



VAKUUM
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Quarterly Financial Report
FIRST QUARTER 2017

Quarterly Financial Report / First Quarter 2017

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Key Figures

		Q1 2017	Q1 2016	Change
Sales and profit				
Total sales	K€	136,947	109,614	24.9%
Germany	K€	22,805	19,266	18.4%
Other countries	K€	114,142	90,348	26.3%
Operating profit	K€	21,370	12,907	65.6%
EBIT margin	%	15.6	11.8	3.8
Net income	K€	14,835	8,960	65.6%
Return on sales	%	10.8	8.2	2.6
Operating cash flow	K€	10,939	2,536	331.3%
Capital expenditures	K€	6,401	2,803	128.4%
Earnings per share	€	1.50	0.91	64.8%
Workforce				
Workforce (average)		2,508	2,377	5.5%
Germany		932	886	5.2%
Other countries		1,576	1,491	5.7%
Sales per employee	K€	55	46	19.6%
		March 31, 2017	December 31, 2016	Change
Balance sheet				
Balance sheet total	K€	483,730	459,322	5.3%
Cash and cash equivalents	K€	101,128	110,032	-8.1%
Number of shares issued		9,867,659	9,867,659	-
Shareholders' equity	K€	332,605	315,574	5.4%
Equity ratio	%	68.8	68.7	0.1

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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, 2017, 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	Aslar
Established	1890
Purpose of the Company	To develop, manufacture and market components and systems for vacuum generation, measurement and analysis
Manufacturing sites	Aslar, Germany; Göttingen, Germany; Annecy, France; Asan, Republic of Korea; Cluj, Romania, Indianapolis, USA
Workforce (March 31, 2017)	2,508
Sales and service	26 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, 2017	70.02 %
Market capitalization as at March 31, 2016	€ 1,165.4 million

In the first quarter 2017 Pfeiffer Vacuum shares developed clearly positive. An opening share price of € 88.77 on January 2, 2017 and closing price of € 118.10 on March 31, 2017 represented an increase by 33.0 %. The high for the first quarter 2017 was € 121.05 and was recorded on March 29, 2017. On January 10, 2017, the share price was € 87.39 and represented the low for the first three months of current fiscal 2017. In the same period the TecDAX, starting at 1,812 points on January 2, 2017 and closing at 2,047 points on March 31, 2017, increased by 13.0 %.

As a still strong dividend issuer in the TecDAX, Pfeiffer Vacuum distributed also in 2016 a dividend to its shareholders for the repeated time (€ 3.20 per share for fiscal year 2015). For fiscal year 2016, Management Board and Supervisory Board will propose a dividend of € 3.60 per share at the forthcoming Annual General Meeting on May 23, 2017. This would represent a payout ratio of around 75 % of consolidated net income and the highest dividend in the Company's history.

The free-float as at December 31, 2016 was 72.81 %. The notification of exceeding the 30 %- threshold by the Busch Group as a result of shares tendered in connection with a first public tender offer resulted in an according reduction of free-float. After the first public tender offer was cancelled, the notification and the free-float were adjusted accordingly. Thus, the Busch Group holds 29.98 % of the shares resulting in the free-float as at March 31, 2017 standing at 70.02 %.

Interim Management Report

With net sales of € 136.9 million in the first quarter 2017, sales volume of the prior year's quarter totaling € 109.6 million was significantly exceeded by € 27.3 million. Regionally this increase was predominantly achieved in Asia and Europe, but also in the USA the sales were increased noticeably. As a consequence the gross profit increased significantly by € 9.5 million to € 52.7 million (Q1 2016: € 43.2 million). Economies of scale resulting from the increased sales volume were overcompensated by the customer mix so that the gross margin decreased slightly from 39.4 % to 38.5 %. Analyzing the sales development and the profitability compared to last year it should be noted that 2017 is impacted by the first time consolidation of the newly acquired group companies. Also within the selling and marketing as well as within general and administrative expenses significant economies of scale were achieved, even though general and administrative expenses were increased due to the acquisitions, first-time consolidation and the takeover offer. All in all this resulted in a significantly increased operating profit of € 21.4 million in the first quarter of 2017 (Q1 2016: € 12.9 million). As a consequence the EBIT margin, the ratio between operating profit and sales, rose noticeably from 11.8 % to 15.6 % in the first three months of 2017. With constant net financial expenses and a virtually unchanged tax rate, net income increased from € 9.0 million to € 14.8 million. Earnings per share were € 1.50 in the first quarter of 2017, up by € 0.59 from the previous quarter's level of € 0.91 – an increase by 64.8 %.

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Overall Economic Environment and Industry Situation

Overall economic environment in the 2017 so far developed without noteworthy changes compared to the close of fiscal 2016. The European economy as well as the U.S. economy thus showed a robust trend which overlaid the slightly declining development in Asia, particularly in China. In contrast, the demand in the vacuum industry continued to be characterized by a high dynamic in the semiconductor industry. This had a positive impact in the sales development of Pfeiffer Vacuum, especially in the fourth quarter of 2016 and the first quarter of 2017.

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, 2017, and 2016.

Interim Management Report

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

Sales by Segment

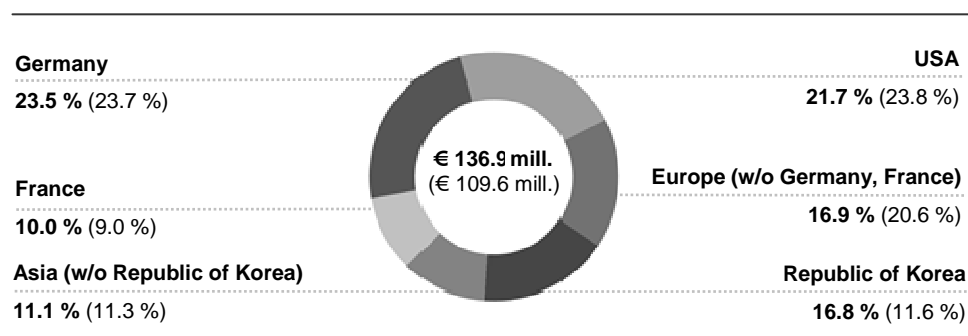
	Three months ended March 31,	
	2017 in K€	2016 in K€
Germany	32,197	26,002
USA	29,634	26,071
Europe (without Germany, France)	23,155	22,571
Republic of Korea	23,037	12,700
Asia (without Republic of Korea)	15,179	12,395
France	13,745	9,875
Total	136,947	109,614

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Analysis of sales by segment shows a very satisfactory development in all segments. Noteworthy is the development in the Republic of Korea and in the USA, where the momentum in semiconductor industry had a significant impact. Also in the segments Germany and France we achieved a very positive sales development; remaining Europe also showed a satisfactory sales development.

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

Sales by Segment 3M/2017 (3M/2016)



Interim Management Report

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.

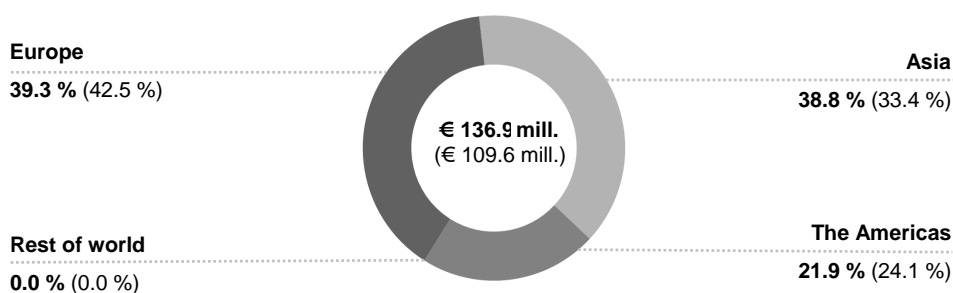
Sales by Region

	Three months ended March 31,	
	2017 in K€	2016 in K€
Europe	53,818	46,604
Asia	53,093	36,608
The Americas	29,973	26,370
Rest of world	63	32
Total	136,947	109,614

The already mentioned strong demand from the semiconductor industry was particularly reflected in the region Asia. Here we recorded an excellent increase in sales by € 16.5 million, or 45.0 %. The sales development in the Americas was also impacted by the semiconductor industry, however positive impacts from the market segments analytics and industry were also achieved. The development in Europe (+€ 15.5 % or +€ 7.2 million) was broader based and resulted mainly from the analytic industry while also the semiconductor industry played an important role here.

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

Sales by Region 3M/2017 (3M/2016)



Interim Management Report

Sales by Products

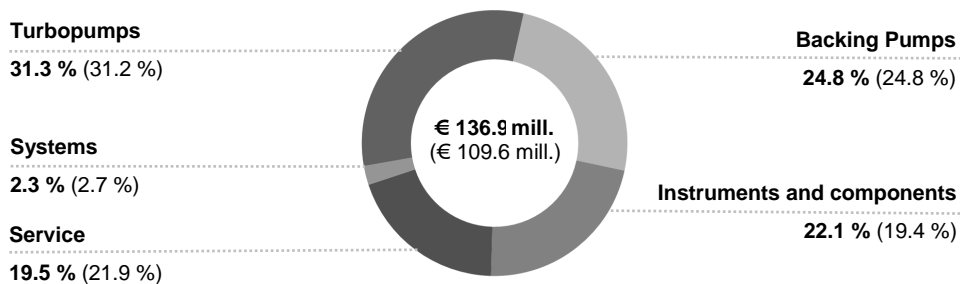
Sales by Products

	Three months ended March 31,	
	2017 in K€	2016 in K€
Turbopumps	42,866	34,185
Backing pumps	33,990	27,165
Instruments and components	30,200	21,276
Service	26,698	23,979
Systems	3,193	3,009
Total	136,947	109,614

The analysis of sales by products shows that almost all product groups contributed with double-digit growth rates to the sales development. Just the project based systems business with a sales volume of € 3.2 million only slightly exceeded the previous year's level (€ 3.0 million). Particularly significant is, amongst others, the positive sales development in service. The sales increase of € 2.7 million, partly attributable to the acquisition of the Dreebit GmbH in the current year, can be considered particularly positive against the backdrop of high sales with new products. Also the significant increase by € 8.7 million in turbopumps was very gratifying because this product group supported considerably the very sound profitability.

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

Sales by Products 3M/2017 (3M/2016)



Interim Management Report

Sales by Market

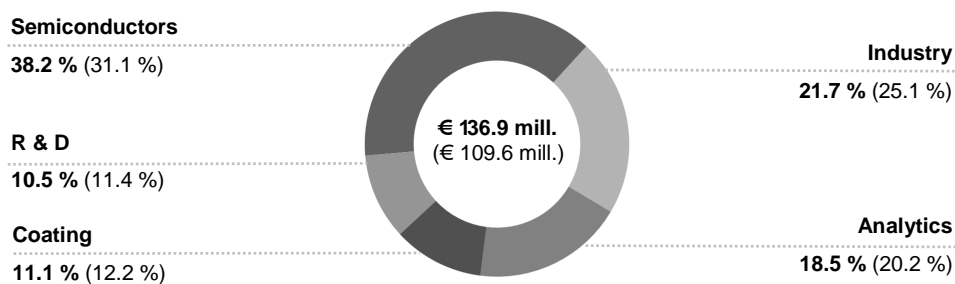
Sales by Market

	Three months ended March 31,	
	2017 in K€	2016 in K€
Semiconductors	52,275	34,086
Industry	29,694	27,541
Analytics	25,349	22,089
Coating	15,260	13,414
R & D	14,369	12,484
Total	136,947	109,614

As already mentioned, sales in the semiconductor segment grew significantly. The increase amounted € 18.2 million, representing a rise by more than 50 %. The detailed analysis also shows that all other market segments contributed to the successful business development in the first quarter of 2017, for example the market segment analytics with a growth of € 3.2 million.

The sales split by markets was as follows:

Sales by Market 3M/2017 (3M/2016)



Order Intake and Order Backlog

Order intake in the first quarter 2017 was € 146.5 million. Following € 117.4 million in the first three months of 2016, this represents an increase by € 29.1 million, or 24.8 %. Compared to the immediately preceding fourth quarter 2016 (€ 139.9 million) this also means a significant increase. Despite the outstanding sales development the book to bill ratio, the ratio between new orders and sales, stood at 1.07 as at March 31, 2017, again clearly above 1 (1.07 as at March 31, 2016).

Interim Management Report

Order backlog increased from € 72.3 million at the end of December 2016 to € 81.9 million as at March 31, 2017. This represented an increase by € 9.6 million, or 13.3 %.

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 € 66.4 million in the first quarter 2016, cost of sales in the first three months of 2017 totaled € 84.3 million. This represents an increase by € 17.9 million, or 26.9 %, caused mainly by higher sales. Gross profit was € 52.7 million in the first quarter 2017. This represents an enjoyable increase by € 9.5 million, or 21.8 %, compared to the first quarter of 2016 (€ 43.2 million). Gross margin, the ratio between gross profit and sales, decreased from 39.4 % to 38.5 %, mainly due to the disproportional increase in cost of sales caused by customer mix.

Selling and Marketing Expenses

Selling and marketing expenses totaled € 14.4 million in the first three months of the current fiscal year and were € 0.6 million higher compared to the first quarter in 2016 (€ 13.8 million). However, relative to sales, selling and marketing expenses decreased from 12.6 % to 10.5 %.

General and Administrative Expenses

After € 9.0 million in the first quarter 2016, general and administrative expenses increased to € 10.7 million in fiscal 2017. Despite the noticeable increase, partly due to the acquisitions and first-time consolidation, economies of scale were achieved here. The general and administrative expenses ratio was 7.8 % in 2017 after 8.2 % in 2016.

Research and Development Expenses

With € 6.5 million in the first quarter of 2017, research and development expenses were at the prior year's level. However, R&D ratio, the ratio between R & D expenses and sales, decreased from 5.9 % to 4.8 % due to the development in sales.

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.

Interim Management Report

Other Operating Income/Other Operating Expenses

Balance of other operating income and expenses totaled € 0.4 million in the first quarter of 2017 after a net balance of € -1.0 million was recorded in the prior year quarter. The amounts in 2017 included predominantly net foreign exchange losses of € 0.4 million (2016: net foreign exchange losses of € 1.9 million) and expense subsidies affecting net income of € 0.8 (2016: € 0.9 million).

Operating Profit

Following € 12.9 million in the first quarter of 2016, operating profit in the first three months of 2017 increased significantly by € 8.5 million to € 21.4 million. The EBIT margin, the ratio between operating profit and sales, was improved from 11.8 % in the first three months of 2016 to 15.6 % in the first quarter of 2017. This positive development was due to the higher sales volume with associated economies of scale and increased foreign exchange results.

Financial Results

With € -0.1 million in the first quarter 2017 net financial result was at the previous year's level. Thus, there were no material changes.

Income Taxes

With 30.4 % the tax rate for the first three months of the current fiscal year was 0.3 %-points above the prior year's level (30.1 %).

Net income / Earnings per share

Net income for the first three months of 2017 totaled € 14.8 million and was up significantly by € 5.8 million or 65.6 % from the comparable prior period number (€ 9.0 million). Return on sales (after taxes) stood – after 8.2 % in the first quarter of 2016 – at 10.8 %. With € 1.50, earnings per share, too, increased noticeably by € 0.91 or 64.8 % compared to the prior year.

Financial Position

Pfeiffer Vacuum's balance sheet total increased by € 24.4 million, or 5.3 %, from € 459.3 million as at December 31, 2016, to € 483.7 million, as at March 31, 2017. On the assets side of the balance sheet, this was predominantly attributable to the increase of intangible assets (+ € 8.9 million) and property, plant and equipment (+ € 7.7 million). Both developments are mainly due to the first-time consolidation of the new acquisitions which has also affected the financial position (please also refer to Note 3 of the Notes to the Consolidated Interim Financial Statements). In addition inventories increased by € 9.5 million and trade accounts receivable by € 7.6 million. This has to be seen against the backdrop of the satisfactory development of sales and order intake in the first quarter of 2017.

As at March 31, 2017, shareholders' equity totaled € 332.6 million, up € 17.0 million from the level on December 31, 2016 (€ 315.6 million). Equity ratio was 68.8 % after 68.7 % at the end of fiscal 2016. Other major changes on the liabilities' side of the balance sheet related to the € 5.3 million increase in trade accounts payable which also have to be seen in connection with the sound business development.

Cash Flow

Totalling € 10.9 million, operating cash flow was up significantly by € 8.4 million from the comparable prior year period (€ 2.5 million). In addition to the noticeably higher net income (€ +5.8 million) particularly the increase of accounts payable and customer deposits in the first three months of 2017 had a positive impact on the operating cash flow. In contrast, the development of inventories and the increase of receivables and other assets as a consequence of the very good business development burdened the operating cash flow. However, this did not happen to the same extent as in the first quarter of 2016.

Net cash used in investing activities totaled € 19.7 million in the first three months of 2017. Main driver for the significant increase by € 17.0 million compared to the level of previous year (€ 2.7 million) was the net cash used for acquisitions totaling € 13.4 million. As expected capital expenditures of € 6.4 million were above the prior year's level (€ 2.8 million).

Considering exchange rate impacts of € 0.1 million, total cash outflow thus amounted to € 8.9 million (Q 1 2016: € 0.4 million) and resulted in a decrease in cash and cash equivalents to € 101.1 million. However, the liquidity situation remains still very sound and the Group continued to be net debt free.

Interim Management Report

Workforce

As of March 31, 2017, the company employed a workforce of 2,508 people, 932 of them in Germany and 1,576 in other countries.

Workforce

	Germany		Other countries		Total	
			March 31,			
	2017	2016	2017	2016	2017	2016
Manufacturing and Service	551	500	995	943	1,546	1,443
Research and Development	81	86	98	89	179	175
Sales and Marketing	199	205	303	323	502	528
Administration	101	95	180	136	281	231
Total	932	886	1,576	1,491	2,508	2,377

Risk and Opportunities Report

During the first three months of the 2017 fiscal year, there were no changes in the risks and opportunities as described in our Annual Report (Geschäftsbericht) for the year ended December 31, 2016. The Annual Report is available on our homepage www.group.pfeiffer-vacuum.com.

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Mayor Events after the Balance Sheet Date

On April 12, 2017, Pangea GmbH, Maulburg, Germany, has released a renewed voluntary public takeover offer to the shareholders of Pfeiffer Vacuum Technology AG to purchase all shares of Pfeiffer Vacuum Technology AG. The offer price as included in the offer document is € 110.00 per share. The offer is not bound to a minimum acceptance threshold. According to the offer Pangea GmbH holds 29.98 % of the Pfeiffer Vacuum Technology AG shares as of the release date (December 31, 2016: 27.19 %). Pangea GmbH is a legally independent entity of the family-run Busch Group and is therefore indirectly attributable to the Busch family, i.e. Dr. Karl Busch, Ms. Ayhan Busch, Ms. Ayla Busch, Mr. Sami Busch and Mr. Kaya Busch, all Germany. On April 24, 2017, the Management and Supervisory Board of Pfeiffer Vacuum Technology AG released a joint opinion to the takeover offer. In this opinion the Management and Supervisory Board, amongst others, concluded, that the offer price as per the offer document is not adequate according to § 31 Sub-para. 1 of the German Securities Acquisition and Takeover Act ("Wertpapiererwerbs- und Übernahmegesetz", or "WpÜG"). The Busch family also notified that they exceeded the 30.0% notification threshold on April 26, 2017, and now hold aggregate shareholdings in Pfeiffer Vacuum Technology AG of 30.001 % via Pangea GmbH.

After the end of the first quarter 2017, there has not been any significant change in the industry environment.

Interim Management Report

Outlook

As expected the year 2017 started very strong in terms of sales and order intake. We even exceeded our plans which included a solid demand for current the fiscal year 2017. In this context further operational profitability improvements should be able to be achieved. Given the still limited visibility with respect to the second half year the outlook on the expected business development in 2017 stays difficult. Albeit we confirm our forecast and continue to expect a noticeable sales and earnings increase for the current fiscal year.

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 2017 for the upcoming Annual General Meeting on May 23, 2017.

Consolidated Interim Financial Statements

Consolidated Statements of Income (unaudited)

	Three months ended March 31,	
	2017 in K€	2016 in K€
Net sales	136,947	109,614
Cost of sales	-84,294	-66,402
Gross profit	52,653	43,212
Selling and marketing expenses	-14,384	-13,782
General and administrative expenses	-10,740	-8,986
Research and development expenses	-6,533	-6,508
Other operating income	1,958	1,971
Other operating expenses	-1,584	-3,000
Operating profit	21,370	12,907
Financial expenses	-87	-148
Financial income	32	59
Earnings before taxes	21,315	12,818
Income taxes	-6,480	-3,858
Net income	14,835	8,960
Earnings per share (in €):		
Basic	1,50	0,91
Diluted	1,50	0,91

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See accompanying notes to the interim financial statements.

Consolidated Interim Financial Statements

Consolidated Statements of Comprehensive Income (unaudited)

	Three months ended March 31,	
	2017 in K€	2016 in K€
Net income	14,835	8,960
Other comprehensive income		
Amounts to be reclassified to income statement in future periods (if applicable)		
Currency changes	1,897	-2,468
Results from cash flow hedges	471	-
Related deferred income tax effects	-142	-
	2,226	-2,468
Amounts not to be reclassified to income statement in future periods		
Valuation of defined benefit plans	-34	58
Related deferred income tax effects	4	-22
	-30	36
Other comprehensive income net of tax	2,196	-2,432
Total comprehensive income net of tax	17,031	6,528

See accompanying notes to the interim financial statements.

Consolidated Interim Financial Statements

Consolidated Balance Sheets (unaudited)

	March 31, 2017	December 31, 2016
	in K€	in K€
Assets		
Intangible assets	76,436	67,579
Property, plant and equipment	92,709	85,053
Investment properties	466	472
Shares in associated companies	-	1,636
Deferred tax assets	23,501	23,312
Other non-current assets	5,024	4,508
Total non-current assets	198,136	182,560
Inventories	91,273	81,737
Trade accounts receivable	76,947	69,352
Income tax receivables	955	1,112
Prepaid expenses	3,810	3,099
Other accounts receivable	11,481	11,430
Cash and cash equivalents	101,128	110,032
Total current assets	285,594	276,762
Total assets	483,730	459,322
Shareholders' equity and liabilities		
Share capital	25,261	25,261
Additional paid-in capital	96,245	96,245
Retained earnings	226,258	211,423
Other equity components	-15,159	-17,355
Equity of Pfeiffer Vacuum Technology AG shareholders	332,605	315,574
Provisions for pensions	51,444	51,188
Deferred tax liabilities	1,876	1,848
Total non-current liabilities	53,320	53,036
Trade accounts payable	36,152	30,896
Customer deposits	5,074	4,928
Other accounts payable	20,938	20,530
Provisions	30,331	29,767
Income tax liabilities	4,710	4,367
Financial liabilities	600	224
Total current liabilities	97,805	90,712
Total shareholders' equity and liabilities	483,730	459,322

See accompanying notes to the interim financial statements.

Consolidated 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 Com- ponents in K€	Equity of Pfeiffer Vacuum Technology AG Shareholders in K€
Balance on Jan. 01, 2016	25,261	96,245	195,968	-12,450	305,024
Net income	-	-	8,960	-	8,960
Other comprehensive income	-	-	-	-2,432	-2,432
Total comprehensive income	-	-	8,960	-2,432	6,528
Balance on March 31, 2016	25,261	96,245	204,928	-14,882	311,552
Balance on Jan. 01, 2017	25,261	96,245	211,423	-17,355	315,574
Net income	-	-	14,835	-	14,835
Other comprehensive income	-	-	-	2,196	2,196
Total comprehensive income	-	-	14,835	2,196	17,031
Balance on March 31, 2017	25,261	96,245	226,258	-15,159	332,605

See accompanying notes to the interim financial statements.

Consolidated Interim Financial Statements

Consolidated Statements of Cash Flows (unaudited)

	Three months ended March 31,	
	2017 in K€	2016 in K€
Cash flow from operating activities:		
Net income	14,835	8,960
Depreciation/amortization	4,290	5,072
Other non-cash income/expenses	1,147	1,305
Effects of changes of assets and liabilities:		
Inventories	-7,664	-8,685
Receivables and other assets	-5,996	-8,610
Provisions, including pensions, and income tax liabilities	-44	384
Payables, other liabilities	4,371	4,110
Net cash provided by operating activities	10,939	2,536
Cash flow from investing activities:		
Acquisitions	-13,357	-
Capital expenditures	-6,401	-2,803
Proceeds from disposals of fixed assets	53	59
Net cash used in investing activities	-19,705	-2,744
Cash flow from financing activities:		
Redemptions of financial liabilities	-249	-242
Net cash used in financing activities	-249	-242
Effects of foreign exchange rate changes on cash and cash equivalents	111	100
Net change in cash and cash equivalents	-8,904	-350
Cash and cash equivalents at beginning of period	110,032	115,397
Cash and cash equivalents at end of period	101,128	115,047

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See accompanying notes to the interim financial statements.

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 March 31, 2017, 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, 2016 were used. Please refer to the detailed description of these methods in the Notes to the Consolidated Financial Statements 2016, which are available in the internet at www.group.pfeiffer-vacuum.com.

Notes to the Consolidated Interim Financial Statements (unaudited)

3. Changes in the Consolidated Companies/Acquisitions

Acquisition of additional 75.1 % of shares in Dreebit GmbH Effective January 1, 2017, Pfeiffer Vacuum Technology AG purchased all remaining shares of Dreebit GmbH (Dreebit), Dresden, Germany and thus increased the shareholdings from 24.9 % to 100 %. The acquisition has to be seen in connection with the strengthening of service business, a growth segment and an important success driver for Pfeiffer Vacuum.

Due to the brief period of time between the acquisition and the end of the this quarter, the first-time consolidation of Dreebit was made on a preliminary basis, using the IFRS book values of the assets and liabilities as at January 1, 2017 (acquisition date):

IFRS Net Book Value of Assets and Liabilities assumed

	January 1, 2017
	in K€
Assets	
Intangible assets	189
Property, plant and equipment	2,213
Inventories	1,284
Trade accounts receivable	740
Cash and cash equivalents	375
Other assets	119
Total assets	4,920
Liabilities	
Trade accounts payable	-250
Provisions	-597
Income tax liabilities	-150
Financial liabilities	-625
Other liabilities	-556
Total liabilities	-2,178
Identifiable net assets (net book value)	2,742
Fair value of existing shareholdings as of acquisition date (24.9 %)	-1,636
Preliminary goodwill arising on acquisition	1,894
Total consideration (purchase price) of the remaining shareholdings (75.1 %)	3,000

Because the assets and liabilities were recorded at book value, the goodwill thus determined is also preliminary in nature. The final purchase price allocation of Dreebit acquisition will be made in accordance with the IFRS when all relevant information is available, latest until end of this year.

The purchase price of the remaining shareholdings comprises only a cash component. Considering the acquired Dreebit cash and cash equivalents (K€ 375), the net cash used for this acquisition was K€ 2,625.

Notes to the Consolidated Interim Financial Statements (unaudited)

Acquisition of shares in Advanced Test Concepts Inc. Effective February 14, 2017, Pfeiffer Vacuum Technology AG acquired indirectly via its wholly owned subsidiary all shares of Advanced Test Concepts Inc. (ATC Inc.), Indianapolis, USA. At the same time an economically integrated but legally separate sister company to ATC Inc., having the same place of business, was acquired. With the purchase of these 100 % participations (ATC) Pfeiffer Vacuum will further expand its legacy leak detection product portfolio.

Due to the brief period of time between the acquisition and the end of the this quarter, the first-time consolidation of ATC was made on a preliminary basis, using the IFRS book values of the assets and liabilities as at February 14, 2017 (acquisition date):

IFRS Net Book Value of Assets and Liabilities assumed

	February 14, 2017
	in K€
Assets	
Property, plant and equipment	2,088
Inventories	1,370
Trade accounts receivable	1,002
Cash and cash equivalents	160
Total assets	4,620
Liabilities	
Trade accounts payable	-785
Provisions	-106
Other liabilities	-112
Total liabilities	-1,003
Identifiable net assets (net book value)	3,617
Preliminary goodwill arising on acquisition	7,275
Total consideration (purchase price)	10,892

Because the assets and liabilities were recorded at book value, the goodwill thus determined is also preliminary in nature. The final purchase price allocation of ATC acquisition will be made in accordance with the IFRS when all relevant information is available, until end of this year.

The purchase price of the shares comprises only a cash component. Considering the acquired ATC cash and cash equivalents (K€ 160), the net cash used for this acquisition was K€ 10,732.

Notes to the Consolidated Interim Financial Statements (unaudited)

New companies founded during the fiscal year The sales subsidiary Pfeiffer Vacuum Malaysia SDN. BHD. was formed in Malaysia to better reflect the growing importance of the regional market. This process had not any significant effect on the Consolidated Financial Statements. In connection with an expansion and a reconstruction of a site in USA, Pfeiffer Vacuum New Hampshire Realty Holdings, LLC was founded. The Pfeiffer Vacuum Indiana Realty Holdings, LLC was founded in connection to the acquisition of ATC in USA. Both mentioned entities serve purely as holding companies for the acquired real estate.

4. Intangible Assets

Intangible assets consist of the following:

Intangible assets

	March 31, 2017	December 31, 2016
	in K€	in K€
Goodwill	66,148	56,800
Software	2,966	2,895
Other intangible assets	7,322	7,884
Total intangible assets	76,436	67,579

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5. Property, Plant and Equipment

Property, plant and equipment comprise the following:

Property, Plant and Equipment

	March 31, 2017	December 31, 2016
	in K€	in K€
Land and buildings	48,211	40,681
Technical equipment and machinery	28,387	27,391
Other equipment, factory and office equipment	12,304	12,163
Construction in progress	3,807	4,818
Total property, plant and equipment	92,709	85,053

Notes to the Consolidated Interim Financial Statements (unaudited)

6. Inventories

Inventories consist of the following:

Inventories

	March 31, 2017	December 31, 2016
	in K€	in K€
Raw materials	27,848	26,778
Work-in-process	26,493	23,725
Finished products	36,932	31,234
Total inventories, net	91,273	81,737

7. Pension Benefits

Pension expense for all plans included the following components:

Pension Expense for All Plans

	Three months ended March 31,	
	2017	2016
	in K€	in K€
Service cost	928	907
Net interest cost	233	231
Net pension cost	1,161	1,138

8. Warranty

Warranty provisions developed as follows:

Warranty provisions

	Three months ended March 31,	
	2016	2016
	in K€	in K€
Balance on January 1	13,062	12,844
Currency changes	88	-76
Additions	3,032	1,687
Utilization	-1,810	-1,609
Balance on March 31	14,372	12,846

Notes to the Consolidated Interim Financial Statements (unaudited)

9. Income taxes

The Company's effective tax rate for the first quarter 2017 was 30.4 % (Q1 2016: 30.1 %). Thus, there were no material changes.

10. Proposed Dividend Appropriation

The Management and Supervisory Board's common proposal on the dividend appropriation suggests a dividend of € 3.60 per share to be resolved by the Annual Shareholders' Meeting on May 23, 2017. This would lead to a total dividend distribution to the shareholders of € 35.5 million.

11. Earnings per Share

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

Earnings per Share

	Three months ended March 31,	
	2017	2016
Net income (in K€)	14,835	8,960
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)	1.50	0.91

Notes to the Consolidated Interim Financial Statements (unaudited)

12. Segment Reporting

Segment Reporting March 31, 2017

	Germany in K€	France in K€	Europe (excl. G and F) in K€	USA in K€	Re- public of Korea in K€	Asia (excl. Korea) in K€	Other/ Consoli- dation in K€	Group in K€
Net sales	63,511	55,091	24,317	29,726	23,617	16,411	-75,726	136,947
Third party	32,197	13,745	23,155	29,634	23,037	15,179	0	136,947
Intercompany	31,314	41,346	1,162	92	580	1,232	-75,726	0
Operating profit	11,941	3,807	1,548	1,383	1,971	714	6	21,370
Financial results	-	-	-	-	-	-	-55	-55
Earnings before taxes	11,941	3,807	1,548	1,383	1,971	714	-49	21,315
Segment assets	167,380	105,746	40,344	67,220	55,471	47,569	-	483,730
Thereof assets according to IFRS 8.33 (b) ¹	57,543	56,337	5,439	22,935	18,059	14,322	-	174,635
Segment liabilities	56,078	64,480	6,541	7,190	11,465	5,371	-	151,125
Capital expenditures:								
Property, plant & equipment ²	893	620	117	3,468	33	1,011	-	6,142
Intangible assets	204	55	-	-	-	-	-	259
Depreciation ²	1,257	1,216	141	119	344	208	-	3,285
Amortization	176	826	1	-	1	1	-	1,005

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

² Including investment properties

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Segment Reporting March 31, 2016

	Germany in K€	France in K€	Europe (excl. G and F) in K€	USA in K€	Re- public of Korea in K€	Asia (excl. Korea) in K€	Other/ Consoli- dation in K€	Group in K€
Net sales	54,791	42,620	23,281	26,147	13,111	13,530	-63,866	109,614
Third party	26,002	9,875	22,571	26,071	12,700	12,395	-	109,614
Intercompany	28,789	32,745	710	76	411	1,135	-63,866	-
Operating profit	9,792	1,372	1,300	1,126	-1,172	496	-7	12,907
Financial results	-	-	-	-	-	-	-89	-89
Earnings before taxes	9,792	1,372	1,300	1,126	-1,172	496	-96	12,818
Segment assets	155,319	126,141	35,471	58,089	47,314	41,207	-	463,541
Thereof assets according to IFRS 8.33 (b) ¹	51,662	59,791	4,740	10,278	17,673	12,838	-	156,982
Segment liabilities	66,957	58,597	6,467	5,831	9,262	4,875	-	151,989
Capital expenditures:								
Property, plant & equipment ²	1,315	738	452	38	11	192	-	2,746
Intangible assets	22	23	-	-	-	12	-	57
Depreciation ²	1,133	1,381	139	84	316	244	-	3,297
Amortization	203	1,033	43	135	232	129	-	1,775

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

² Including investment properties

Notes to the Consolidated Interim Financial Statements (unaudited)

13. 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, April 28, 2017

Pfeiffer Vacuum Technology AG

Management Board



Manfred Bender



Dr. Matthias Wiemer

Additional Information

Financial Calendar 2017

- Annual Shareholders Meeting
Tuesday, May 23, 2017
- 2nd Quarter 2017 (1st Half Year) Results
Tuesday, August 2, 2017
- 3rd Quarter 2017 (9-Months) Results
Tuesday, November 2, 2017

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.*