

PFEIFFER VACUUM TECHNOLOGY AG

Form 6-K

May 03, 2007

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**FORM 6-K**

**SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**Report of Foreign Private Issuer  
Pursuant to Rule 13a-16 or 15d-16 of  
the Securities Exchange Act of 1934  
Commission file number 001-14264**

**For the month of March 2007**

**PFEIFFER VACUUM TECHNOLOGY AG**  
*(Translation of registrant's name into English)*

**Berliner Strasse 43  
D 35614 Asslar  
Federal Republic of Germany**  
*(Address of principal executive offices)*

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.  
Form 20-F  Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Yes  No

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Yes  No

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes  No

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b):  
82\_\_\_\_\_

**Quarterly Financial Report First Quarter 2007**  
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**Table of Contents****Pfeiffer Vacuum Overview**

|                      |   | Q1 2007 | Q1 2006 | Change  |
|----------------------|---|---------|---------|---------|
| <b>Results</b>       |   |         |         |         |
| Total sales          | K | 46,717  | 43,662  | 7.0%    |
| Germany              | K | 13,393  | 12,150  | 10.2%   |
| Other countries      | K | 33,324  | 31,512  | 5.8%    |
| Operating profit     | K | 12,217  | 10,695  | 14.2%   |
| Net income           | K | 8,031   | 6,546   | 22.7%   |
| Return on sales      | % | 17.2    | 15.0    |         |
| Operating cash flow  | K | 7.154   | 5,245   | 36.4%   |
| Capital expenditures | K | 351     | 487     | (27.9)% |
| Earnings per share   | K | 0.90    | 0.75    | 20.0%   |
| <b>Workforce</b>     |   |         |         |         |
| Workforce            |   | 675     | 687     | (1.7)%  |
| Germany              |   | 502     | 507     | (1.0)%  |
| Other countries      |   | 173     | 180     | (3.9)%  |
| Sales per employee   | K | 69      | 64      | 7.8%    |

|                           |   | March 31,<br>2007 | December 31,<br>2006 | Change |
|---------------------------|---|-------------------|----------------------|--------|
| <b>Balance sheet</b>      |   |                   |                      |        |
| Total assets              | K | 178,775           | 168,670              | 6.0%   |
| Cash and cash equivalents | K | 82,114            | 75,354               | 9.0%   |
| Number of shares issued   |   | 8,970,600         | 8,970,600            |        |
| Shareholders' equity      | K | 146,967           | 138,972              | 5.8%   |
| Equity ratio              | % | 82.2              | 82.4                 |        |

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, 2007 is unaudited.

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**Pfeiffer Vacuum Share Performance**

The shares of Pfeiffer Vacuum Technology AG have been traded in New York since July 16, 1996, and in Frankfurt since April 15, 1998.

|   |  |
|---|--|
| Deutsche Börse, Prime Standard, Frankfurt       | Trading Symbol: PFV                          |
| International Securities Identification Number: | ISIN DE0006916604                            |
| Reuters Symbol:                                 | PV.DE  |
| New York Stock Exchange (NYSE), New York        | Trading Symbol: PV                           |
| International Securities Identification Number: | ISIN US7170671025                            |
| Number of shares issued:                        | 8,970,600 (including 127,076 treasury stock) |
| Free-float as of March 31, 2007:                | 100%   |
| Market capitalization as of March 31, 2007:     | 611.3 million                                |

On the stock exchange in Frankfurt, Pfeiffer Vacuum share performance virtually paralleled the positive TecDAX development in the first three months of 2007. While the TecDAX advanced by 11.6% from 759 to 847 points, Pfeiffer Vacuum shares increased by 5.0%. On January 2, 2007, the shares opened at 64.89 and closed on March 30, 2007, at 68.14. The high for the first quarter 2007 was 70.74 on February 2, 2007. The low for the period was recorded on February 28, 2007 with 56.72.

The prices of Pfeiffer Vacuum ADRs on the NYSE, which are traded in U.S. dollars, reflect changes in the share price and changes in the exchange rate parity between the euro and the U.S. dollar over the course of the year 2007. The ADRs opened on January 3, 2007, at a price of US\$ 88.33 and closed on March 30, 2006, at US\$ 90.86. The first quarter's high was recorded on February 2, 2007 with US\$ 91.06 whereas the low for the period was US\$ 78.06 on March 5, 2007.

As one of the highest dividend issuers in the TecDAX, Pfeiffer Vacuum distributed a dividend to its shareholders for the eighth year in a row in 2006 ( 1.35 per share for fiscal year 2005). Management Board and Supervisory Board will propose a dividend of 2.50 per share (+85.0%) for the fiscal year 2006 at the forthcoming shareholders meeting on May 31, 2007.

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**Interim Management Report**

In the first quarter of 2007, Pfeiffer Vacuum was again successful to increase significantly both, sales and operating profit. The Company's net sales increased by 7.0% to 46.7 million and the net income was 8.0 million, up 22.7% from the previous year's period.

**Overall Economic Environment and Industry Situation**

After the forecasts were corrected, the experts now expect a worldwide economic growth rate of 4.7%, slightly below the development in 2006. A marginal slow down is generally expected for the European economies, too. But according to the current outlook, this slow down will not be as considerable as assumed originally, especially in Germany.

The competitive situation in the vacuum industry and the competitive pressure in the vacuum market will remain unchanged, as compared to the year 2006. In our opinion, Pfeiffer Vacuum's sales increase in the first quarter of 2007 approximately reflects the development in the vacuum industry.

**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 and by product for the periods ended March 31, 2007 and 2006. It should be noted with respect to net sales by segment that the sales shown in this presentation were allocated on the basis of the location that invoiced the sales. The segment-based presentation thus shows net sales by subsidiaries. Net sales by region, on the other hand, include all sales in a given region, regardless of which subsidiary within the Pfeiffer Vacuum Group actually invoiced the sales. Net sales by segment and by region can thus differ from one another to a greater or lesser extent. Net sales in the Asian segment, for example, differ from those shown for the Asian region, as the Asian segment includes only the sales of our two Asian subsidiaries in India and Korea. The presentation for the Asian region, on the other hand, additionally includes sales generated directly with Asian customers by the German company. In net sales by segment, the sales of the German company generated through direct shipments to agents and/or customers outside Germany are significantly higher than German sales by region. Net sales in the U.S.A. region and the U.S.A. segment, on the other hand, are nearly identical, because virtually all sales in this region are handled by our American subsidiary.

**Table of Contents****Interim Management Report****Sales by Segment (Companies)**

Our subsidiaries in the individual countries are independent legal entities with their own management which distribute the products and provide services. Accordingly, the Company identifies its operating segments geographically. Due to the similarity of their economic characteristics, including nature of products sold, type of customers, method of product distribution and economic environment, the Company aggregates its European subsidiaries outside Germany into one reportable segment, Europe (excluding Germany).

**Sales by Segment**

|                            | <b>Three Months Ended</b> |        |
|----------------------------|---------------------------|--------|
|                            | <b>March 31,</b>          |        |
| K                          | <b>2007</b>               | 2006   |
| <b>Net sales</b>           |                           |        |
| Germany                    | 21,888                    | 19,209 |
| Europe (excluding Germany) | 12,788                    | 12,549 |
| United States              | 11,218                    | 10,869 |
| Asia                       | 823                       | 1,035  |
| <b>Total</b>               | <b>46,717</b>             | 43,662 |

In the first quarter of 2007 our total net sales increased significantly by 3.0 million, or 7.0%, from 43.7 million to 46.7 million.

Analysis of these numbers shows that we were able to increase sales in most of our segments. Only in the segment Asia we recorded a sales decrease by 0.2 million from 1.0 million to 0.8 million. In Germany, our sales increased significantly by 2.7 million, or 13.9%, from 19.2 million to 21.9 million. In the U. S. segment, we recorded a sales increase by 0.3 million to 11.2 million. This moderate increase was adversely affected by approximately 1.0 million due to the bad exchange rate ratio resulting from the weak U.S. dollar. In the segment Europe (excluding Germany), too, the sales only increased slightly by 1.9%.

Following 44.0% in the first quarter of 2006, the percentage of sales in Germany was expanded and now stands at 46.8%. Thus, Germany continued to be the segment that accounted for the highest share of total sales. In the other segments the percentage of sales slightly decreased as the growth rates were not as high as in Germany.

**Table of Contents****Interim Management Report****Sales by Region**

To provide additional information, the Company is 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**

| K                          | <b>Three Months Ended<br/>March 31,</b> |        |
|----------------------------|---|--------|
|                            | <b>2007</b>                             | 2006   |
| <b>Net sales</b>           |   |        |
| Europe (excluding Germany) | 14,423                                  | 12,810 |
| Germany                    | 13,393                                  | 12,150 |
| United States              | 11,126                                  | 10,829 |
| Asia                       | 7,203                                   | 7,674  |
| Rest of World              | 572                                     | 199    |
| <b>Total</b>               | <b>46,717</b>                           | 43,662 |

This table, too, shows that we were able to increase our sales in the regions Europe (excluding Germany), Germany and the United States. In Europe (excluding Germany) and Germany the growth rates are double-digit with 12.6% and 10.2%, respectively. Due to the U.S. dollar weakness the increase in the United States was only 2.7%. Accounting for 30.9% of total sales, Europe (excluding Germany) continues to be the Company's largest market.

**Sales by Product****Sales by Product**

| K                              | <b>Three Months Ended<br/>March 31,</b> |        |
|--------------------------------|---|--------|
|                                | <b>2007</b>                             | 2006   |
| <b>Net sales</b>               |   |        |
| Turbopumps                     | 21,430                                  | 19,653 |
| Measurement/analysis equipment | 10,912                                  | 11,870 |
| Backing pumps                  | 7,023                                   | 5,510  |
| Service                        | 6,324                                   | 5,855  |
| Systems                        | 877                                     | 631    |
| Other                          | 151                                     | 143    |
| <b>Total</b>                   | <b>46,717</b>                           | 43,662 |

Turbopumps continue to be the product group most important for Pfeiffer Vacuum. During the first three months of 2007, turbopumps generated total sales of 21.4 million, representing an increase of 1.8 million, or 9.0%, over the prior year. Turbopumps generated 45.9% of our total sales in the first quarter of 2007 (Q1/2006: 45.0%). The sales for backing pumps increased by 1.5 million, or 27.5%, to 7.0 million.



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**Interim Management Report**

Thus, sales in backing pumps for the first time were higher than service sales ( 6.3 million, Q1/2006: 5.9 million), even though service sales increased by 8.0%. In contrast, sales in measurement/analysis equipment were down from 11.9 million in the first quarter of 2006 to 10.9 million in 2007. With 23.4% the percentage of sales in this segment continues to rank second (2006: 27.2%).

**Order Intake and Order Backlog**

New orders in the first three months of 2007 were 54.7 million. As compared to the prior year's period this represents an increase by 9.6 million, or 21.3%. New orders in our core product, turbopumps, advanced by 7.9 million, representing an increase of 39.1%. Thus, the total increase predominantly results from order intake in turbopumps. New orders for our backing pumps and service ( 7.0 million and 6.4 million, respectively) slightly increased by 1.0 million or 0.5 million as compared to the first quarter 2006. The book-to-bill ratio, the quotient of new orders and sales, stood at excellent 117% on March 31, 2007.

Orders on hand increased by 2.7 million from 30.9 million on March 31, 2006 to 33.6 million on March 31, 2007. This development predominantly stemmed from orders on hand in turbopumps in the amount of 26.5 million, up 4.6 million from the previous year's period. Orders on hand in backing pumps and service were flat to the prior year amounts whereas systems accounted for a 1.9 million decrease. Compared to December 31, 2006, orders on hand as of March 31, 2007 increased by 8.0 million, or 31.3%.

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**

In the first quarter of 2007, cost of sales amounted to 23.4 million, up 1.8 million, or 8.7%, from the previous year's level ( 21.6 million). This increase is primarily due to our raised sales. Despite permanent cost management in the production and the optimization of our purchase prices, increases in our commodity prices had an adverse effect on the cost of sales. Gross profit stands at 23.3 million, up 1.2 million from the previous year's amount of 22.1 million. Due to the fact that the percentage increase of cost of sales was higher than the percentage increase in sales, gross margin slightly decreased. But with 49.9%, this still represents an outstanding level (2006: 50.6%).

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**Interim Management Report**

**Selling and Marketing Expenses**

Selling and marketing expenses totaled 6.0 million as of March 31, 2006, and decreased to 5.4 million in Q1 2007. This decline by 0.6 million, or 9.2%, is mainly due the intensified marketing actions in the prior year. Relative to sales, the ratio decreased from 13.7% in the first quarter of 2006 to 11.6 % in 2007.

**General and Administrative Expenses**

With 3.9 million in the first three months of 2007, our general and administrative expenses virtually remained at the previous year's level of 3.8 million. An expenses decline as a consequence of the omission of cost in connection with the implementation of Sarbanes-Oxley-Act was more than compensated by higher personnel expenses. Relative to sales, the ratio decreased from 8.7% to 8.4%.

**Research and Development Expenses**

With 1.7 million, research and development expenses are up only marginally from the amount of 1.6 million in the first quarter of 2006. Due to the increased sales, the percentage of sales of our research and development expenses declined slightly from 3.8% to 3.7%.

We will maintain the percentage of expenses allocated for research and development at a high level. We are dependent upon maintaining our technological edge in designing and manufacturing vacuum pumps, and invest in order to be able to continue to sustain our position on the world market, to expand our market shares and to open up new markets. All expenditures for research and development are expensed as they are incurred.

**Operating Profit**

In the first quarter of 2007, our operating profit amounted to 12.2 million, up 1.5 million, or 14.2%, from the previous year's level of 10.7 million. The EBIT margin, the ratio between operating profit and sales, too, was increased and stood at 26.2% as compared to 24.5% in the first three months of 2006.

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**Interim Management Report**

**Financial Income**

Financial income predominantly comprises interest income and foreign exchange rate results. With net interest income of 0.7 million and a virtually balanced foreign exchange rate result, the financial income for the first three months of 2007 was 0.7 million. Net interest income of 0.3 million and foreign exchange rate losses of 0.3 million led to a balanced financial income in the first quarter of 2006.

**Income Taxes**

Our income tax rate totaled 38.0% in the three month period ended March 31, 2007 and 39.0% in 2006.

**Net Income**

Our net income as of March 31, 2007 was 8.0 million as compared to 6.5 million the comparative prior year period. This is an increase of 1.5 million, or 22.7%. The return on sales (net of tax) amounted to outstanding 17.2% (2006: 15.0%).

**Financial Position**

Compared to December 31, 2006, the Company's balance sheet total increased by 10.1 million, or 6.0%, to 178.8 million as of March 31, 2007. Our financial position on the asset side continues to be characterized by cash and cash equivalents, amounting to 82.1 million or 45.9% of balance sheet total. Trade accounts receivable were up from 23.9 million to 24.5 million, mainly as a consequence of increased sales. Other major line items on the assets side are property, plant and equipment ( 22.4 million, down 0.5 million) and inventories ( 17.3 million, up 1.8 million). The higher level of inventories is to be seen in connection with higher orders on hand. With 18.7 million, the investment securities remained virtually stable as compared to December 31, 2006.

As of March 31, 2007, total shareholders' equity amounted to 147.0 million. This represents an increase of 8.0 million from the level on December 31, 2006. Our equity ratio is 82.2% and continues to enable us to finance our investments and operations without having to resort to bank debt. Other major line items on the liabilities side of the balance sheet relate to the provisions. They amount to 24.8 million and thus account for 13.9% of the balance sheet total. Provisions are predominantly short-term liabilities.

**Table of Contents****Interim Management Report****Cash Flow**

With 7.2 million, the cash flow from operating activities is up 2.0 million, or 36.4%, from the 5.2 million for the first three months of 2006. One major reason was the 1.5 million increase in net income. In contrast, the increase by 0.7 million in receivables and other assets led to a higher cash usage.

In the first quarter of 2007, the cash used in investing activities totaled 0.3 million, as compared to 0.5 million in 2006.

Thus, total cash flow amounted to 6.8 million and resulted in an increase by 9.0% to 82.1 million in cash and cash equivalents. Further on, we are able to generate required cash from operating activities to financing our day-to-day business and investment projects.

**Workforce**

As of March 31, 2007, the Company employed a workforce of 675 people, 502 of them in Germany and 173 in other countries.

**Workforce**

|                           | Germany    |            | Other Countries |            | Total      |            |
|---------------------------|------------|------------|-----------------|------------|------------|------------|
|                           | 2007       | 2006       | March 31,       |            | 2007       | 2006       |
|                           | 2007       | 2006       | 2007            | 2006       | 2007       | 2006       |
| Manufacturing and Service | 270        | 271        | 52              | 53         | 322        | 324        |
| Research and Development  | 77         | 75         |                 |            | 77         | 75         |
| Sales and Marketing       | 103        | 103        | 99              | 98         | 202        | 201        |
| Administration            | 52         | 58         | 22              | 29         | 74         | 87         |
| <b>Total</b>              | <b>502</b> | <b>507</b> | <b>173</b>      | <b>180</b> | <b>675</b> | <b>687</b> |

Workforce in Germany decreased slightly by 1.0% as compared to March 31, 2006.

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**Interim Management Report**

**Risk Report**

During the first three months of the 2007 fiscal year, there were no changes in the risks as described in our Annual Report (Geschäftsbericht) and our Annual Report on Form 20-F for the year ended December 31, 2006. Both reports are available on our homepage at [www.pfeiffer-vacuum.net](http://www.pfeiffer-vacuum.net).

**Major Events in Fiscal 2007**

Since the beginning of the 2007 fiscal year, there have not been any significant changes in the Company's position or the industry environment.

**Outlook**

The forecast for the world economic growth in 2007 is slightly below the worldwide growth in 2006. According to our assessment, growth in the vacuum industry will approximately parallel the development in 2006. Given our orders on hand and rising customer demand, we anticipate that our sales in 2007 will grow faster than the market. Due to the impact of the U.S. dollar exchange rate on our sales (a negative effect of 1.0 million in Q1/2007) harmful consequences may occur which can not be evaluated.

Taking into account the said sales increases, we expect that profitability will remain in line with the last year's level where the EBIT margin was 25.1%. Due to the uncertainties in the purchase markets, we stick to this forecast, even though the first quarter of 2007 has shown a better EBIT margin.

**Table of Contents****Interim Financial Statements****Consolidated Statements of Income (unaudited)**

| K   | <b>Three months ended</b> |          |
|---|---------------------------|----------|
|   | <b>March 31,</b>          |          |
|   | <b>2007</b>               | 2006     |
| Net sales   | 46,717                    | 43,662   |
| Cost of sales                                     | (23,419)                  | (21,552) |
| <b>Gross profit</b>                               | <b>23,298</b>             | 22,110   |
| Selling and marketing expenses                    | (5,418)                   | (5,968)  |
| General and administrative expenses               | (3,945)                   | (3,805)  |
| Research and development expenses                 | (1,718)                   | (1,642)  |
| <b>Operating profit</b>                           | <b>12,217</b>             | 10,695   |
| Interest expense                                  | (3)                       | (72)     |
| Interest income                                   | 705                       | 381      |
| Foreign exchange (loss) gain                      | 35                        | (273)    |
| <b>Income before income taxes</b>                 | <b>12,954</b>             | 10,731   |
| Income taxes                                      | (4,923)                   | (4,185)  |
| <b>Net income</b>                                 | <b>8,031</b>              | 6,546    |
| Thereof attributable to:                          |                           |          |
| <b>Pfeiffer Vacuum Technology AG shareholders</b> | <b>7,993</b>              | 6,501    |
| Minority interests                                | 38                        | 45       |
| <b>Earnings per ordinary share and ADR (in )</b>  |                           |          |
| Basic   | 0.90                      | 0.75     |
| Diluted   | 0.90                      | 0.75     |

See accompanying notes to the interim financial statements.

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**Table of Contents****Interim Financial Statements  
Consolidated Balance Sheets (unaudited)**

|   | <b>March 31,<br/>2007</b> | December<br>31,<br>2006 |
|---|---------------------------|-------------------------|
| K   |                           |                         |
| <b>ASSETS</b>   |                           |                         |
| Intangible assets   | 300                       | 319                     |
| Property, plant and equipment                               | 22,413                    | 22,901                  |
| Investment properties                                       | 1,820                     | 1,838                   |
| Investment securities                                       | 17,699                    | 17,535                  |
| Prepaid pension cost  | 145                       | 145                     |
| Deferred tax assets   | 5,582                     | 5,585                   |
| Other assets  | 1,764                     | 1,822                   |
| <b>Total non-current assets</b>                             | <b>49,723</b>             | 50,145                  |
| Inventories   | 17,304                    | 15,520                  |
| Trade accounts receivable                                   | 24,528                    | 23,934                  |
| Other accounts receivable                                   | 2,545                     | 1,801                   |
| Prepaid expenses  | 1,151                     | 449                     |
| Investment securities                                       | 1,000                     | 1,000                   |
| Other current assets  | 410                       | 467                     |
| Cash and cash equivalents                                   | 82,114                    | 75,354                  |
| <b>Total current assets</b>                                 | <b>129,052</b>            | 118,525                 |
| <b>Total assets</b>   | <b>178,775</b>            | 168,670                 |
| <b>SHAREHOLDERS EQUITY AND LIABILITIES</b>                  |                           |                         |
| <b>Equity</b>   |                           |                         |
| Share capital   | 22,965                    | 22,965                  |
| Additional paid-in capital                                  | 13,305                    | 13,305                  |
| Retained earnings   | 112,262                   | 104,269                 |
| Other equity components                                     | 1,496                     | 1,520                   |
| Treasury shares   | (3,722)                   | (3,722)                 |
| <b>Equity of Pfeiffer Vacuum Technology AG shareholders</b> | <b>146,306</b>            | 138,337                 |
| Minority interests  | 661                       | 635                     |
| <b>Total equity</b>   | <b>146,967</b>            | 138,972                 |
| Deferred tax liabilities                                    | 313                       | 308                     |
| Provisions for pensions                                     | 4,104                     | 3,859                   |
| <b>Total non-current liabilities</b>                        | <b>4,417</b>              | 4,167                   |
| Trade accounts payable                                      | 3,950                     | 4,428                   |
| Other accounts payable                                      | 1,266                     | 2,571                   |
| Provisions  | 16,022                    | 13,564                  |
| Income tax liabilities                                      | 4,667                     | 3,420                   |

|  |                |         |
|--|----------------|---------|
| Customer deposits                                | 1,486          | 1,548   |
| <b>Total current liabilities</b>                 | <b>27,391</b>  | 25,531  |
| <b>Total shareholders equity and liabilities</b> | <b>178,775</b> | 168,670 |

See accompanying notes to the interim financial statements.

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Table of Contents**Interim Financial Statements****Consolidated Statements of Shareholders Equity (unaudited)**

| K   | <b>Equity of Pfeiffer Vacuum Technology AG Shareholders</b> |                 |                   |                                    |                 |                    |             | <b>Total Equity</b> |
|---|---|-----------------|-------------------|------------------------------------|-----------------|--------------------|-------------|---------------------|
|   | Share Capital   | Paid-in Capital | Retained Earnings | Additional Other Equity Components | Treasury Shares | Minority Interests | Total       |                     |
| Balance on January 1, 2006                  | 22,504  | 5,819           | 86,377            | (833)                              | (2,438)         | 111,429            | 569         | 111,998             |
| Cumulative translation adjustments          |   |                 |                   | (380)                              |                 | (380)              |             | (380)               |
| Net results from cash flow hedges           |   |                 |                   | 212                                |                 | 212                |             | 212                 |
| <b>Earnings recorded directly in equity</b> |   |                 |                   | <b>(168)</b>                       |                 | <b>(168)</b>       |             | <b>(168)</b>        |
| Net income                                  |   |                 | 6,501             |                                    |                 | 6,501              | 45          | 6,546               |
| <b>Total earnings for the period</b>        |   |                 | <b>6,501</b>      | <b>(168)</b>                       |                 | <b>6,333</b>       | <b>45</b>   | <b>6,378</b>        |
| Employee participation program              |   | 116             |                   |                                    |                 | 116                |             | 116                 |
| <b>Balance on March 31, 2006</b>            | <b>22,504</b>   | <b>5,935</b>    | <b>92,878</b>     | <b>(1,001)</b>                     | <b>(2,438)</b>  | <b>117,878</b>     | <b>614</b>  | <b>118,492</b>      |
| Balance on January 1, 2007                  | 22,965  | 13,305          | 104,269           | 1,520                              | (3,722)         | 138,337            | 635         | 138,972             |
| Cumulative translation adjustments          |   |                 |                   | (171)                              |                 | (171)              | (12)        | (183)               |
| Net results from cash flow hedges           |   |                 |                   | (14)                               |                 | (14)               |             | (14)                |
| Revaluation available-for-sale securities   |   |                 |                   | 161                                |                 | 161                |             | 161                 |
| <b>Earnings recorded directly in equity</b> |   |                 |                   | <b>(24)</b>                        |                 | <b>(24)</b>        | <b>(12)</b> | <b>(36)</b>         |
| Net income                                  |   |                 | 7,993             |                                    |                 | 7,993              | 38          | 8,031               |
| <b>Total earnings for the period</b>        |   |                 | <b>7,993</b>      | <b>(24)</b>                        |                 | <b>7,969</b>       | <b>26</b>   | <b>7,995</b>        |
| <b>Balance on March 31, 2007</b>            | <b>22,965</b>   | <b>13,305</b>   | <b>112,262</b>    | <b>1,496</b>                       | <b>(3,722)</b>  | <b>146,306</b>     | <b>661</b>  | <b>146,967</b>      |

See accompanying notes to the interim financial statements.



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## Interim Financial Statements

## Consolidated Statements of Cash Flows (unaudited)

| <b>K</b>  | <b>Three months ended March</b>                             |                     |
|---|---|---------------------|
|   | <b>2007</b>   | <b>31,<br/>2006</b> |
| <b>Cash flow from operating activities:</b>                           |   |                     |
| Net income  | <b>8,031</b>  | 6,546               |
| Depreciation and amortization   | 794   | 761                 |
| Other-non cash income and expenses                                    | 412   | 228                 |
| Effects of changes in assets and liabilities:                         |   |                     |
| Inventories   | (2,030)   | (2,283)             |
| Receivables and other assets  | (2,240)   | (1,529)             |
| Provisions, including pensions and income tax liabilities             | 4,011   | 25                  |
| Payables, other liabilities   | (1,824)   | 1,497               |
| <b>Net cash provided by operating activities</b>                      | <b>7,154</b>  | <b>5,245</b>        |
| <b>Cash flow from investing activities:</b>                           |   |                     |
| Proceeds from disposals of fixed assets                               | 42  | 8                   |
| Capital expenditures  | (351)   | (487)               |
| <b>Net cash used in investing activities</b>                          | <b>(309)</b>  | <b>(479)</b>        |
| Effects of foreign exchange rate changes on cash and cash equivalents | (85)  | (230)               |
| <b>Net increase in cash and cash equivalents</b>                      | <b>6,760</b>  | <b>4,536</b>        |
| Cash and cash equivalents at beginning of period                      | 75,354  | 61,651              |
| <b>Cash and cash equivalents at end of period</b>                     | <b>82,114</b>   | <b>66,187</b>       |
|   | See accompanying notes to the interim financial statements. |                     |
|   |   | Page 16             |

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**Notes to the Interim Financial Statements (unaudited)**

**1. The Company and Basis of Presentation**

The parent company within the Pfeiffer Vacuum Group ( the Company or Pfeiffer Vacuum ) is Pfeiffer Vacuum Technology AG, domiciled at Berliner Strasse 43, 35614 Asslar, Germany. Pfeiffer Vacuum Technology AG is a stock corporation organized under German law and recorded in the Register of Companies at the Local Court of Wetzlar under Number HRB 44. The Company is listed on the Deutsche Börse Stock Exchange in Frankfurt am Main, Germany, where it is included in the TecDAX index. Additionally, the Company's American Depositary Receipts (ADRs) are traded on the New York Stock Exchange (NYSE) in the United States.

Pfeiffer Vacuum is one of the leading full-line vacuum technology manufacturers, offering custom solutions for a wide range of needs in connection with the generation, control and measurement of vacuum. The products developed and manufactured at the Company's production facility in Asslar, Germany, include turbopumps, a range of backing pumps, such as rotary vane, Roots and dry pumps, complete pumping stations, as well as custom vacuum systems and components.

Pfeiffer Vacuum markets and distributes its products through its own network of sales companies and independent marketing agents. Moreover, there are service support centers in all major industrial locations throughout the world.

The Company's primary markets are located in Europe, the United States and Asia.

The Consolidated Financial Statements of Pfeiffer Vacuum Technology AG have been prepared in accordance with International Financial Reporting Standards (IFRS) and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) as applicable in the European Union (EU). This includes the International Accounting Standards (IAS), which continue to retain their validity, and the interpretations of the Standing Interpretations Committee (SIC).

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

**2. Accounting and Valuation Methods**

In preparing this interim report as of March 31, 2007, 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, 2006 were used. Please refer to the detailed description of these methods in the Notes to the Consolidated Financial Statements 2006, which are available in the internet at [www.pfeiffer-vacuum.net](http://www.pfeiffer-vacuum.net).

**Table of Contents****Notes to the Interim Financial Statements (unaudited)**

In 2007 there were no changes in the consolidated companies. Nor are there any investments in jointly controlled entities or investments in associated companies or investments in companies controlled pursuant to the rules of SIC 12

Special Purpose Entities.

**3. Property, Plant and Equipment**

Property, plant and equipment comprise the following:

**Property, Plant and Equipment**

|   | <b>March 31,</b> | December    |
|---|------------------|-------------|
| K   | <b>2007</b>      | 31,<br>2006 |
| Land and buildings                            | 15,315           | 15,560      |
| Technical equipment and machinery             | 3,790            | 3,085       |
| Other equipment, factory and office equipment | 3,281            | 3,469       |
| Construction in progress                      | 27               | 787         |
| <b>Total property, plant and equipment</b>    | <b>22,413</b>    | 22,901      |

**4. Investment Securities**

The Company holds fixed-income securities in the total amount of 6.0 million which are classified as held-to-maturity and therefore carried at amortized cost. Fixed-income securities in the amount of 1.0 million are shown as current assets due to the maturity in 2007. The portfolio of equity securities is categorized as available-for-sale with changes in fair value being recorded directly in equity. In 2007 the fair value increased by 0.2 million to 12.7 million.

**5. Inventories**

Inventories consist of the following:

**Inventories**

|                          | <b>March</b>  | December |
|--------------------------|---------------|----------|
| K                        | <b>31,30,</b> | 31,      |
|                          | <b>2007</b>   | 2006     |
| Raw materials            | 6,602         | 6,132    |
| Work-in-process          | 5,166         | 4,590    |
| Finished products        | 8,853         | 8,116    |
| Reserves                 | (3,317)       | (3,318)  |
| <b>Total inventories</b> | <b>17,304</b> | 15,520   |

The Company's positive order situation connected with a high plant utilization led to increased inventories.

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**Table of Contents****Notes to the Interim Financial Statements (unaudited)****6. Other Equity Components**

The other equity components which do not impact the income statement, developed as follows:

**Other Equity Components**

| K   | Unrealized<br>Gains/Losses<br><br>on Hedges | Foreign<br>Currency<br>Translation<br>Adjustments | Revaluation<br>of<br>Available-for-<br>Sale<br>Securities | Total   |
|---|---|---|---|---------|
| Balance on January 1, 2006  | (196)                                       | (637)   |   | (833)   |
| Changes in fair value of cash flow hedges (net of tax)                  | 212   |   |   | 212     |
| Changes in foreign currency translation                                 |   | (380)   |   | (380)   |
| Balance on March 31, 2006   | 16  | (1,017)   |   | (1,001) |
| Balance on January 1, 2007  | 259   | (2,224)   | 3,485   | 1,520   |
| Changes in fair value of cash flow hedges (net of tax)                  | (14)  |   |   | (14)    |
| Changes in foreign currency translation                                 |   | (171)   |   | (171)   |
| Revaluation of securities classified as available-for-sale (net of tax) |   |   | 161   | 161     |
| Balance on March 31, 2007   | 245   | (2,395)   | 3,646   | 1,496   |

**7. Pension Benefits and Similar Obligations**

Pension expense for all plans included the following components:

**Pension Expense for All Plans**

| K                         | Three months ended<br>March 31, |            |
|---------------------------|---------------------------------|------------|
|                           | 2007                            | 2006       |
| Service cost              | 212                             | 296        |
| Interest cost             | 575                             | 561        |
| Expected return on assets | (521)                           | (478)      |
| <b>Net pension cost</b>   | <b>266</b>                      | <b>379</b> |

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**Table of Contents****Notes to the Interim Financial Statements (unaudited)****8. Warranty**

Warranty provisions developed as follows:

**Warranty Provisions**

| K                               | <b>Three months ended<br/>March 31,</b> |              |
|---------------------------------|---|--------------|
|                                 | <b>2007</b>                             | 2006         |
| Balance at beginning of period  | 1,929                                   | 2,887        |
| Currency changes                | (7)                                     | (15)         |
| Additions                       | 101                                     | 364          |
| Utilization                     | (31)                                    | (217)        |
| Releases                        | (67)                                    |              |
| <b>Balance at end of period</b> | <b>1,925</b>                            | <b>3,019</b> |

**9. Earnings per Ordinary and Diluted Share and ADR**

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

**Earnings\* per Ordinary and Diluted Share and ADR**

|   | <b>Three months ended<br/>March 31,</b> |           |
|---|---|-----------|
|   | <b>2007</b>                             | 2006      |
| <i>Numerator:</i>   |   |           |
| Net income (in thousands )  | 7,993                                   | 6,501     |
| <i>Denominator:</i>   |   |           |
| Denominator for basic earnings per share (weighted-average shares)                                  | 8,843,524                               | 8,690,524 |
| <i>Effect of dilutive securities:</i>   |   |           |
| Convertible bonds   |   | 31,352    |
| Denominator for diluted earnings per share adjusted weighted average shares and assumed conversions | 8,843,524                               | 8,721,876 |
| <b>Earnings per share and ADR (in )</b>   |   |           |
| Basic   | 0.90                                    | 0.75      |
| Diluted   | 0.90                                    | 0.75      |

\* Attributable to Pfeiffer Vacuum Technology AG shareholders

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**Table of Contents****Notes to the Interim Financial Statements (unaudited)****10. Segment Information****Segment Reporting as of March 31, 2007**

| K                                | Germany | Europe<br>(excluding<br>Germany) | US     | Rest of<br>World | Others/<br>Eliminations | Total   |
|----------------------------------|---------|----------------------------------|--------|------------------|-------------------------|---------|
| Net sales                        | 39,573  | 12,806                           | 11,247 | 1,052            | (17,961)                | 46,717  |
| Third party                      | 21,888  | 12,788                           | 11,218 | 823              |                         | 46,717  |
| Intercompany                     | 17,685  | 18                               | 29     | 229              | (17,961)                |         |
| Operating profit                 | 10,172  | 1,038                            | 914    | 170              | (77)                    | 12,217  |
| Financial income                 |         |                                  |        |                  | 737                     | 737     |
| Income before income<br>taxes    | 10,172  | 1,038                            | 914    | 170              | 660                     | 12,954  |
| Segment assets                   | 131,683 | 20,539                           | 23,353 | 3,200            |                         | 178,775 |
| Segment liabilities              | 23,188  | 6,350                            | 1,749  | 521              |                         | 31,808  |
| Capital expenditures:            |         |                                  |        |                  |                         |         |
| Property, plant and<br>equipment | 274     | 28                               |        | 3                |                         | 305     |
| Intangible assets                | 46      |                                  |        |                  |                         | 46      |
| Depreciation*                    | 639     | 62                               | 16     | 12               |                         | 729     |
| Amortization                     | 63      | 2                                |        |                  |                         | 65      |

**Segment Reporting as of March 31, 2006**

| K                                | Germany | Europe<br>(excluding<br>Germany) | US     | Rest of<br>World | Others/<br>Eliminations | Total   |
|----------------------------------|---------|----------------------------------|--------|------------------|-------------------------|---------|
| Net sales                        | 35,677  | 12,597                           | 10,823 | 1,283            | (16,718)                | 43,662  |
| Third party                      | 19,209  | 12,549                           | 10,869 | 1,035            |                         | 43,662  |
| Intercompany                     | 16,468  | 48                               | (46)   | 248              | (16,718)                |         |
| Operating profit                 | 8,774   | 1,055                            | 608    | 209              | 49                      | 10,695  |
| Financial income                 |         |                                  |        |                  | 36                      | 36      |
| Income before income<br>taxes    | 8,774   | 1,055                            | 608    | 209              | 85                      | 10,731  |
| Segment assets                   | 102,048 | 20,724                           | 21,277 | 2,989            |                         | 147,038 |
| Segment liabilities              | 19,831  | 5,974                            | 2,279  | 462              |                         | 28,546  |
| Capital expenditures:            |         |                                  |        |                  |                         |         |
| Property, plant and<br>equipment | 252     | 64                               | 94     | 4                |                         | 414     |
| Intangible assets                | 67      | 6                                |        |                  |                         | 73      |
| Depreciation*                    | 593     | 77                               | 24     | 16               |                         | 710     |
| Amortization                     | 45      | 6                                |        |                  |                         | 51      |

\* Including investment properties



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**Notes to the Interim Financial Statements (unaudited)**

**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 38.0 % for the first three months of 2007 and 39.0 % for the first three months of 2006.

**12. Management Board**

In its meeting on March 26, 2007, the Supervisory Board of Pfeiffer Vacuum Technology AG appointed Dr. Matthias Wiemer as new Management Board member for the Company with effect from April 1, 2007. Within the Management Board Dr. Wiemer is responsible for Sales and Research & Development.

**13. Major Related Party Transactions**

Besides the transactions with the subsidiaries that are eliminated during the consolidation process and the regular compensation of Management Board members, no important transactions with related parties occurred in the first quarter of 2007.

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**Signatures**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

May 2, 2007

PFEIFFER VACUUM TECHNOLOGY AG

By: /s/ Wolfgang Dondorf

Wolfgang Dondorf

Chief Executive Officer

By: /s/ Manfred Bender

Manfred Bender

Chief Financial Officer

By: /s/ Dr. Matthias Wiemer

Dr. Matthias Wiemer

Member of the Management Board

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**Additional Information**

**Financial Calendar 2007**

Annual Shareholders Meeting

Thursday, May 31, 2007

2<sup>nd</sup> Quarter 2007 (1<sup>st</sup> Half Year) Results

Tuesday, August 7, 2007

3<sup>rd</sup> Quarter 2007 (9-Months) Results

Tuesday, November 6, 2007

**Contacts**

**Investor Relations**

Gudrun Geissler

Berliner Strasse 43

35614 Asslar

Germany

Phone: +49 (0) 6441 802-314

Fax: +49 (0) 6441 802-365

mailto:Gudrun.Geissler@pfeiffer-vacuum.de

www.pfeiffer-vacuum.net

**Public Relations**

Sabine Trylat

Berliner Strasse 43

35614 Asslar

Germany

Phone: +49 (0) 6441 802-169

Fax: +49 (0) 6441 802-883

mailto:Sabine.Trylat@pfeiffer-vacuum.de

www.pfeiffer-vacuum.net