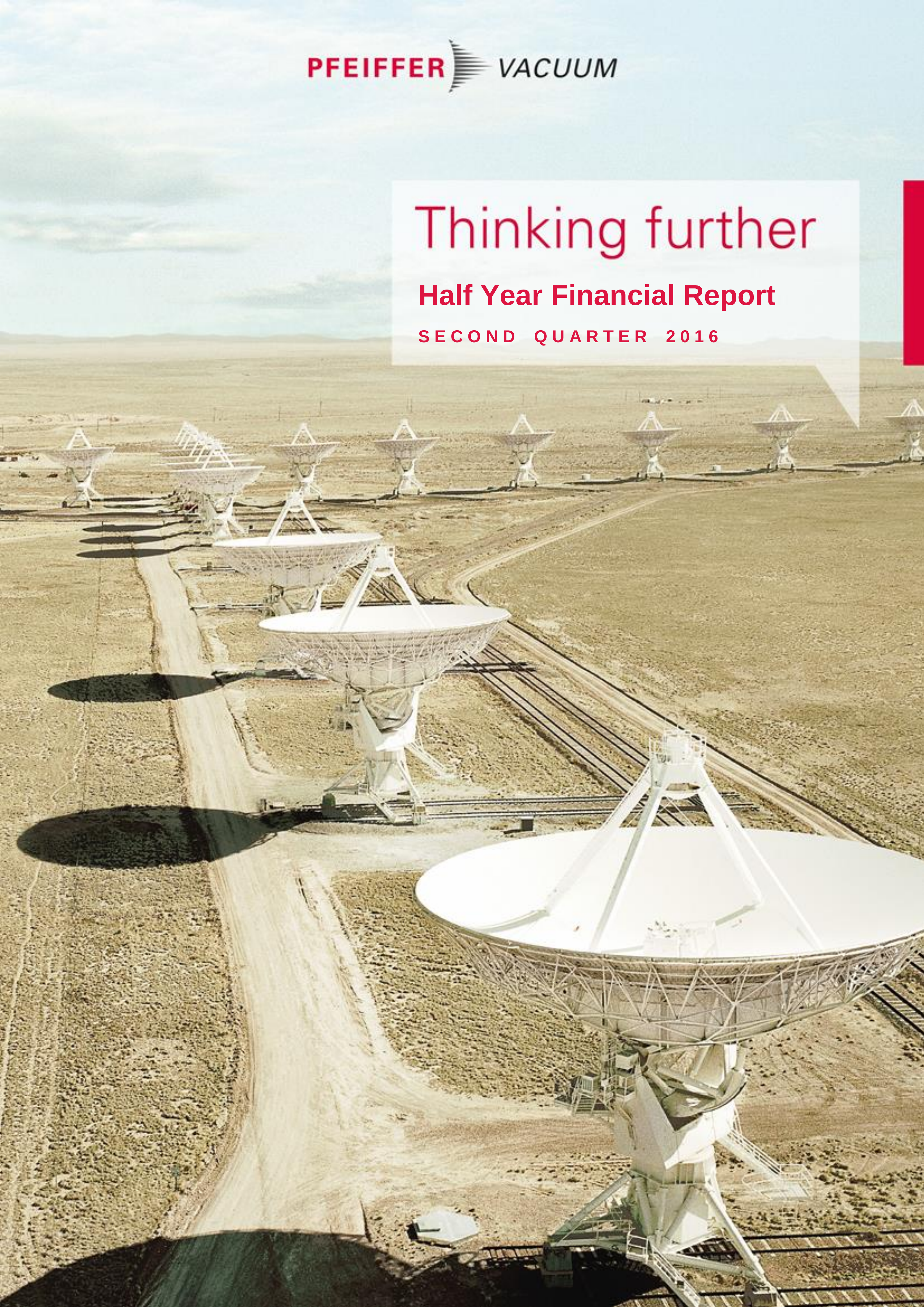
PFEIFFER VACUUM



Thinking further

Half Year Financial Report

SECOND QUARTER 2016

Half Year Financial Report / Second Quarter 2016

Contents

	Page
Key Figures	**3**
The Company	**4**
Share Performance	**5**
Interim Management Report	**6**
Consolidated Interim Financial Statements	**16**
Consolidated Statements of Income	16
Consolidated Statements of Comprehensive Income	17
Consolidated Balance Sheets	18
Consolidated Statements of Shareholders' Equity	19
Consolidated Statements of Cash Flows	20
Notes to the Consolidated Interim Financial Statements	21
Certification of the Legal Representatives	**27**
Additional Information	**28**

Key Figures

		Q2 2016	Q2 2015	Change	**Q1-Q2 2016**	Q1-Q2 2015	Change
Sales and profit							
Total sales	K€	113,280	117,647	-3.7%	222,894	224,542	-0.7%
Germany	K€	18,946	19,809	-4.4%	38,212	38,048	0.4%
Other countries	K€	94,334	97,838	-3.6%	184,682	186,494	-1.0%
Operating profit	K€	14,041	14,011	0.2%	26,948	30,451	-11.5%
EBIT margin	%	12.4	11.9	0.5Pp	12.1	13.6	-1.5Pp
Net income	K€	9,731	9,746	-0.2%	18,691	21,179	-11.7%
Return on sales	%	8.6	8.3	0.3Pp	8.4	9.4	-1.0Pp
Operating cash flow	K€	10,338	5,762	79.4%	12,874	25,443	-49.4%
Capital expenditures	K€	4,119	2,133	93.1%	6,922	3,230	114.3%
Earnings per share	€	0.99	0.99	0.0%	1.89	2.15	-12.1%
Workforce							
Workforce (average)		2,374	2,299	3.3%	2,376	2,286	3.9%
Germany		883	863	2.3%	885	859	3.0%
Other countries		1,491	1,436	3.8%	1,491	1,427	4.5%
Sales per employee	K€	48	51	-5.9%	94	98	-4.1%

		June 30, 2016	December 31, 2015	Change
Balance sheet				
Balance sheet total	K€	441,796	453,527	-2.6%
Cash and cash equivalents	K€	89,687	115,397	-22.3%
Number of shares issued		9,867,659	9,867,659	0.0%
Shareholders' equity	K€	282,738	305,024	-7.3%
Equity ratio	%	64.0	67.3	-3.3Pp

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, 2016, is unaudited.

The Company

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 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 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 being constantly 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 (June 30, 2016)	2,374
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 June 30, 2016	72.81 %
Market capitalization as at June 30, 2016	€ 828.7 million

On January 4, 2016, the opening share price of Pfeiffer Vacuum shares was € 93.08 and the closing share price was € 83.98 on June 30, 2016. This represents a decrease by around 9.8 %. On March 24, 2016 the high for the first half year 2016 was reached with € 103.45. The low for the first six months in 2016 was € 75.28 on February 11, 2016. In the same period the TecDAX, starting at 1,794 points on January 4, 2016 and closing at 1,601 points on June 30, 2016, decreased by 10.8 %.

As a still strong dividend issuer in the TecDAX, Pfeiffer Vacuum distributed repeatedly an above average high dividend to its shareholders in 2016. At the Annual General Meeting on May 24, 2016, a vast majority of shareholders followed the common proposal of Management and Supervisory Board and resolved a dividend of € 3.20 for the fiscal year 2015. Thus, the payout ratio amounted to around 75 % of consolidated net income. A total of € 31.6 million was paid to the shareholders.

Unchanged compared to December 31, 2015, the free-float is 72.81 %.

Based on a total demand unchanged compared to the first quarter of 2016, sales revenues were recorded at € 113.3 million in Q2 2016 (Q1 2016: € 109.6 million), and accordingly totaled € 222.9 million for the first six months of 2016. Following € 224.5 million in the first half of 2015, this represents a slight decrease by € 1.6 million, or 0.7 %, respectively. An improvement in the demand from the coating, R & D and industry markets was compensated by a declining development in the semiconductor industry in the same period. Despite marginally lower sales, the gross profit increased by € 0.5 million to € 85.1 million. This resulted mainly from more favorable product mix as well as further operational improvements. Thus, gross margin increased to 38.2 % in the first six months of the current fiscal year, after 37.7 % in the first half year 2015. Compared to the first six months of 2015, general and administrative expenses as well as R & D expenses slightly increased. In contrast selling and marketing expenses, stood below previous year's level. The foreign exchange results in the first six months of 2016 had been negative and thus burdened the operating profit by € 1.1 million (H1/2015: positive foreign exchange results of € 2.4 million). This resulted in an operating profit of € 26.9 million which was by € 3.6 million below previous year's value of € 30.5 million. As a consequence the EBIT margin, the ratio between operating profit and sales, declined from 13.6 % to 12.1 % in the first half of 2016. With constant net financial expenses and a virtually unchanged tax rate, net income decreased from € 21.2 million to € 18.7 million. This led to earnings per share of € 1.89 (H1/2015: € 2.15).

Overall Economic Environment and Industry Situation

Overall economic development in the first half year 2016 largely continued without noteworthy changes compared to the close of fiscal 2015. Thus, the European economy followed a robust trend which was currently not negatively impacted by the Brexit vote in Great Britain. Also the U.S. economy showed mostly soundly during the course of the current year and overlaid the slightly declining development in Asia, particularly in China. Accompanied by the general economic development, also the demand in the vacuum industry is mostly unchanged compared to 2015.

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, 2016 and 2015.

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, 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 entity, including research and development as well as production, and the production function of the Korean entity, respectively.

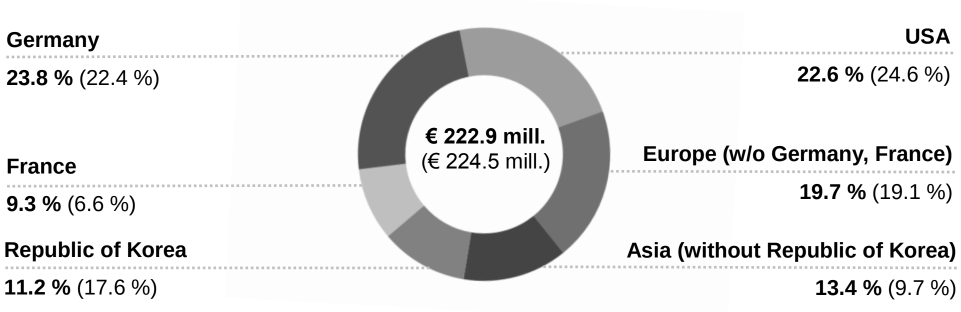
Sales by Segment

	Three months ended June 30,		Six months ended June 30,	
	2016	2015	**2016**	2015
	in K€	in K€	in K€	in K€
Germany	27,015	26,376	53,017	50,436
USA	24,376	29,336	50,447	55,186
Europe (without Germany, France)	21,428	21,737	43,999	42,822
Asia (without Republic of Korea)	17,377	12,554	29,772	21,734
Republic of Korea	12,235	19,282	24,935	39,496
France	10,849	8,362	20,724	14,868
Total	**113,280**	117,647	**222,894**	224,542

Analysis of sales by segment in the first half year shows a satisfactory development in France and Asia (without Republic of Korea), where significant sales increases by 39.4 % and 37.0 %, respectively, were achieved. Our entities in Germany and remaining Europe also showed a positive sales development while the entities in the Republic of Korea recorded a sales decrease by € 14.6 million which was mainly driven by the development of the demand in the semiconductor industry. In addition sales development in the Republic of Korea was negatively impacted by foreign exchange rate changes (€ 1.9 million). Sales in the USA were down by € 4.7 million compared to the previous year's level.

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

Sales by Segment H1/2016 (H1/2015)



Sales by Region

In the following table we are also summarizing sales by region. The table includes all sales in a given region, regardless of which company in the Pfeiffer Vacuum Group actually generated these sales.

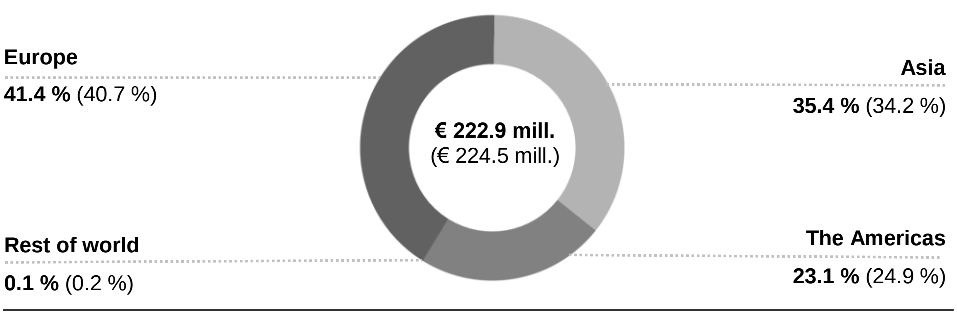
Sales by Region

	Three months ended June 30,		Six months ended June 30,	
	2016	2015	**2016**	2015
	in K€	in K€	in K€	in K€
Europe	45,674	47,309	92,278	91,385
Asia	42,341	40,495	78,949	76,897
The Americas	25,185	29,617	51,555	55,793
Rest of world	80	226	112	467
Total	**113,280**	117,647	**222,894**	224,542

The sales development in Europe (+1.0 %) and in Asia (+2.7 %) was positive in the first half year 2016. In contrast, the sales in the Americas region were down by -7.6 % mainly caused by the restrained demand in the semiconductor industry in the current reporting period.

The following graphic shows the still balanced split of sales by region with a slight increase in Asia.

Sales by Region H1/2016 (H1/2015)



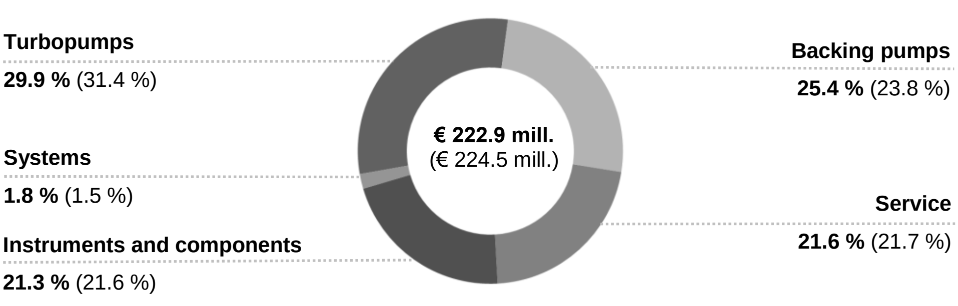
Sales by Products

	Three months ended June 30,		Six months ended June 30,	
	2016	2015	**2016**	2015
	in K€	in K€	in K€	in K€
Turbopumps	32,409	37,784	66,594	70,605
Backing pumps	29,572	28,556	56,737	53,552
Service	24,186	25,070	48,165	48,816
Instruments and components	26,108	23,417	47,384	48,206
Systems	1,005	2,820	4,014	3,363
Total	**113,280**	117,647	**222,894**	224,542

The development of sales by product showed a heterogeneous picture. While turbopumps sales declined by € 4.0 million, the backing pumps sales increased by € 3.2 million. The service as well as instruments and components sales were virtually on the previous year's levels.

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

Sales by Products H1/2016 (H1/2015)



Sales by Market

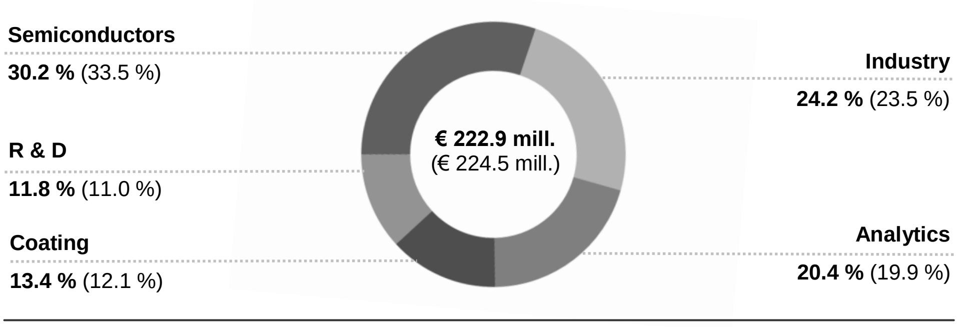
Sales by Market

	Three months ended June 30,		Six months ended June 30,	
	2016	2015	**2016**	2015
	in K€	in K€	in K€	in K€
Semiconductors	33,341	38,539	67,427	75,287
Industry	26,436	27,439	53,977	52,664
Analytics	23,335	22,749	45,424	44,666
Coating	16,407	16,961	29,821	27,164
R & D	13,761	11,959	26,245	24,761
Total	**113,280**	117,647	**222,894**	224,542

The view of sales by market shows mainly positive developments. Situation in the coating and R & D market segments was satisfying with increases by € 2.7 million (+9.8 %), and € 1.5 million (+6.0 %), respectively. Sales in industry and analytics market segments showed vastly stable. In contrast, the semiconductor market developed weaker by € 7.9 million or 10.4 % in the first half of 2016. This was attributable to the somewhat restrained dynamics in the Republic of Korea.

The sales split by markets was as follows:

Sales by Market H1/2016 (H1/2015)



Order Intake and Order Backlog

Following an order intake of € 245.0 million in the first six months of 2015 this number stood at € 231.5 million in the first half of 2016. This represents a slight decrease by € 13.5 million or 5.5 % which was mainly caused by the declining development in the semiconductor market. In the second quarter order intake of € 114.1 million saw a somewhat weaker trend compared to the immediately preceding first quarter (€ 117.4 million). The book to bill ratio, the ratio between new orders and sales, was 1.01 in the second quarter 2016 (Q2/2015: 1.06), meaning that order intake was higher than sales. On a year to date basis, the book to bill ratio was 1.04 on June 30, 2016 (1.09 for the first half year of 2015).

Order backlog increased from € 64.7 million at the end of December 2015 to € 73.3 million as at June 30, 2016. Resulting from the book to bill ratio above 1 the order backlog was also higher compared to March 31, 2016 (€ 72.5 million).

Orders are only recorded in order backlog 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

In the first six months of 2016 cost of sales totaled € 137.7 million (2015: € 139.9 million). This represents a decrease by € 2.2 million or 1.6 %, caused mainly by lower sales and product mix. Accounting for € 85.1 million, gross profit was € 0.5 million above previous year's number (€ 84.6 million). The effect from the cost of sales resulted in a slight growth of the gross margin from 37.7 % in the first half year 2015 to now 38.2 %. This pleasant development demonstrates the success of our measures for sustainable operational improvements.

Selling and Marketing Expenses

With € 27.4 million, selling and marketing expenses of the first six months of the current fiscal year were down € 1.3 million from the comparable number in the previous fiscal year (€ 28.7 million). Relative to sales, selling and marketing expenses declined by 0.5 percentage points to 12.3 %.

General and Administrative Expenses

General and administrative expenses increased from € 16.7 million in the first two quarters of 2015 to € 18.4 million in the current fiscal year. Relative to sales, this ratio rose from 7.4 % to 8.3 %.

Research and Development Expenses

With € 13.1 million in the first half of 2016, research and development expenses were up € 0.2 million from the prior year's level of € 12.9 million. R&D ratio, the ratio between R & D expenses and sales, also increased slightly from 5.8 % to 5.9 %.

We will maintain the expenses allocated for research and development at a high level and invest in order to be able 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 € +0.7 million in the first two quarters of 2016 after a net gain of € 4.2 million was recorded in the prior year period. The amounts in 2016 included predominantly net foreign exchange losses of € 1.1 million (2015: gains of € 2.4 million) and expense subsidies affecting net income of € 1.7 million (2014: € 1.8 million).

Operating Profit

Following € 30.5 million in the first half of 2015, operating profit in the first six months of 2016 stood at € 26.9 million. The EBIT margin, the ratio between operating profit and sales, decreased from 13.6 % in the first six months of 2015 to 12.1 % in the first half 2016. This was mainly due to the negative foreign exchange results which overcompensated the positive development of gross profit.

Financial Results

With € -0.2 million in the first half year 2016 net financial result was exactly on the prior year's level (€ -0.2 million). There were no significant changes in the composition of the financial results.

Income Taxes

With 30.1 % in the first half year 2016 the tax rate was 0.1 % points above the prior year level (30.0 %).

Net income / Earnings per share

Totaling € 18.7 million net income for the first half year of 2016 was down by € 2.5 million from the prior year results of € 21.2 million. Return on sales (after taxes) stood – after 9.4 % in 2015 – at 8.4 % in the first two quarters of 2016. Earnings per share developed parallel to net income. After € 2.15 in the first half year of 2015 an amount of € 1.89 was recorded for the current fiscal year. This represents a decrease by 12.1 %.

Financial Position

Pfeiffer Vacuum's balance sheet total decreased by € 11.7 million, or 2.6 %, from € 453.5 million as at December 31, 2015, to € 441.8 million, as at June 30, 2016. On the assets side of the balance sheet, this was predominantly attributable to the decrease by € 25.7 million in cash and cash equivalents. This was mainly due to the dividend payment to the Pfeiffer Vacuum Technology AG shareholders following the Annual Shareholders' Meeting in May 2016 (€ 31.6 million). For further details with regard to the development of cash and cash equivalents please refer to the following section "Cash Flow". Other material changes related to tangible and intangible assets (decline by € 4.2 million in total, resulting mainly from scheduled depreciation and amortization). In contrast, inventory increased by € 10.8 million and deferred tax assets by € 3.1 million.

As at June 30, 2016, shareholders' equity totaled € 282.7 million. This represents a decrease of € 22.3 million from the level on December 31, 2015 (€ 305.0 million). This development was mainly due to the dividend payment of € 31.6 million and contrary to the net income recorded for the first half year of 2016 (€ 18.7 million). In addition other equity components saw a net decrease by € 9.4 million. This was attributable to pensions related revaluation impacts recorded directly in equity (€ -7.8 million) and to negative exchange rate impacts totaling € 1.6 million. The equity ratio was 64.0 % after 67.3 % at the end of fiscal 2015 and accordingly remained above average. Other material line items related to provisions for pensions of € 55.2 million (€ 43.5 million as per December 31, 2015). The increase in pension provisions was mainly caused by a revaluation following another decrease in discount rates and did not impact profitability. Trade accounts payable (€ 27.0 million) increased by € 5.8 million compared to prior year's level of € 21.2 million.

Cash Flow

Totaling € 12.9 million in the first half 2016, operating cash flow was down by € 12.5 million from the comparable prior year period (€ 25.4 million). In addition to the slightly lower net income (€ -2.5 million) particularly the increase of inventories by € 12.8 million and of receivables and other assets by € 5.0 million (previous year: € 19.0 million, and € 4.8 million, respectively) burdened the operating cash flow in the first half 2016. The increase of payables and customer deposits in the first six months of 2016 had a positive impact on the operating cash flow by € 2.5 million. Hence, in 2015 this effect was even higher showing an increase by € 14.1 million.

As in the prior year period capital expenditures were the major determinant for the cash flow from investing activities in 2016 (€ 6.8 million; prior year: € 3.2 million).

Net cash used in financing activities in the current fiscal year totaled € 31.8 million (2015: € 26.3 million). The dividend payment to the Pfeiffer Vacuum Technology AG shareholders caused the main cash outflow of € 31.6 million in current year and € 26.1 million in 2015. In addition there were small changes in the financial liabilities.

Considering exchange rate impacts, total cash outflow thus amounted to € 25.7 million (2015: € 3.3 million) and resulted in a decline in cash and cash equivalents by 22.3 % to € 89.7 million.

Workforce

As of June 30, 2016, the company employed a workforce of 2,374 people, 883 of them in Germany and 1,491 in other countries.

Workforce

	Germany		Other countries		Total	
	June 30,					
	2016	2015	**2016**	2015	**2016**	2015
Manufacturing and Service	502	480	943	874	1,445	1,354
Research and Development	85	87	89	85	174	172
Sales and Marketing	201	204	323	339	524	543
Administration	95	92	136	138	231	230
Total	**883**	863	**1,491**	1,436	**2,374**	2,299

Risk and Opportunities Report

During the first six months of the 2016 fiscal year, there were no changes in the risks and opportunities as described in our Annual Report (Geschäftsbericht) for the year ended December 31, 2015. The Annual Report is available on our homepage at www.group.pfeiffer-vacuum.com.

Mayor Events in Fiscal 2016

After the end of the first half year 2016, there has not been any significant change in the industry environment or in the Company's position.

Outlook

As communicated at the Shareholders' Meeting on May 24, 2016 we confirm our forecast and continue to expect full-year sales of around € 470 million. This forecast is based on order intake in the first half year of the current year which approximately stood on previous year's level associated with our knowledge about customer's projects. This is also expected to coincide with a noticeable improvement of the operating profit.

Consolidated Interim Financial Statements

Consolidated Statements of Income (unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2016	2015	**2016**	2015
	in K€	in K€	in K€	in K€
Net sales	113,280	117,647	222,894	224,542
Cost of sales	-71,347	-72,619	-137,749	-139,925
Gross profit	**41,933**	45,028	**85,145**	84,617
Selling and marketing expenses	-13,635	-14,871	-27,417	-28,749
General and administrative expenses	-9,408	-8,756	-18,394	-16,657
Research and development expenses	-6,602	-6,547	-13,110	-12,912
Other operating income	2,363	161	4,334	7,805
Other operating expenses	-610	-1,004	-3,610	-3,653
Operating profit	**14,041**	14,011	**26,948**	30,451
Financial expenses	-171	-171	-319	-336
Financial income	52	83	111	141
Earnings before taxes	**13,922**	13,923	**26,740**	30,256
Income taxes	-4,191	-4,177	-8,049	-9,077
Net income	**9,731**	9,746	**18,691**	21,179
Earnings per share (in €):				
Basic	0.99	0.99	1.89	2.15
Diluted	0.99	0.99	1.89	2.15

See accompanying notes to the interim financial statements.

Consolidated Statements of Comprehensive Income (unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2016	2015	**2016**	2015
	in K€	in K€	in K€	in K€
Net income	**9,731**	9,746	**18,691**	21,179
Other comprehensive income				
Amounts to be reclassified to income statement in future periods (if applicable)				
Currency changes	849	-3,474	-1,619	8,008
Results from cash flow hedges	-	-	-	96
Related deferred income tax effects	-	-	-	-32
	849	-3,474	**-1,619**	8,072
Amounts not to be reclassified to income statement in future periods				
Valuation of defined benefit plans	-10,984	3,252	-10,926	3,107
Related deferred income tax effects	3,167	-938	3,145	-893
	-7,817	2,314	**-7,781**	2,214
Other comprehensive income net of tax	**-6,968**	-1,160	**-9,400**	10,286
Total comprehensive income net of tax	**2,763**	8,586	**9,291**	31,465

See accompanying notes to the interim financial statements.

Consolidated Balance Sheets (unaudited)

	June 30, 2016 in K€	December 31, 2015 in K€
Assets		
Intangible assets	69,703	73,396
Property, plant and equipment	81,841	82,311
Investment properties	484	496
Shares in associated companies	1,618	1,618
Deferred tax assets	26,359	23,267
Other non-current assets	4,594	4,211
Total non-current assets	**184,599**	185,299
Inventories	88,571	77,743
Trade accounts receivable	59,893	58,556
Income tax receivables	6,609	5,291
Prepaid expenses	2,291	1,863
Other accounts receivable	10,146	9,378
Cash and cash equivalents	89,687	115,397
Total current assets	**257,197**	268,228
Total assets	**441,796**	453,527
Shareholders' equity and liabilities		
Share capital	25,261	25,261
Additional paid-in capital	96,245	96,245
Retained earnings	183,082	195,968
Other equity components	-21,850	-12,450
Equity of Pfeiffer Vacuum Technology AG shareholders	**282,738**	305,024
Financial liabilities	10,262	10,222
Provisions for pensions	55,225	43,497
Deferred tax liabilities	4,378	4,832
Total non-current liabilities	**69,865**	58,551
Trade accounts payable	26,995	21,245
Customer deposits	5,065	4,860
Other accounts payable	18,268	21,931
Provisions	24,784	26,982
Income tax liabilities	3,878	4,431
Financial liabilities	10,203	10,503
Total current liabilities	**89,193**	89,952
Total shareholders' equity and liabilities	**441,796**	453,527

See accompanying notes to the interim financial statements.

Consolidated Statements of Shareholders' Equity (unaudited)

	Share Capital in K€	Additional Paid-in Capital in K€	Retained Earnings in K€	Other Equity Components in K€	Equity of Pfeiffer Vacuum Technology AG Shareholders in K€
Balance on Jan. 01, 2015	**25,261**	**96,245**	**180,201**	**-21,979**	**279,728**
Net income	-	-	21,179	-	21,179
Other comprehensive income	-	-	-	10,286	10,286
Total comprehensive income	**-**	**-**	**21,179**	**10,286**	**31,465**
Dividend payment	-	-	-26,149	-	-26,149
Balance on June 30, 2015	**25,261**	**96,245**	**175,231**	**-11,693**	**285,044**
Balance on Jan. 01, 2016	**25,261**	**96,245**	**195,968**	**-12,450**	**305,024**
Net income	-	-	18,691	-	18,691
Other comprehensive income	-	-	-	-9,400	-9,400
Total comprehensive income	**-**	**-**	**18,691**	**-9,400**	**9,291**
Dividend payment	-	-	-31,577	-	-31,577
Balance on June 30, 2016	**25,261**	**96,245**	**183,082**	**-21,850**	**282,738**

See accompanying notes to the interim financial statements.

Consolidated Statements of Cash Flows (unaudited)

	Six months ended June 30,	
	2016	2015
	in K€	in K€
Cash flow from operating activities:		
Net income	18,691	21,179
Depreciation/amortization	10,137	10,145
Other non-cash income/expenses	1,206	603
Effects of changes of assets and liabilities:		
Inventories	-12,843	-19,019
Receivables and other assets	-5,038	-4,803
Provisions, including pensions, and income tax liabilities	-1,821	3,249
Payables, other liabilities	2,542	14,089
Net cash provided by operating activities	**12,874**	25,443
Cash flow from investing activities:		
Capital expenditures	-6,922	-3,230
Proceeds from disposals of fixed assets	152	68
Net cash used in investing activities	**-6,770**	-3,162
Cash flow from financing activities:		
Dividend payment	-31,577	-26,149
Redemptions of financial liabilities	-261	-195
Net cash used in financing activities	**-31,838**	-26,344
Effects of foreign exchange rate changes on cash and cash equivalents	24	746
Net change in cash and cash equivalents	**-25,710**	-3,317
Cash and cash equivalents at beginning of period	115,397	101,468
Cash and cash equivalents at end of period	**89,687**	98,151

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 Prime Standard of 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 €). For mathematical reasons, the numbers presented in this Interim Report may include rounding differences.

2. Accounting and Valuation Methods

In preparing this interim report as of June 30, 2016, 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, 2015 were used. Please refer to the detailed description of these methods in the Notes to the Consolidated Financial Statements 2015, which are available in the internet at www.group.pfeiffer-vacuum.com.

3. Intangible Assets

Intangible assets consist of the following:

Intangible assets

	June 30, 2016	December 31, 2015
	in K€	in K€
Goodwill	56,232	56,630
Software	2,417	2,323
Other intangible assets	11,054	14,443
Total intangible assets	**69,703**	73,396

4. Property, Plant and Equipment

Property, plant and equipment comprise the following:

Property, Plant and Equipment

	June 30, 2016	December 31, 2015
	in K€	in K€
Land and buildings	39,808	41,313
Technical equipment and machinery	26,270	26,812
Other equipment, factory and office equipment	11,082	11,041
Construction in progress	4,681	3,145
Total property, plant and equipment	**81,841**	82,311

5. Inventories

Inventories consist of the following:

Inventories

	June 30, 2016	December 31, 2015
	in K€	in K€
Raw materials	29,140	30,573
Work-in-process	27,395	20,112
Finished products	32,036	27,058
Total inventories, net	**88,571**	77,743

6. Paid Dividends

At the Annual Shareholders' Meeting on May 24, 2016, the shareholders resolved a dividend of € 3.20 per share for the year 2015. Thus, a total of € 31,576,508.80 was paid to the shareholders.

7. Pension Benefits

Pension expense for all plans included the following components:

Pension Expense for All Plans

	Three months ended June 30,		Six months ended June 30,	
	2016	2015	**2016**	2015
	in K€	in K€	in K€	in K€
Service cost	905	889	1,812	1,785
Interest cost	231	222	462	458
Net pension cost	**1,136**	1,111	**2,274**	2,243

8. Warranty

Warranty provisions developed as follows:

Warranty provisions

	Six months ended June 30,	
	2016	2015
	in K€	in K€
Balance on January 1	12,844	12,599
Currency changes	-26	322
Additions	3,601	6,374
Utilization	-3,274	-4,100
Balance on June 30	**13,145**	15,195

9. 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,	
	2016	2015	**2016**	2015
Net income (in K€)	9,731	9,746	18,691	21,179
Weighted average number of shares	9,867,659	9,867,659	9,867,659	9,867,659
Number of conversion rights	-	-	-	-
Adjusted weighted average number of shares	9,867,659	9,867,659	9,867,659	9,867,659
Earnings per share in € (basic/diluted)	**0.99**	0.99	**1.89**	2.15

10. Segment Reporting

Segment Reporting June 30, 2016

	Germany in K€	France in K€	Europe (excl. G and F) in K€	USA In K€	Repu-blic of Korea in K€	Asia (excl. Korea) in K€	Other/ Consoli-dation in K€	Group in K€
Net sales	108,909	84,958	45,586	50,557	26,394	32,037	-125,547	222,894
Third party	53,017	20,724	43,999	50,447	24,935	29,772	-	222,894
Intercompany	55,892	64,234	1,587	110	1,459	2,265	-125,547	-
Operating profit	19,327	2,912	2,804	2,042	-1,468	1,360	-29	26,948
Financial results	-	-	-	-	-	-	-208	-208
Earnings before taxes	19,327	2,912	2,804	2,042	-1,468	1,360	-237	26,740
Segment assets	133,258	121,013	34,759	60,709	46,487	45,570	-	441,796
Thereof assets according to IFRS 8.33 (b) [1]	52,141	58,745	4,740	10,354	17,328	13,314	-	156,622
Segment liabilities	77,179	55,827	6,417	6,363	8,548	4,724	-	159,058
Capital expenditures:								
Property, plant & equipment [2]	2,938	1,953	668	140	120	612	-	6,431
Intangible assets	318	153	-	8	-	12	-	491
Depreciation [2]	2,287	2,732	276	166	631	486	-	6,578
Amortization	404	2,074	87	273	463	258	-	3,559

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

[2] Including investment properties

Segment Reporting June 30, 2015

	Germany	France	Europe (excl. G and F)	USA	Republic of Korea	Asia (excl. Korea)	Other/ Consolidation	Group
	in K€	in K€	in K€	in K€	in K€	in K€	in K€	in K€
Net sales	107,184	85,929	44,303	55,687	42,103	23,452	-134,116	224,542
Third party	50,436	14,868	42,822	55,186	39,496	21,734	-	224,542
Intercompany	56,748	71,061	1,481	501	2,607	1,718	-134,116	-
Operating profit	18,400	5,391	2,033	2,209	2,023	706	-311	30,451
Financial results	-	-	-	-	-	-	-195	-195
Earnings before taxes	18,400	5,391	2,033	2,209	2,023	706	-506	30,256
Segment assets	111,288	126,469	38,903	71,392	53,883	47,594	-	449,529
Thereof assets according to IFRS 8.33 (b) [1]	51,244	63,086	4,813	11,006	20,099	14,719	-	164,967
Segment liabilities	74,667	60,713	6,819	5,718	12,449	4,119	-	164,485
Capital expenditures:								
Property, plant & equipment [2]	772	684	284	80	267	578	-	2,665
Intangible assets	314	224	21	-	6	-	-	565
Depreciation [2]	2,156	2,888	286	155	710	424	-	6,619
Amortization	365	2,070	95	276	463	257	-	3,526

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

[2] Including investment properties

11. 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 30.1 % for the first six months of 2016 and for the second quarter, respectively (2015: 30.0 %).

12. Independent Auditor

At the Annual General Meeting on May 24, 2016, 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 2016 fiscal year.

13. Major Related Party Transactions

Besides the transactions between the subsidiaries that are eliminated during the consolidation process and regular compensation of Management and Supervisory Board members there were no related party transactions in the first half of 2016.

Asslar, August 1, 2016

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 accordance 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 1, 2016

Pfeiffer Vacuum Technology AG

Management Board

Manfred Bender Dr. Matthias Wiemer

Additional Information

Financial Calendar 2016

- 3rd Quarter 2016 (9-Months) Results
  Tuesday, November 1, 2016

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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.*