign exchange rate changes on cash and cash equivalents	385	321
Net increase in cash and cash equivalents	**18,826**	471
Cash and cash equivalents at beginning of period	101,468	95,129
Cash and cash equivalents at end of period	**120,294**	95,600

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 product portfolio includes 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 IFRS Interpretations Committee (IFRS IC) as applicable in the European Union (EU). This includes the International Accounting Standards (IAS), which continue to retain their validity, the interpretations of the Standing Interpretations Committee (SIC) and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC).

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 March 31, 2015, IAS 34 "Interim Financial Reporting" was applied. In doing so, the same accounting and valuation methods as in the Consolidated Financial Statements for the fiscal year ended December 31, 2014 were used. Please refer to the detailed description of these methods in the Notes to the Consolidated Financial Statements 2014, which are available in the internet at www.pfeiffer-vacuum.com.

3. Intangible Assets

Intangible assets consist of the following:

Intangible assets

	March 31, 2015	December 31, 2014
	in K€	in K€
Goodwill	57,460	55,155
Software	2,096	1,964
Other intangible assets	19,846	20,738
Total intangible assets	**79,402**	77,857

4. Property, Plant and Equipment

Property, plant and equipment comprise the following:

Property, Plant and Equipment

	March 31, 2015	December 31, 2014
	in K€	in K€
Land and buildings	41,480	41,522
Technical equipment and machinery	28,359	29,148
Other equipment, factory and office equipment	10,700	10,650
Construction in progress	3,979	3,815
Total property, plant and equipment	**84,518**	85,135

5. Inventories

Inventories consist of the following:

Inventories

	March 31, 2015	December 31, 2014
	in K€	in K€
Raw materials	27,747	23,205
Work-in-process	20,906	15,262
Finished products	31,007	25,778
Total inventories, net	**79,660**	64,245

6. Pension Benefits

Pension expense for all plans included the following components:

Pension Expense for All Plans

	Three months ended March 31,	
	2015	2014
	in K€	in K€
Service cost	896	745
Net interest cost	236	233
Net pension cost	**1,132**	978

7. Warranty

Warranty provisions developed as follows:

Warranty provisions

	Three months ended March 31,	
	2015	2014
	in K€	in K€
Balance on January 1	12,599	12,136
Currency changes	626	-43
Additions	2,713	2,517
Utilization	-1,737	-2,483
Balance on March 31	**14,201**	12,127

8. Income taxes

The Company's effective tax rate for the first quarter 2015 was 30.0 % (Q 1 2014: 31.5 %). Thus, there were no material changes.

9. Proposed Dividend Appropriation

The Management and Supervisory Board's common proposal on the dividend appropriation suggests a dividend of € 2.65 per share to be resolved by the Annual Shareholders' Meeting on May 21, 2015. This would lead to a total dividend distribution to the shareholders of € 26.1 million.

10. Earnings per Share

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

Earnings[1] per Share

	Three months ended March 31,	
	2015	2014
Net income (in K€)	11,433	6,862
Weighted average number of shares	9,867,659	9,867,659
Number of conversion rights	-	-
Adjusted weighted average number of shares	9,867,659	9,867,659
Earnings per share in € (basic/diluted)	**1.16**	0.70

[1] Attributable to Pfeiffer Vacuum Technology AG shareholders

11. Segment Reporting

Segment Reporting March 31, 2015

	Germany	France	Europe (excl. G and F)	USA	Re-public of Korea	Asia (excl. Korea)	Other/ Consoli-dation	Group
	in K€	in K€	in K€	in K€	in K€	in K€	in K€	in K€
Net sales	51,906	41,739	21,788	26,036	21,579	9,889	-66,042	106,895
Third party	24,060	6,506	21,085	25,850	20,214	9,180	-	106,895
Intercompany	27,846	35,233	703	186	1,365	709	-66,042	-
Operating profit	8,743	3,411	1,178	1,067	2,265	4	-228	16,440
Financial results	-	-	-	-	-	-	-107	-107
Earnings before taxes	8,743	3,411	1,178	1,067	2,265	4	-335	16,333
Segment assets	143,272	123,200	37,071	66,360	56,869	46,270	-	473,042
Thereof assets according to IFRS 8.33 (b) [1]	51,801	65,058	4,795	11,634	21,604	15,090	-	169,982
Segment liabilities	79,181	62,015	6,638	5,557	12,605	4,439	-	170,435
Capital expenditures:								
Property, plant & equipment [2]	222	191	96	9	82	173	-	773
Intangible assets	113	205	-	-	6	-	-	324
Depreciation [2]	1,091	1,440	144	77	351	208	-	3,311
Amortization	178	1,033	47	138	232	128	-	1,756

[1] Non-current assets other than financial instruments, deferred tax assets and prepaid pension cost

[2] Including investment properties

Segment Reporting March 31, 2014

	Germany	France	Europe (excl. G and F)	USA	Re-public of Korea	Asia (excl. Korea)	Other/ Consoli-dation	Group
	in K€	in K€	in K€	in K€	in K€	in K€	in K€	in K€
Net sales	51,465	41,218	21,765	20,020	14,684	9,519	-60,121	98,550
Third party	27,020	8,950	21,232	19,674	13,221	8,453	-	98,550
Intercompany	24,445	32,268	533	346	1,463	1,066	-60,121	-
Operating profit	7,903	969	1,427	1,338	-1,978	875	-330	10,204
Financial results	-	-	-	-	-	-	-187	-187
Earnings before taxes	7,903	969	1,427	1,338	-1,978	875	-517	10,017
Segment assets	133,330	123,198	35,548	55,841	52,219	37,594	-	437,730
Thereof assets according to IFRS 8.33 (b) [1]	54,195	72,323	5,032	9,507	19,274	11,522	-	171,853
Segment liabilities	74,637	55,879	7,297	4,173	9,050	4,180	-	155,216
Capital expenditures:								
Property, plant & equipment [2]	476	367	208	343	58	813	-	2,265
Intangible assets	55	-	-	-	-	-	-	55
Depreciation [2]	1,106	1,469	131	50	300	230	-	3,286
Amortization	165	1,049	47	154	232	128	-	1,775

[1] Non-current assets other than financial instruments, deferred tax assets and prepaid pension cost

[2] Including investment properties

12. Major Related Party Transactions

All transactions between the subsidiaries are eliminated during the consolidation process. All other transactions with related parties are circumstantial for the presentation of profitability, financial position or liquidity.

Asslar, May 4, 2015

Pfeiffer Vacuum Technology AG

Management Board

Manfred Bender Dr. Matthias Wiemer

Additional Information

Financial Calendar 2015

- Annual Shareholders Meeting
  Thursday, May 21, 2015
- 2nd Quarter 2015 (1st Half Year) Results
  Tuesday, August 4, 2015
- 3rd Quarter 2015 (9-Months) Results
  Tuesday, November 3, 2015

Contacts

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