



Speech of Manfred Bender, CEO

ANNUAL SHAREHOLDERS MEETING
PFEIFFER VACUUM TECHNOLOGY AG
TUESDAY, MAY 22, 2012

This version of the Management's speech prepared only for the convenience of English-speaking readers, is a translation of the German original. For the purposes of interpretation only the German text is legally binding. The spoken words shall prevail.

Fellow Shareholders,

Speaking on behalf of Dr. Wiemer as well, I would like to welcome you to this year's Annual Shareholders Meeting.

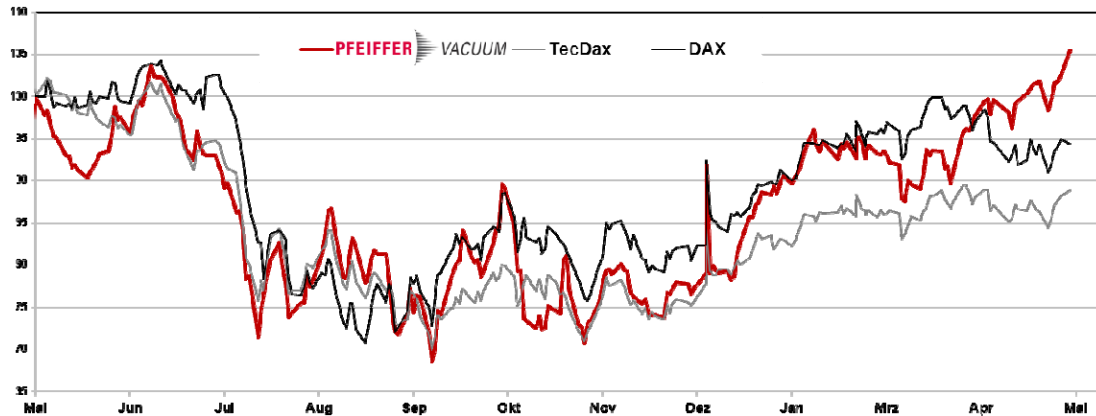
Before I report to you today on the development of our Company in the past business year I would like to bring one fact to your attention: 2011 was a year in which Pfeiffer Vacuum changed more than ever before, apart from the year of our initial public offering in 1996.

We started the year with the acquisition of a large French competitor called adixen. The number of company employees rose from 920 to 2,300, with more than a quarter of these workplaces located in Asia. The topic of globalization has increased in importance substantially. Although Pfeiffer Vacuum has always been represented around the world by its own sales and service companies the acquisition of adixen has further increased our level of internationalization with a considerable growth in the size of our service centers and the Far East seeing the addition of production facilities.

Before explaining our business figures in detail I would like to take this opportunity to thank all our employees for their great efforts to ensure that the integration of adixen proceeded quickly and smoothly and is now very advanced. This is not something that can be taken for granted, just as we could not take for granted that the Company would be doing so well already in the first year after such a large acquisition.

Many thanks also go to those staffers whose "passion for perfection" in the preparations for this Annual Shareholders Meeting ensured that everything would be perfectly readied and that you would feel comfortable with us today.

Relative Share Price Development Pfeiffer Vacuum May 2011 through May 2012



2011-05-27 (=100)
Stock price: 86,92 €

2012-05-11
Stock price: 90,33 €

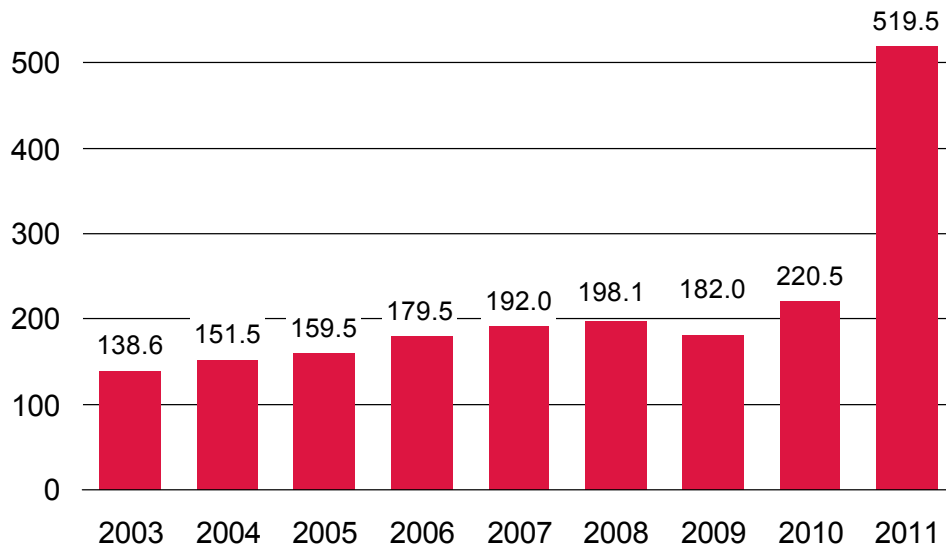
On the political and global economic stage, things ran a lot less smoothly than at Pfeiffer Vacuum in the course of this last year – which led to a lot of nervousness at the stock exchange. As you can see from the graph of our share performance it was difficult to comprehend a reliable tendency in the stock markets. Even such stable values as Pfeiffer Vacuum normally represents displayed great volatility. Only little of this volatility was actually related to the situation at the Company.

Thus we felt the effects last summer of the fact that we are now selling more products to the semiconductor industry. From July onwards many companies in this sector experienced declining turnover and this had an immediate effect on our share price. It has only been possible to achieve a sustainable upward-trend since the beginning of this year.

However, as we have learned in many telephone conversations with you, ladies and gentlemen, the decline in share prices was not always a cause for complaint. Many of you saw this as an opportunity to either buy shares for the first time or to increase your holding. In fact, those people who have kept their shares until now have done quite well.

Let us now move on to our business development.

Sales Development (in million €)



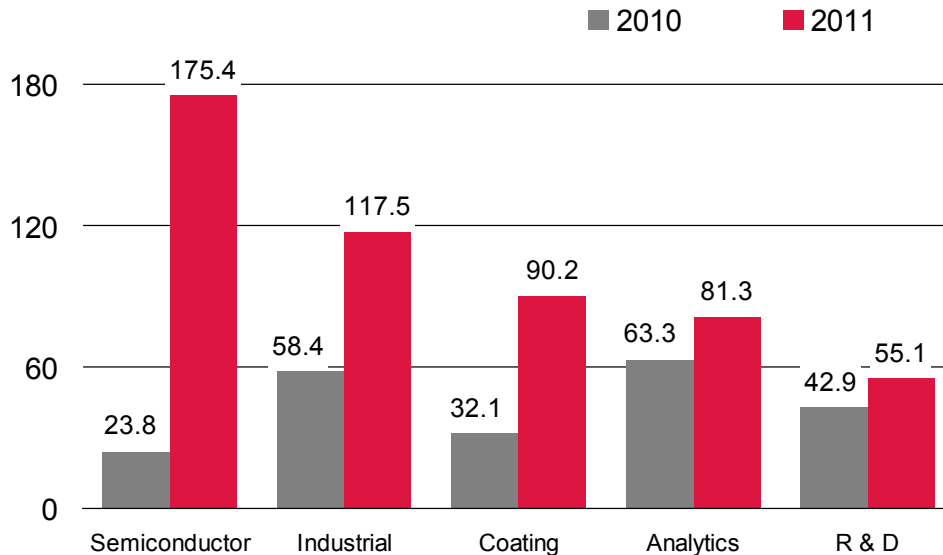
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■ 3

As you can see here we were able to more than double our sales revenues in the past fiscal year. When considering this we must of course bear in mind that we have included adixen sales revenues now for the first time. However both parts, the good old Pfeiffer Vacuum Technology AG and the new entities, have grown thanks to new business. And this has been achieved despite the fact that the second half of the year saw not only a slowdown in the semiconductor industry but also the solar industry practically coming to a standstill.

This growth can hardly be expressed as a percentage. The important thing for us, and this brings me to the major changes that I mentioned in my introduction, is that we have become a group with a turnover of more than half a billion euros. We are no longer the small but select specialist supplier from central Hesse. Now we have grown to a considerable size. Size is not everything of course; we are also highly profitable but I will come to that later.

Sales Development by Market Segment (in million €)



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■ 4

The best way to see how strikingly Pfeiffer Vacuum has changed is to look at sales revenues by market segment. Our strength has been, and always will be, that we are independent of individual markets. We serve an enormously broad spectrum of high-tech applications. In doing so we use the advantages of strong diversification even though we concentrate on the vacuum in our products. If one sector is not doing so well then this might affect our sales trend. We are still positioned well enough however in all market segments to contain these fluctuations. This ensures the long-term success of our company.

However, shifts have now taken place. While Analytics was still our strongest market segment in 2010 this has now been replaced by the Semiconductor industry. This means that the constellation on the vacuum market is also reflected in the composition of our sales revenues. Semiconductors comprise approximately half of the Vacuum market and is thus the largest selling market for vacuum equipment. Here again the growth of € 23.8 million to € 175.4 million can hardly be expressed as a percentage.

We were always strong in the Industry segment but now sales revenues at € 117.5 million are twice as high as the previous year's € 58.4 million.

The Coating segment increased almost threefold from € 32.1 million in 2010 to € 90.2 million in the previous year due to the addition of adixen. This was greatly influenced by the solar industry, in which adixen has an extraordinarily good position. We will return to this point later.

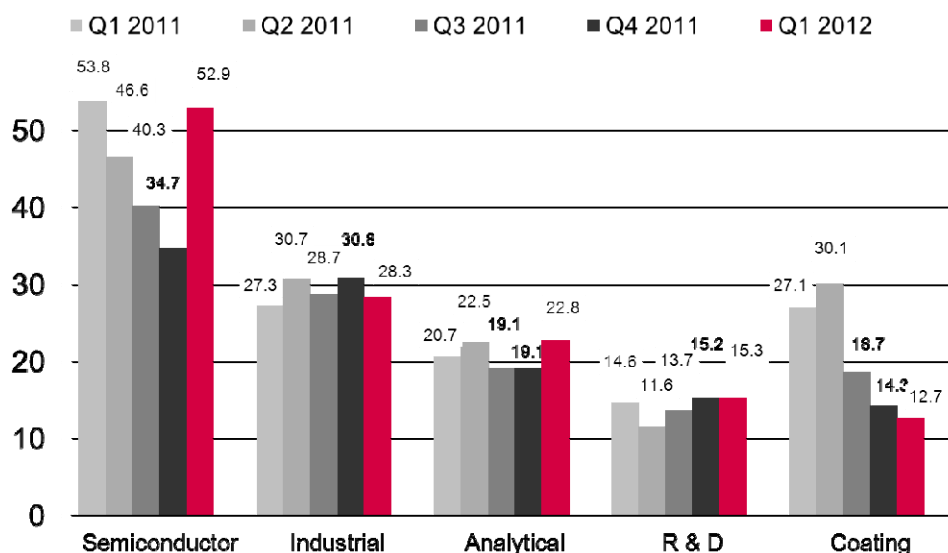
In the market segments of Analytics and Research & Development the 'old Pfeiffer Vacuum' is bringing its excellent position into the new group. We also grew in the

Analytics sector last year, namely from € 63.3 million to € 81.3 million, which is still a good quarter more. The Research & Development segment improved at almost the same rate of growth from € 42.9 million to € 55.1 million.

We grew in all market segments last year, not only through the acquisition but also organically. What you see here is in no way purely the result of a process of addition. All business sectors, i.e. both 'old Pfeiffer Vacuum' and adixen, contributed to this good result in this last year.

However, good though overall annual figures are, the development in the course of the year was very varied.

Sales Development by Market Segments Quarter on Quarter Comparison (in million €)



I have also put together an illustration of quarterly development by market segment. As you can see it was mainly two market segments that leveled off in the second half of 2011: Semiconductors and Coating, whereby the only area of Coating to decline was the solar industry. The development in all other coating applications remained stable, as it did too in the Industry, Analytics and also the Research & Development market segments.

With regard to the Solar market there has been sufficient discussion in the press of the difficult times companies in this segment are currently experiencing. This particularly concerns our German, but also our international, customers. Solar suppliers are even stagnating in China at present. We believe that this market will recover but are unfortunately unable to say when this will take place.

The Semiconductor market is the most dynamic. In order to illustrate how violent these swings can be we have also included development in the first quarter of 2012 on this slide. After the sales revenues in the previous year declined steadily from quarter to quarter they displayed quite a jump in the first quarter of 2012. Many factors are responsible for this unpredictable development. This is why it is so difficult for us to estimate results for the year as a whole.

Nevertheless the Semiconductor market remains extremely important to us because most new impulses come from the new technologies that result from it.

A PASSION FOR PERFECTION

PFEIFFER VACUUM

Vacuum technology and the new iPad



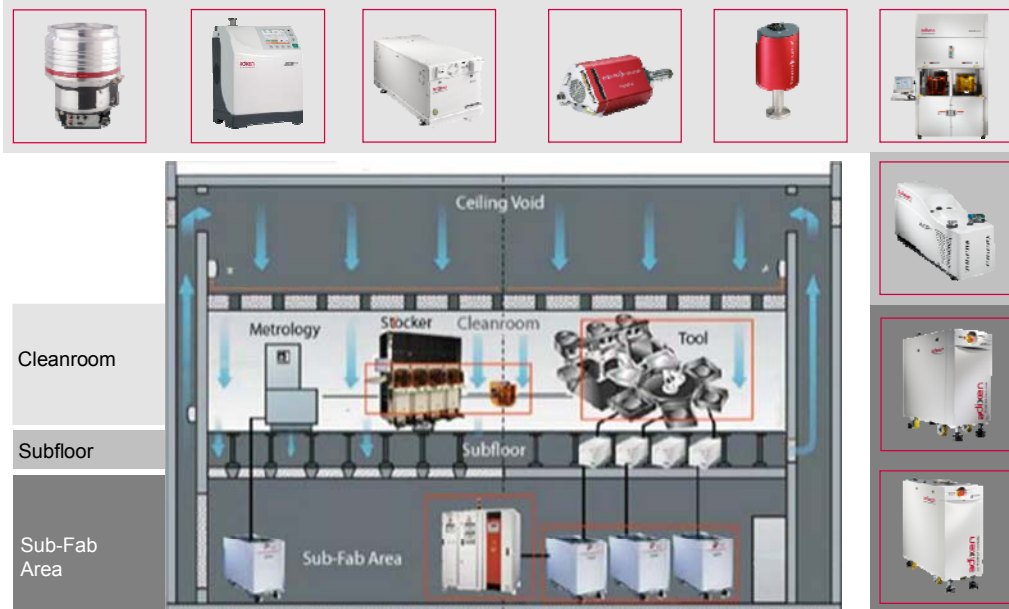
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6

As an example we have taken the new iPad apart. All the parts you can see here are produced or refined under vacuum.

The overall market has enormous potential and we are currently using only a small proportion of it. There are many more customers who are not yet served by Pfeiffer Vacuum or adixen. The combinations available within our large range of products now present us with totally new opportunities.

Vacuum solutions using the example of a Semiconductor FAB



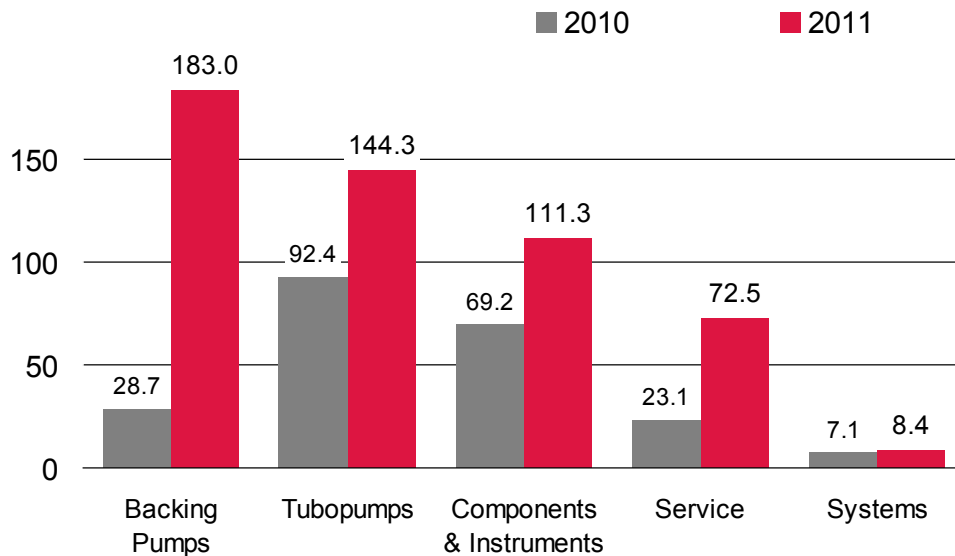
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■ 7

We have produced a diagram to help you imagine how many vacuum products are used in a chip factory. The middle section is the clean room, where the actual process takes place. This may require anything up to 500 turbopumps. These, in turn, need the chambers, connection pieces and measurement equipment to go with them. For physical reasons it is impossible for a turbopump to function without a backing pump connected upstream. That is why this kind of chip factory installs so many backing pumps. Altogether, with the pumps in the cellar that remove toxic gases, up to 1,300 backing pumps are required. I wanted to show you this to give you an idea of the quantities we are talking about here and how important the Semiconductor market is for us as a supplier of vacuum pumps.

But let's get back to the development of business last year.

Sales Development by Product (in million €)



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■ 8

If we look at sales revenues by product we can also see the substantial changes that have taken place at Pfeiffer Vacuum. The acquisition of adixen means that the share of sales revenues achieved by backing pumps has grown so much that there is no point expressing the change as a percentage. Just as in the markets the rate of sales revenue growth here cannot only be explained by the acquisition but is rather also the result of good business in the past year. This means that sales revenues from backing pumps increased from € 28.7 million in 2010 to € 183.0 million in 2011.

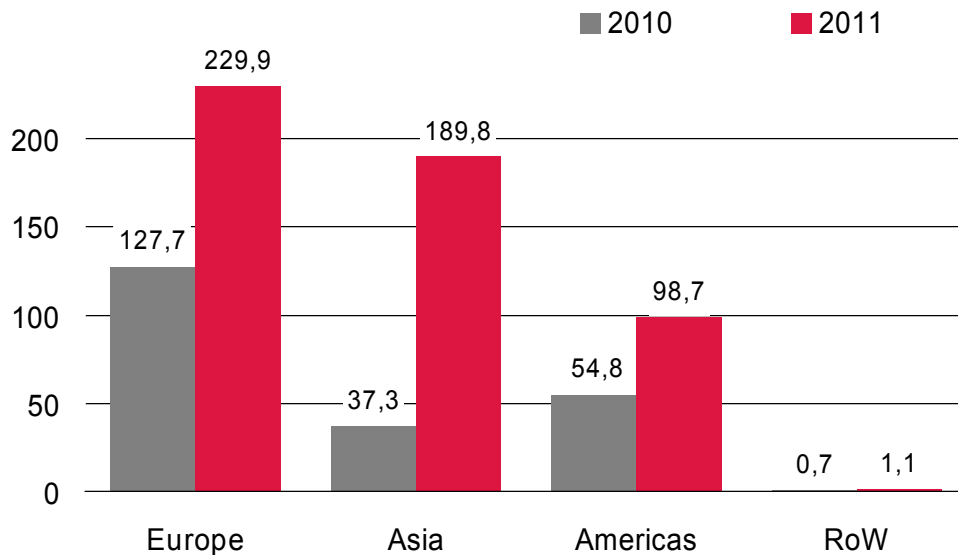
If we look at turbopumps we can see the old market leadership of Pfeiffer Vacuum. Growth was not quite as high because we already sold an above average number of turbopumps in the previous years. However, we still achieved growth of 56 percent here, from € 92.4 million in the previous year to €144.3 million in 2011.

Among other things adixen added an interesting range of leak detectors to its Components & Instruments product group. Sales revenues here rose from € 69.2 million to € 111.3 million. This corresponds to a growth rate of 61 percent.

Considerable growth was once again achieved in Service. This was a result of the many customers, particularly from the semiconductor sector, who adixen brought to us. Regular maintenance of pumps is essential in this market because the process conditions are extremely aggressive. Sales revenues rose from € 23.1 million to € 72.5 million.

In contrast to this, Systems were only slightly affected by the adixen acquisition. Sales revenues here rose 18 percent from € 7.1 million to € 8.4 million in the past fiscal year.

Sales Development by Region (in million €)



With respect to the regions the most significant changes took place in Asia. Sales revenues here rose from € 37.3 million to € 189.8 million because of adixen's strong orientation towards Asia. We expect Asia to become our strongest region in the future. This was already the case in the first quarter of this year. However, last year Europe was still the most important region with sales revenues of € 229.9 million after having achieved revenues of € 127.7 million in the previous year. Sales revenues also increased substantially in the Americas, mainly in the United States, from € 54.8 million in 2010 to € 98.7 million in 2011. Countries such as South Africa and Australia, which we do not allocate to other regions, are included in the group entitled 'Rest of the World'. Sales revenues there are not particularly high overall.

Key Profitability Numbers (in million €)

	2011		2010		Change
Sales	519.5		220.5		135.6 %
Gross Profit	167.4	32.2 %	102.9	46.7 %	62.6 %
EBIT	61.8	11.9 %	52.9	24.0 %	16.8 %
EBT	59.5	11.5 %	54.5	24.7 %	9.1 %
Net Income	41.6	8.0 %	38.3	17.4 %	8.5 %
Average Number of Shares	9,867,659		8,667,075		13.9 %
EPS (in €)	4.19 €		4.40 €		- 4.8 %

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■ 10

The acquisition of adixen led to absolute growth in all items of the Consolidated Statements of Income and we achieved improvement in all items even though we needed to make accounting adjustments in this past fiscal year that affected the Statements of Income. The assets and liabilities of the adixen business units were re-evaluated to fair value as part of the purchase price allocation. The higher values of the acquired assets determined in this process led to an increase in the depreciation base and thus in the annual depreciation. This effect will accompany us in future years to a progressively decreasing extent.

Despite this, the gross profit increased in 2011 by 62.6 percent to € 167.4 million, which corresponds to a gross profit margin of 32.2 percent. The operating profit increased by 16.8 percent to € 61.8 million. This corresponds to an EBIT-margin of 11.9 percent. The effects of the purchase price allocation are particularly perceptible here: without these so-called PPA effects the EBIT-margin would have been 14.5 percent.

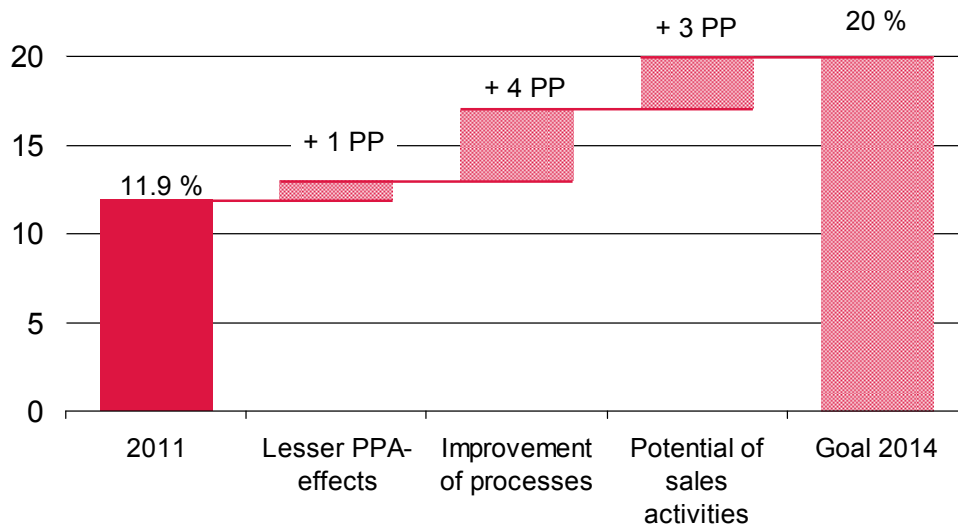
Net income of € 41.6 million was achieved. This corresponds to an increase of 8.5 percent and is thus the highest net income figure in the history of Pfeiffer Vacuum. Earnings per share amounted to € 4.19 (previous year: € 4.40). The 4.8 percent reduction in earnings per share is entirely due to the higher average number of shares in circulation in 2011 compared to 2010.

Many analysts reproach us for no longer achieving such high margins as before the acquisition of adixen. To be honest, many mechanical engineering companies would be happy to even achieve the same margin as in the previous year. However, we are not entirely satisfied with the current situation either. That is why I have briefly outlined how we intend to improve this situation.



Potential EBIT-margin Improvement

(provided a sales result in the range between million € 470 and 520)



The most important thing for us is the EBIT-margin. This tells us whether we are covering our operational costs with our product sales. Pfeiffer Vacuum has never lived beyond its means and has no intention of doing so in future. But we can still improve a little. Our EBIT-margin was 11.9 percent last year. As I said, other companies would be happy to achieve such a high margin at all.

The effects I mentioned as a result of the purchase price allocation, the so-called PPA effects, will reduce from this year onwards. This alone means that we achieved an improvement of approximately one percentage point. We aim to achieve 4 percentage points by improving our processes. Please don't misunderstand me: in principle our production processes are already lean and efficiently organized. Any of you, ladies and gentlemen, who took the opportunity to tour our production facilities this morning can confirm this. Our production facility in France is structured in a similar way. However, we still believe that we can coax out a bit more efficiency.

We can also further improve our sales structures. On the other hand totally new opportunities have been created because we can now offer complete vacuum solutions. We now have all the products that a customer requires to install his vacuum processes. Various measures are aimed at increasing our EBIT-margin by a further 3 percentage points. In the end the margin should be at around 20 percent again in 2014 – assuming we achieve sales revenues at the 2011 level. As a side note I would like to point out that we had an EBIT-margin of 15.2 percent in the first quarter of 2012 and are therefore heading in the right direction.



Selected Balance Sheet Line Items (in million €)

	As at Dec. 31, 2011	As at Dec. 31, 2010
Balance sheet total	476.8	498.9
Equity	281.1	269.3
Equity Ratio	59.0 %	54.0 %
Including Bank liabilities	76.2	78.1
Liquid assets	108.3	85.0

Moving on to our balance sheet we can see that Pfeiffer Vacuum continues to be in very good shape. Looking at the data for 2010 it is noticeable that we already acquired adixen on December 31, 2010. Adjustments had to be made here too, as already mentioned, as a result of the purchase price allocation. The Balance Sheet total fell slightly in 2011 compared to 2010 to € 476.8 million but the equity ratio rose by 5 percentage points to 59 percent. We have paid back some of the bank debts that we took on primarily to finance the adixen acquisition and our loan now stands at € 76.2 million. Our liquid assets are €108.3 million. As you can see, Pfeiffer Vacuum has an extremely sound financial base, even after the acquisition.

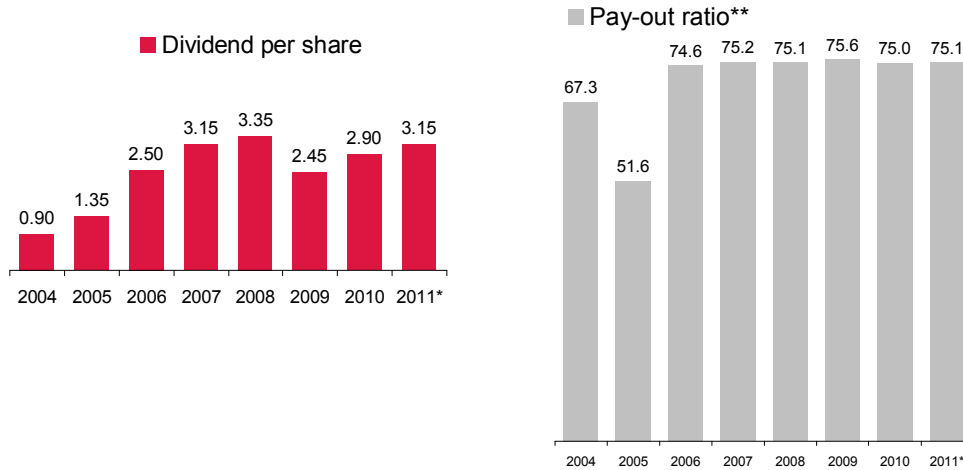
The Distribution Network



At this point I would like to say a bit more about the state of integration of our new subsidiary. The acquisition of adixen, which looked like a single process from the outside, is actually, when observed more closely, the acquisition of the 15 individual companies that together comprise the brand. The companies have now been integrated into our organization, with some merging with the Pfeiffer Vacuum sales companies. We sold two of them. Now we have a single sales network with 929 employees worldwide and four production companies at Annecy/France, Asan/South Korea, Göttingen/Germany and here in Asslar. The formal integration of the new companies and their staff into the Pfeiffer Vacuum Group was more or less complete at the end of 2011. I would like to pay a particular tribute to the responsible staff members for managing this so quickly and smoothly.

This brings us to a topic which is of particular interest to all of you and, of course, to us as well.

Development of Dividend Pay-Out



* For 2011 subject to the consent of the AGM.

** Pay-out ratio = Total amount distributed in dividends relative to consolidated net income attributable to shareholders

Pfeiffer Vacuum is one of the high-dividend issues on the German equities market. Pfeiffer Vacuum Technology AG intends to remain true to this philosophy. The Management and Supervisory Boards therefore propose distributing a dividend of € 3.15 per share for the 2011 fiscal year. With a distribution volume of € 31.1 million, and subject to your consent, we will therefore again pay out some 75 percent of our consolidated net income to you.

Order Development (in million €)

	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q1 2012
Order intake	151.7	141.5	109.7	113.0	136.8
Order backlog at end of period	99.3	99.4	88.6	87.6	92.4

Fellow Shareholders, what I'm sure you are most interested in now is what will happen during the rest of this year. I would like to describe the development of new orders in each quarter including the first quarter of this year. If you look at the top row of figures you can see that the values fell in the middle of last year rose again substantially at the beginning of this year. Although the figures are below those for the first quarter of the previous year, we must take into account the fact that the first quarter of last year was extraordinarily good. The numbers of orders in hand developed similarly, parallel to these figures.

If you multiply the new orders in the first quarter of this year by four and so project them for the whole year the total is higher than the total sales revenues in 2011. That would be too simple a calculation. What is the probability that we will actually achieve this?

We are still receiving mixed signals from the Semiconductor market. Despite the favorable development in the first quarter of this year that I just showed you we cannot assume that the market will recover right across the board. The second quarter, which includes a lot of public holidays, could already bring with it a slowing down of the economy. We are not seeing any signs of recovery in the solar market to date.



Forecast for FY 2012

- Sales revenues for 2012 will be in a range between € 470 and 500 million.
- EBIT-margin of around 15 %

We are expecting sales revenues in the whole of 2012 to lie between € 470 and € 500 million, which is either at the same level as the previous year or just below it. Anyway, increased turnover should not be our main concern this year, seeing that we are still putting the finishing touches to the adixen integrative process and the global economy is still not on a stable footing.

For us, this is a year in which we aim to work on our profitability. If we achieve an EBIT-margin of around 15 percent then this would represent a significant increase over the previous year. We should all be more than satisfied with that.

Pfeiffer Vacuum has a lot of potential. Our new product combinations offer us many new opportunities. We are positioned very well in all market segments. Pfeiffer Vacuum and adixen are the technological leaders in all the significant product groups. There are many new industrial applications that cannot be produced without a vacuum. I am thinking particularly of the ongoing developments in information technology and securing global energy supplies.

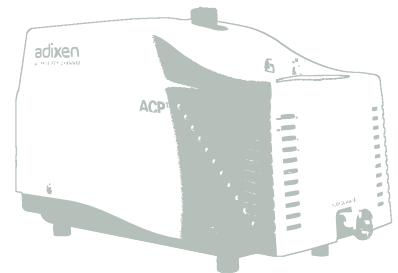
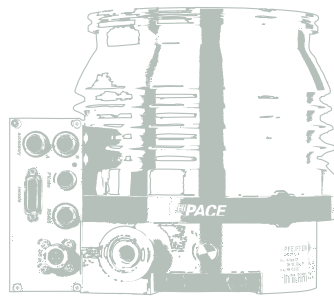
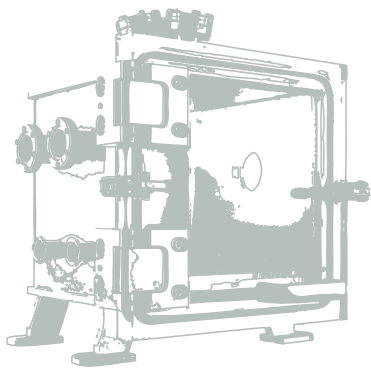
Whichever way we look at it: perfect solutions produced by Pfeiffer Vacuum make future technologies possible that will make our world a little smarter, greener and safer!

I look forward to shaping this future together with you.



Thank you for your attention!

In closing, I would like to thank you for your attention and hope that you will enjoy the rest of the Annual Shareholders Meeting.



Contact

Pfeiffer Vacuum Technology AG

Berliner Straße 43
35614 Asslar

Investor Relations

Dr. Brigitte Looß
Tel.: +49 6441 802-346
Fax: +49 6441 802-365
Brigitte.Loos@pfeiffer-vacuum.de

www.pfeiffer-vacuum.com