

INFICON

*3rd Quarter 2011
Earnings Conference Call
October 20, 2011*

Bad Ragaz, Switzerland

Safe Harbor Statement

This presentation contains forward-looking statements that reflect Management's current views and estimates. The forward-looking statements involve certain risks and uncertainties that could cause actual results to differ materially from those contained in the forward-looking statements. These forward-looking statements address, among other things, our strategic objectives, trends in vacuum technology and in the industries that employ vacuum instrumentation and the anticipated effects of these trends on our business.

The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Speakers

Lukas Winkler, President and CEO

- Key figures Q3:2011
- Target market business review
- 2011 Expectations

Matthias Tröndle, Vice President and CFO

- Financials Q3:2011
- Outlook

Q3:2011 – Key Figures

▪ Q3:2011 with solid results

- Sales increase by 14.8% to USD 78.4 million compared with Q3:2010 (FX +8.4%)
- New record-high sales in Refrigeration & Air Conditioning
- Q3:2011 Y-o-Y sales increase in all markets and regions
- Sales decrease of 4.1% compared with Q2:2011
- Book-to-bill ratio > 1

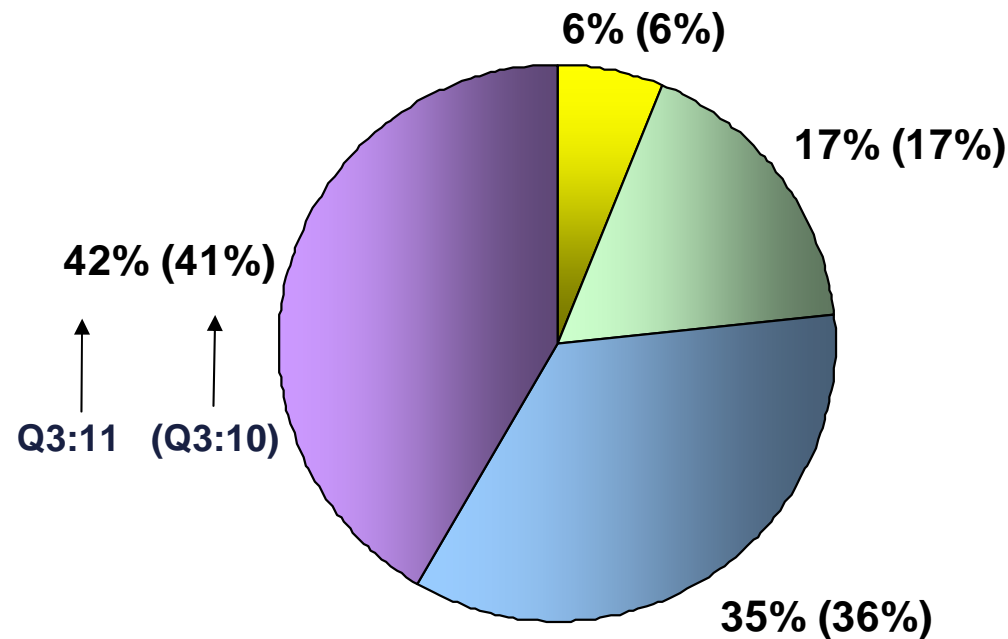
▪ Operating result influenced by

- Increased sales volume and healthy gross margin
- Moderately increased overhead cost compared with Q3:2010
- Operating income of USD 12.5 million in Q3:2011 (16.0% of sales) compared with USD 10.0 (14.7% of sales) in Q3:2010

→ USD 10.0 million net income or 12.8% of sales

Net Sales by End-Market

USD 78.4 million in Q3:2011 vs. USD 68.3 million a year ago (+14.8%)



- Emergency Response & Security
- Refrigeration & Air-Conditioning
- Specific Vacuum Process Industries: Solar, Display, Optics & Semi
- General Vacuum Processes

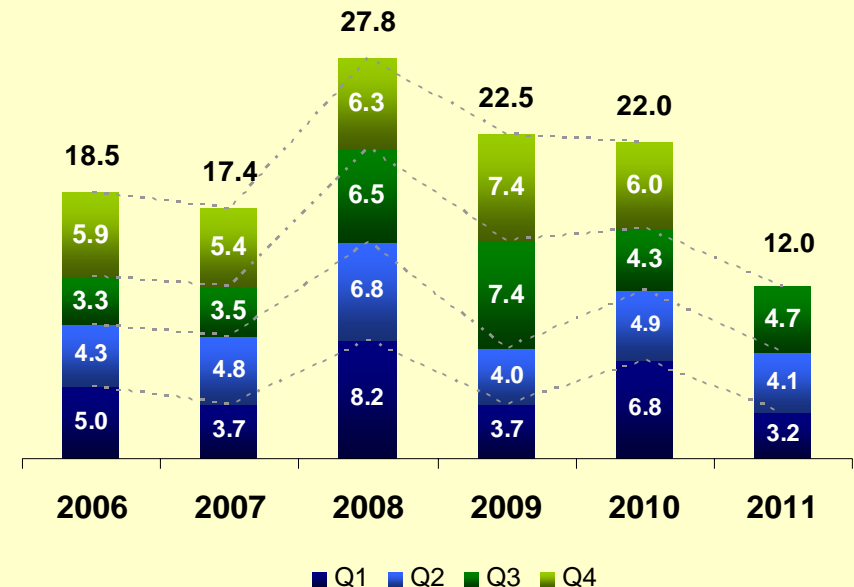
Emergency Response & Security

Q3:2011

- Q3:2011 sales +9% vs. Q3:2010
- Sequential increase of +15%
- Increasing base business, good order intake in Q3 (government year-end money)

Market Trends

- Strong Q4 sales expected (year-end money)
- Increasing civil use for environmental application, especially for water and air monitoring
- Increased difficulty to get public funding, despite the long list of interesting large projects for a variety of applications



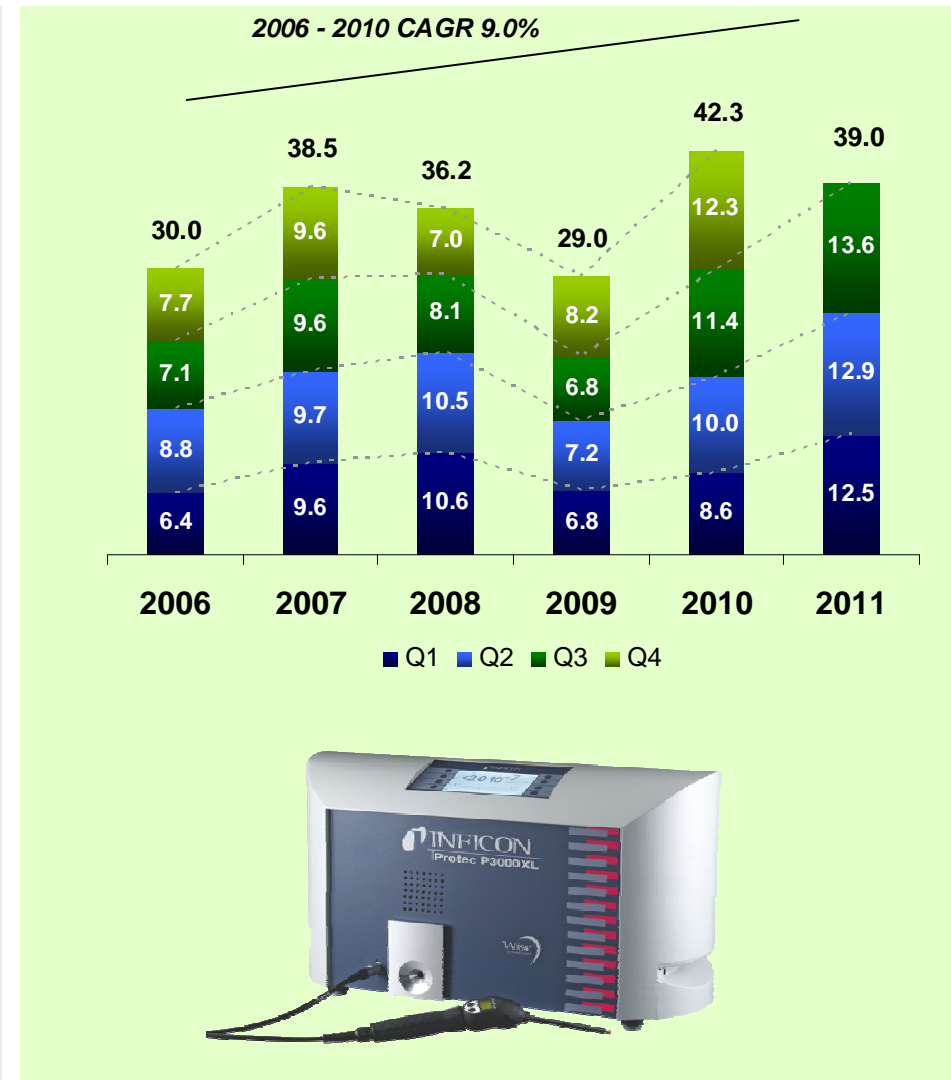
Refrigeration & Air Conditioning

Q3:2011

- Q3:2011 sales +19% vs. Q3:2010
- Sequential increase of 5%
- Continued market dominance
- New quarterly sales record

Market Trends

- Continuation of investments in capacity increases, primarily in Asian and other low cost areas
- Replacements/improvements projects in existing plants, driven by tighter specifications and new eco-friendly refrigerants and efficiency improvements
- Target new applications:
 - Helium with Wise™ technology
 - Hydrogen with recently acquired technology
- Expanded distribution for service tools



Specific Vacuum Process Industries

Solar, Display, Optics & Semiconductor

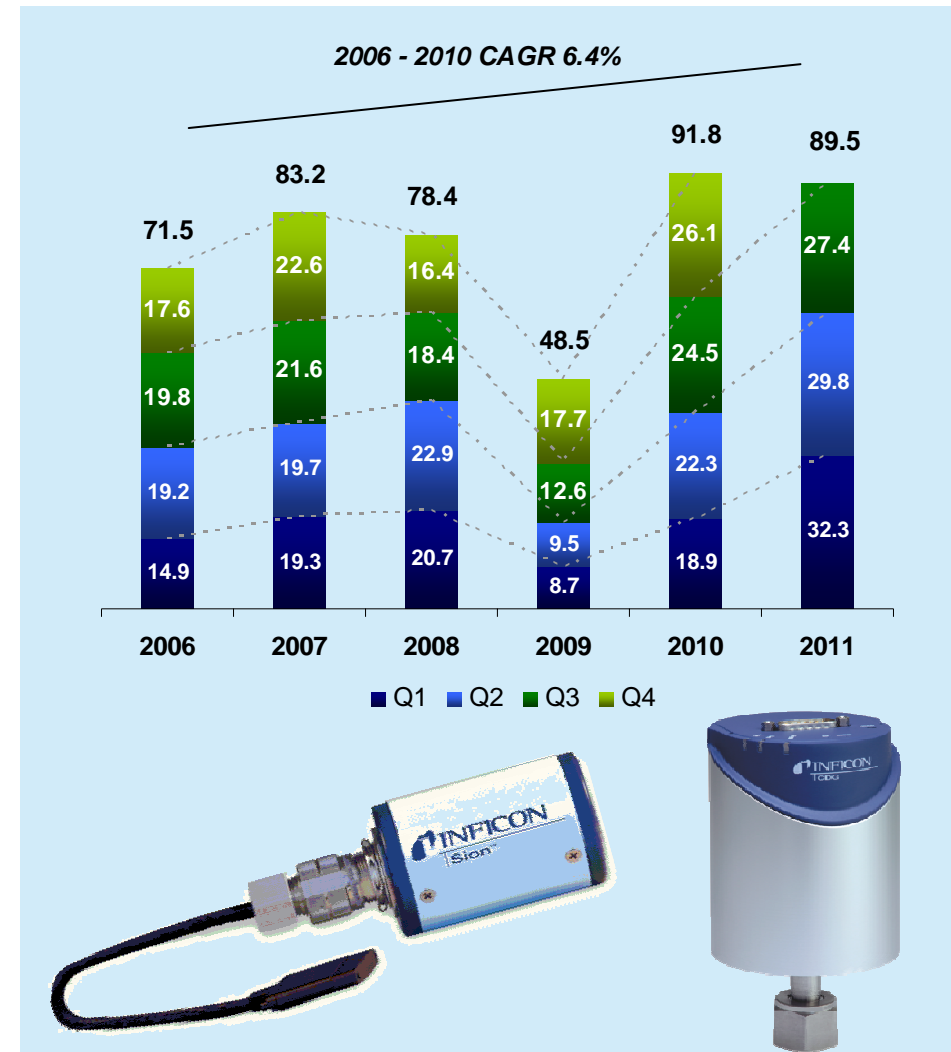
Q3:2011

- Q3:2011 sales +12% vs. Q3:2010 mainly driven by device manufacturers in Asia and global equipment manufacturers for Semi, optics and OLED/LED applications
- Sequential decrease of -8%
 - Stable optics and LED/OLED markets
 - Reduced semiconductor Capex
 - Solar photovoltaic (PV) overcapacity

Market Trends

- Healthy long-term perspectives for advanced technologies:
 - semiconductors
 - display (LED, OLED and 3D)
 - lighting
 - photovoltaic

due to increased electronic contents in consumer goods, 24/7 worldwide information and communication availability and the need for alternative energy resources
- Short-term weakness for Semi and PV



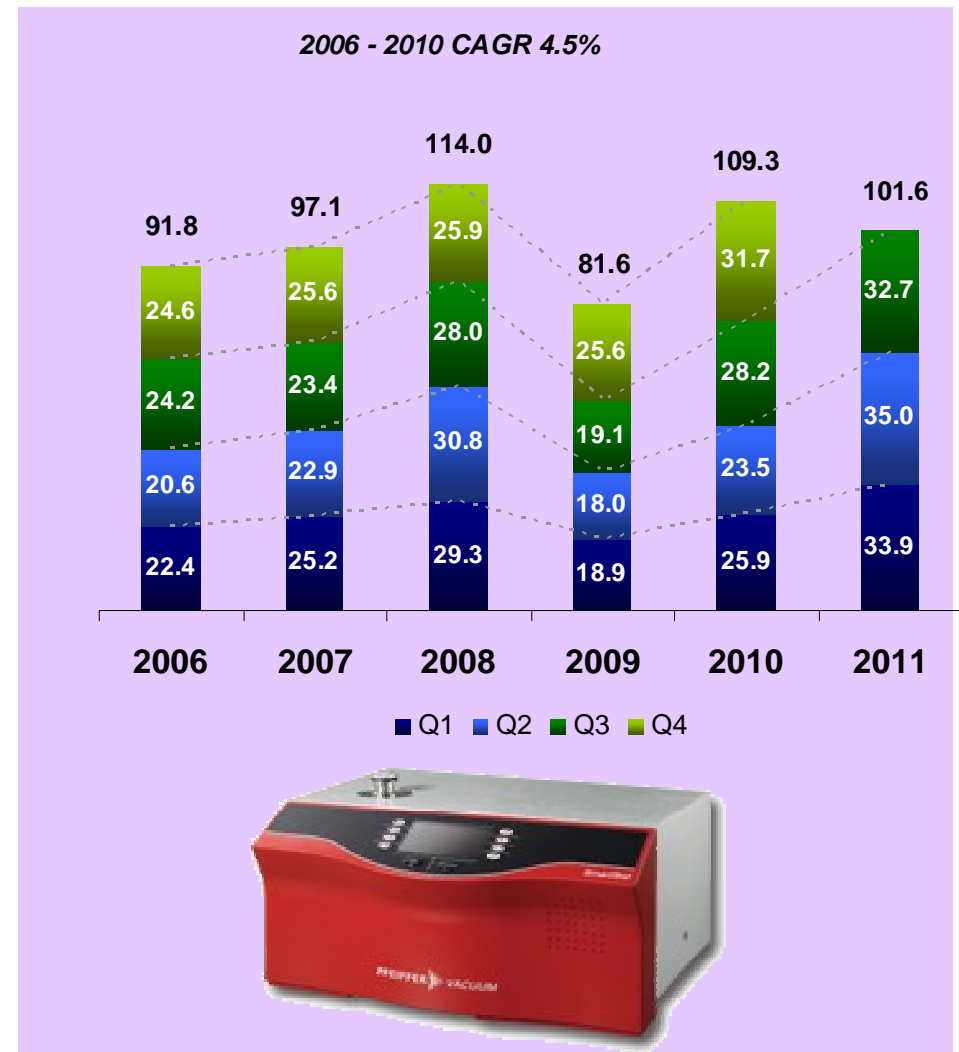
General Vacuum Processes

Q3:2011

- Q3:2011 sales +16% vs. Q3:2010 mainly driven by global recovery (Asia and Europe)
- Sequential decrease of -7% due to lower Private Label sales

Market Trends

- Increased use of vacuum technologies for a variety of different existing and new applications
- Asian markets (especially China) continue to catch up with investments in high technology
- Weaker short-term outlook



Outlook 2011

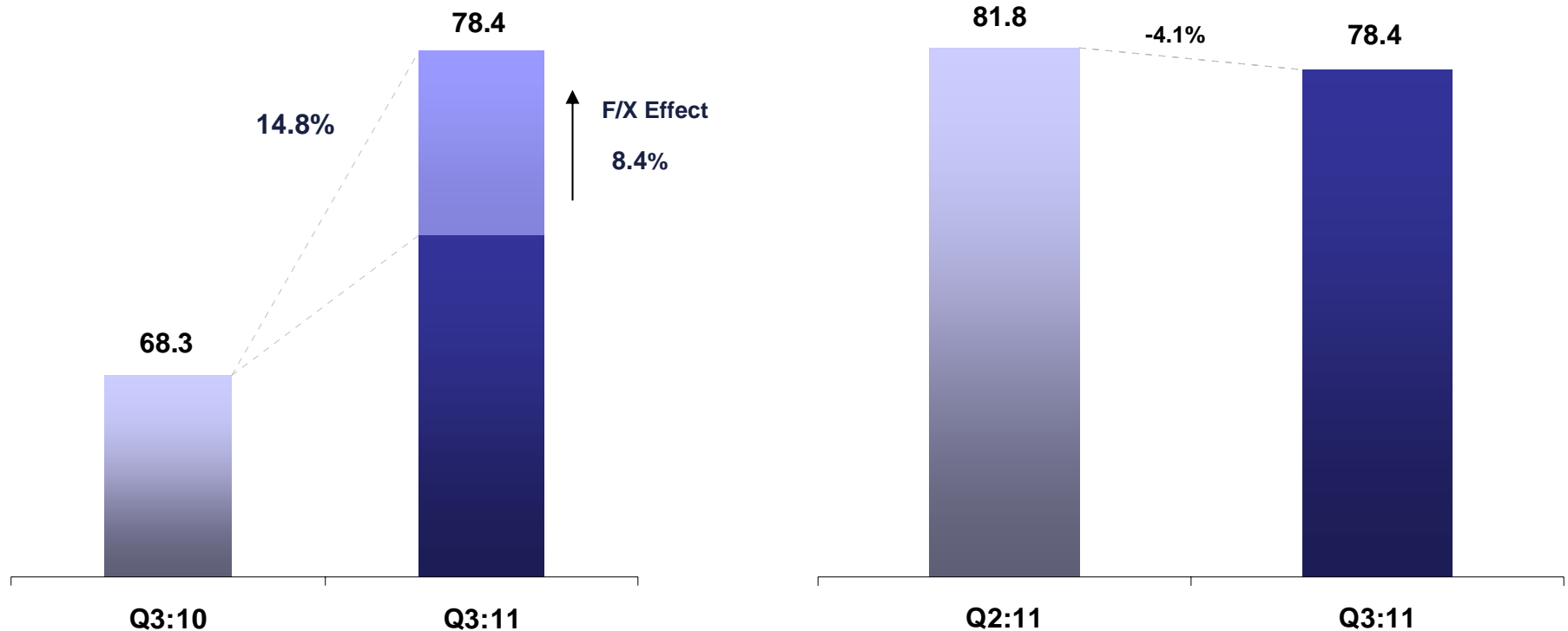
Guidance increase, despite uncertain global economic situation and unpredictable exchange rate development

- Lower Capex spending for the upcoming quarters:
 - Reduced spending for Semiconductor equipment
 - Continued OLED display investments for the next generation of smart-phones and tablet PCs
 - Temporary overcapacity in the photovoltaic solar business
- Stable Optics, but weakening General Vacuum Processes market
- Stable Refrigeration & Air Conditioning/ Automotive market
- Continued uncertain government funding for environmental and safety projects, but improved short-term outlook, due to budget year-end money.
- Additional sales from acquired Micro-GC, CHLD product lines and Hydrogen leak detection
- Guidance for FY 2011, Update No. 3
 - Sales between USD 300 to 315 million
 - Operating Income in the range of USD 50 to 55 million

Matthias Tröndle

Vice President & Chief Financial Officer

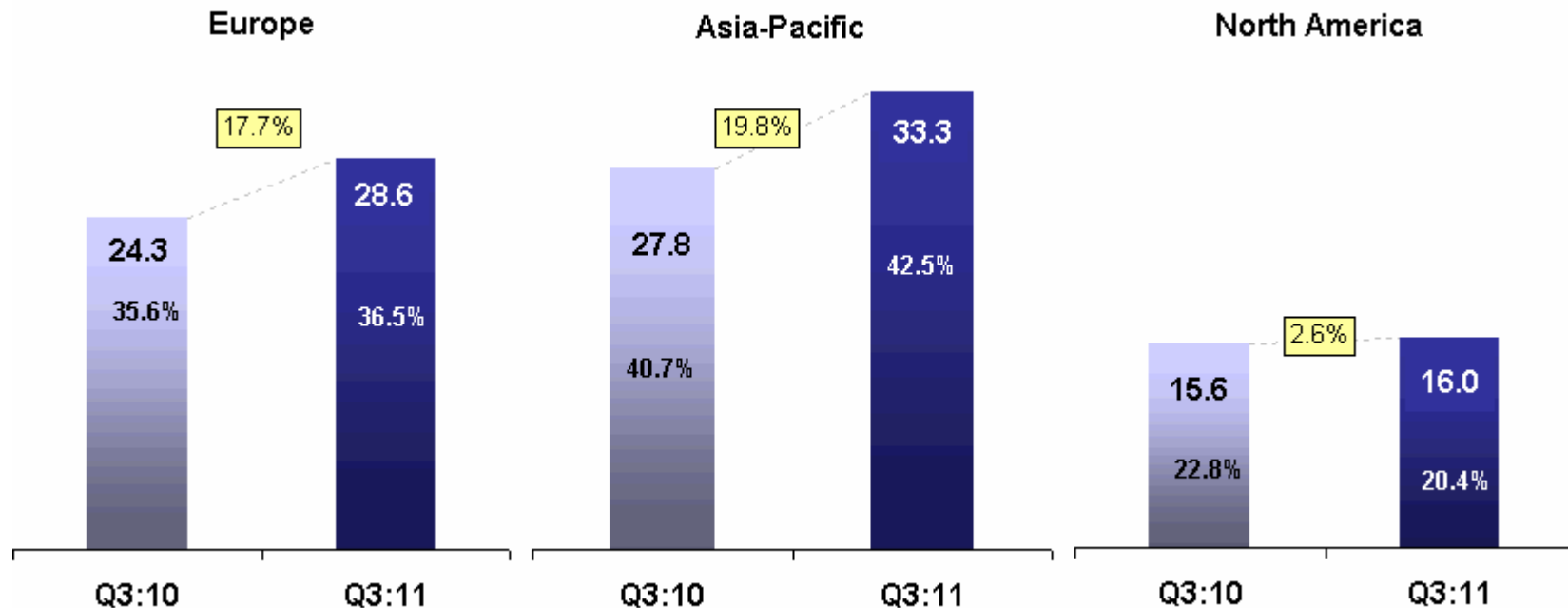
Revenue (in USD million)



Strong revenue increase across all markets and regions compared with Q3:10. Slightly decreasing sequential sales.

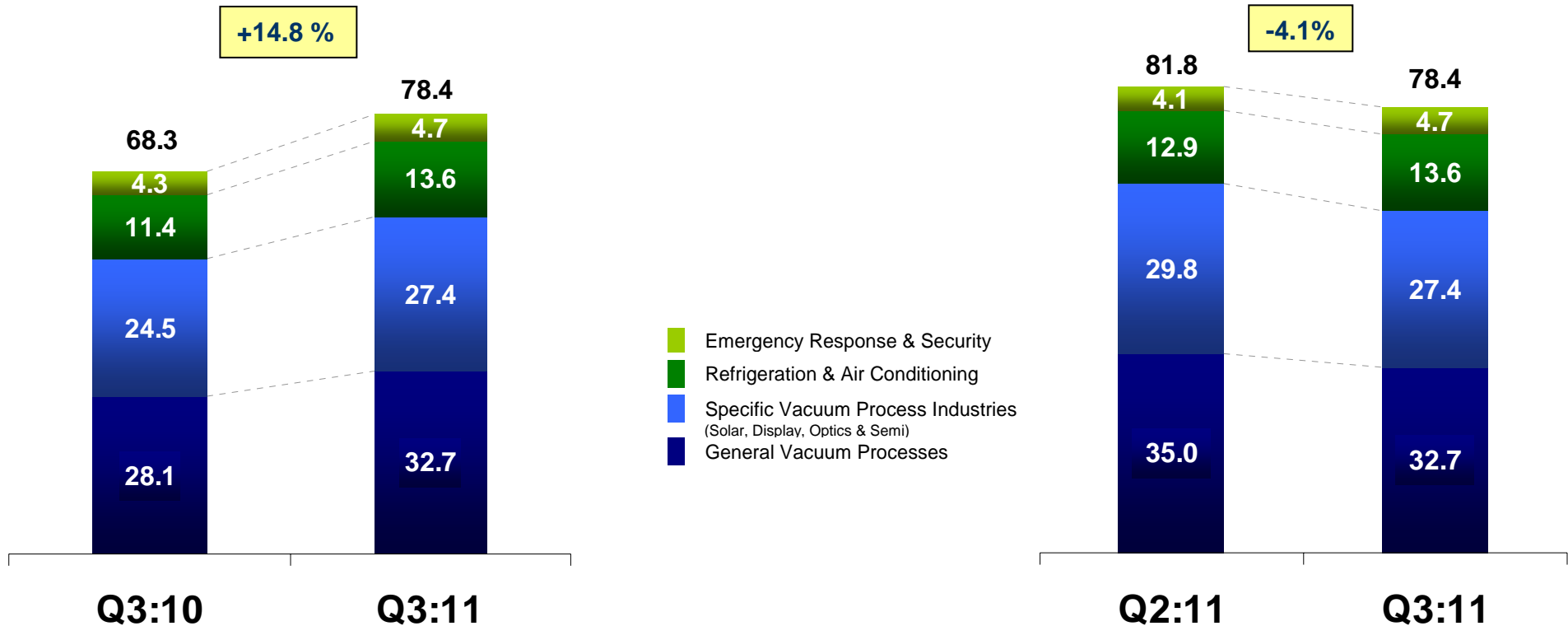
Geographic Revenue Breakdown – Quarter

(in USD million)



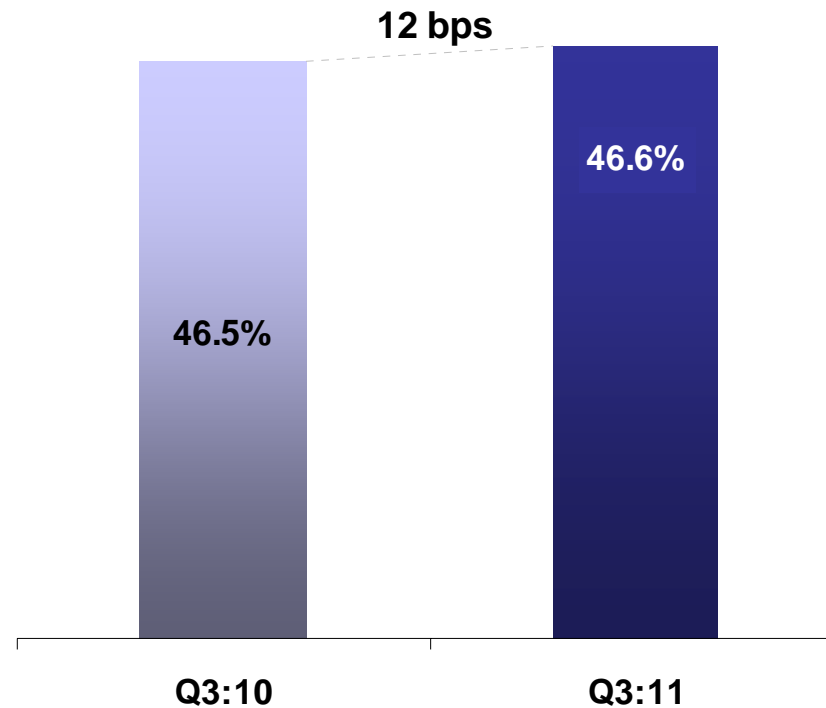
Increase across all regions, particularly Asia-Pacific.

Revenue (in USD million)



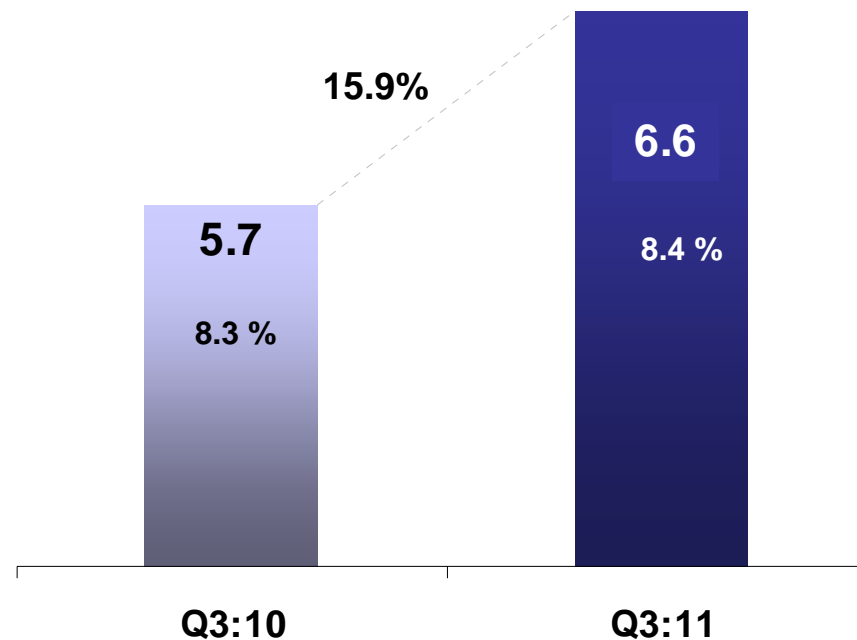
**Revenue increase across all markets compared with Q3:10.
Mixed development over Q2:11 (increase for RAC and ER, decrease for General Vacuum and Specific Vacuum)**

Gross Profit Margin (in %)



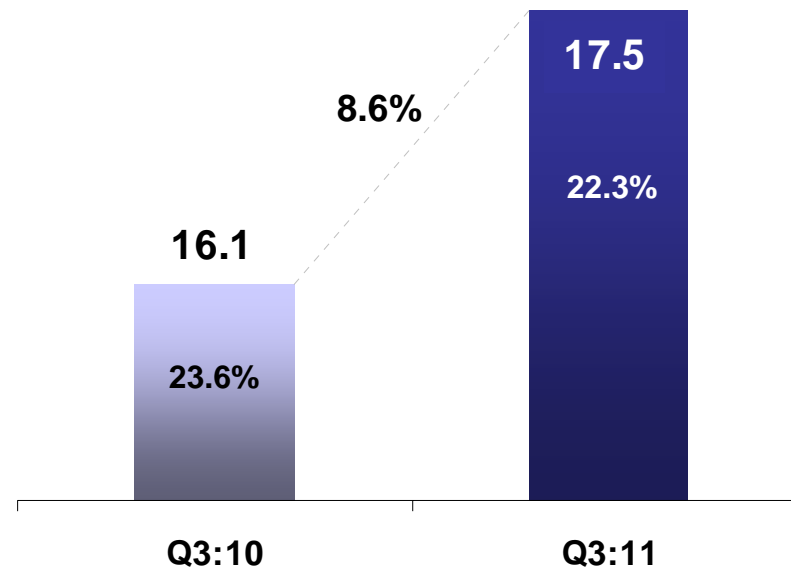
Healthy margin and slight increase due to product mix.

Research & Development (in USD million)



R&D increased 8 bps as a percentage of revenue. Absolute increase driven by technology investments, headcount additions and FX impacts.

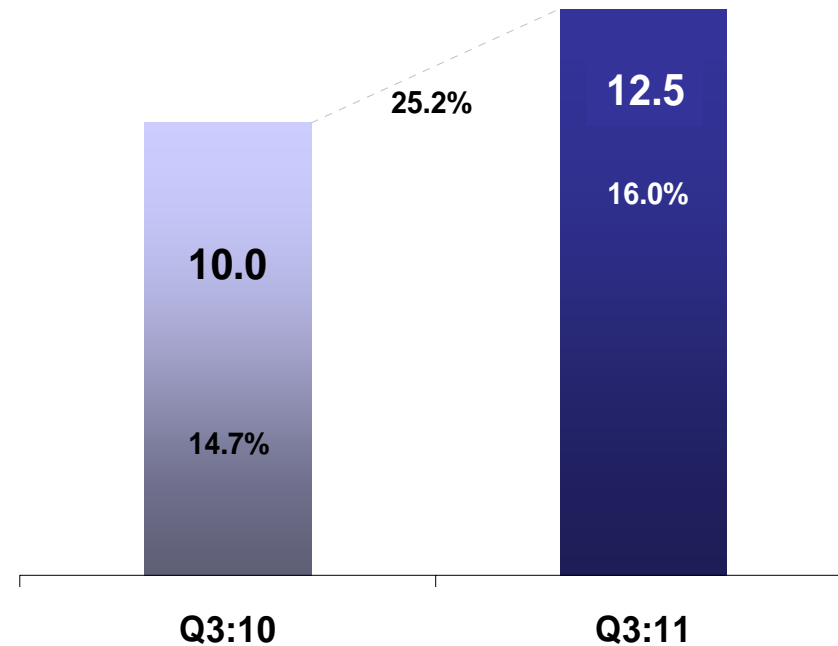
Selling, General & Administrative (in USD million)



SG&A decreased 128 bps as a percentage of sales.

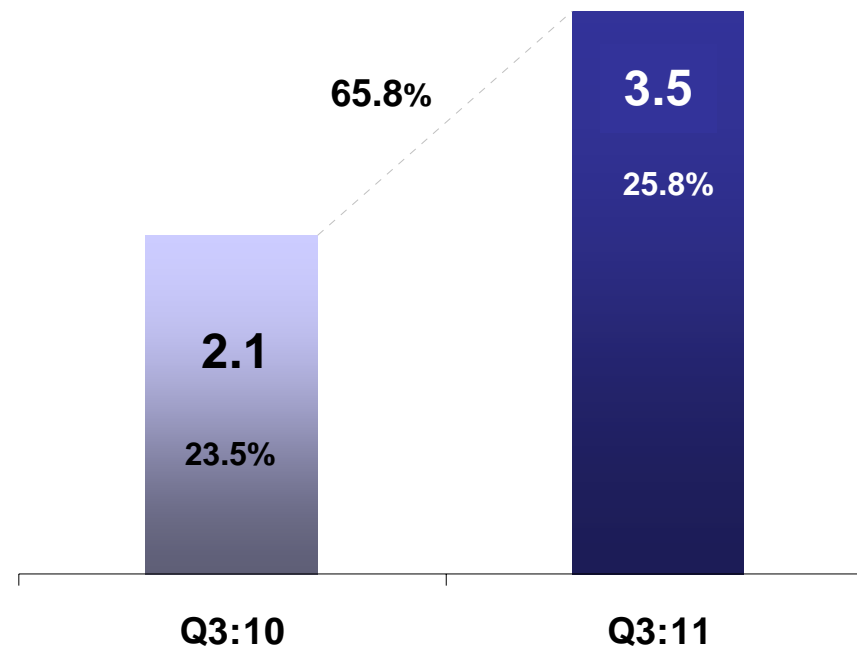
Absolute increase driven by FX, new hires and higher commissions on sales.

Income from Operations (in USD million)



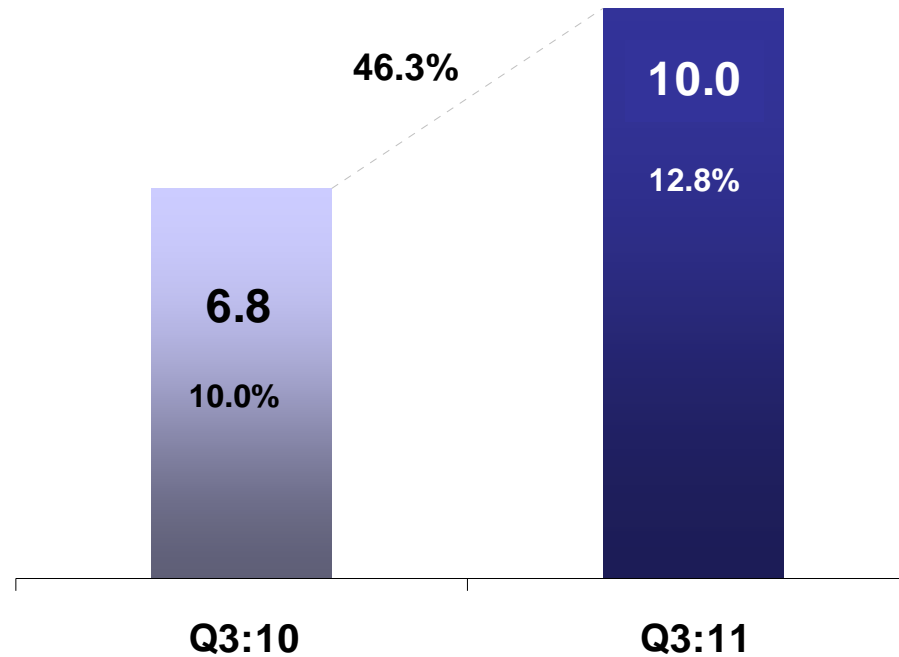
Due to increased sales volume, healthy gross margins and cost control.

Income Tax Provision (in USD million)



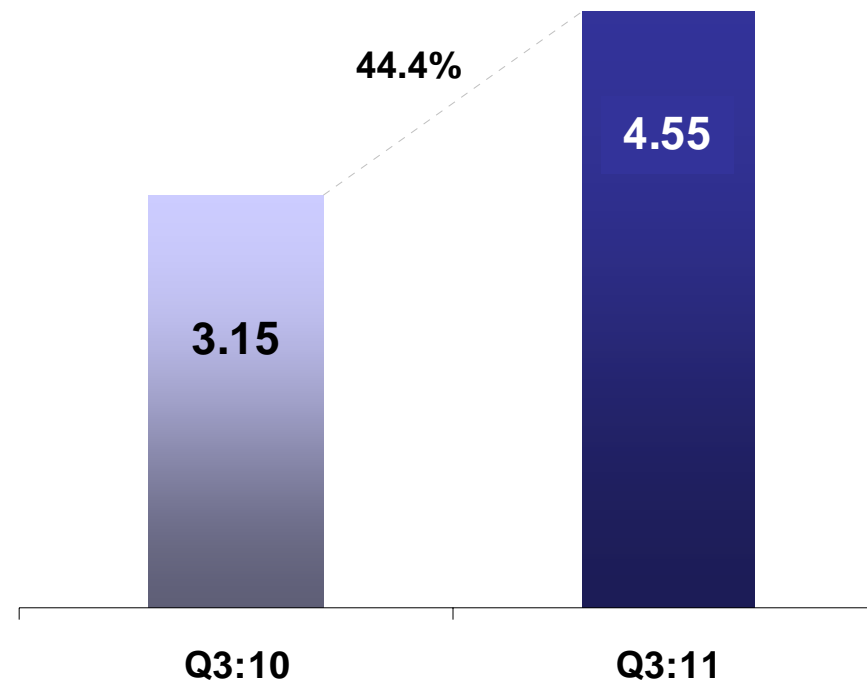
Increase due to higher earnings in Q3:11 and different tax rates in various jurisdictions.

Net Income (in USD million)



Q3:11 increase driven by higher Operating Income.

EPS (USD/Share; diluted)



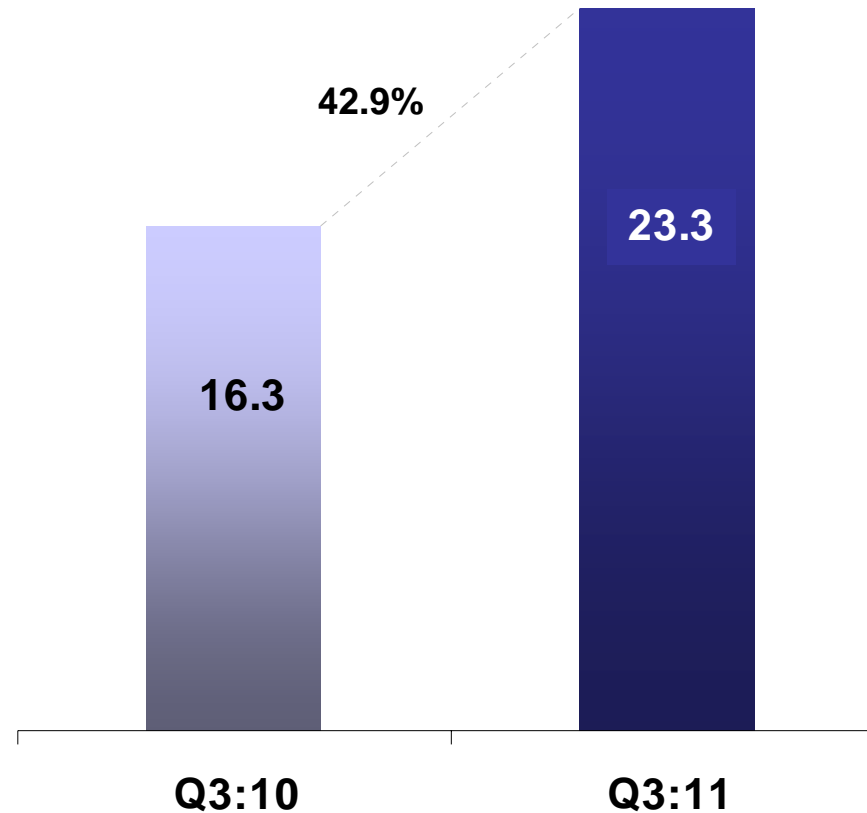
In line with changes in Net Income.

Balance Sheet Highlights (in USD million)

	<u>Q3:11</u>	<u>Q4:10</u>
Cash & Short-term Inv.	94.8	70.3
Long-term Debt	-	-
Shareholders' Equity	173.0	160.2
	<u>Q3:11</u>	<u>Q4:10</u>
Days Sales Outstanding	47.2	45.8
Inventory Turns	5.2	5.4

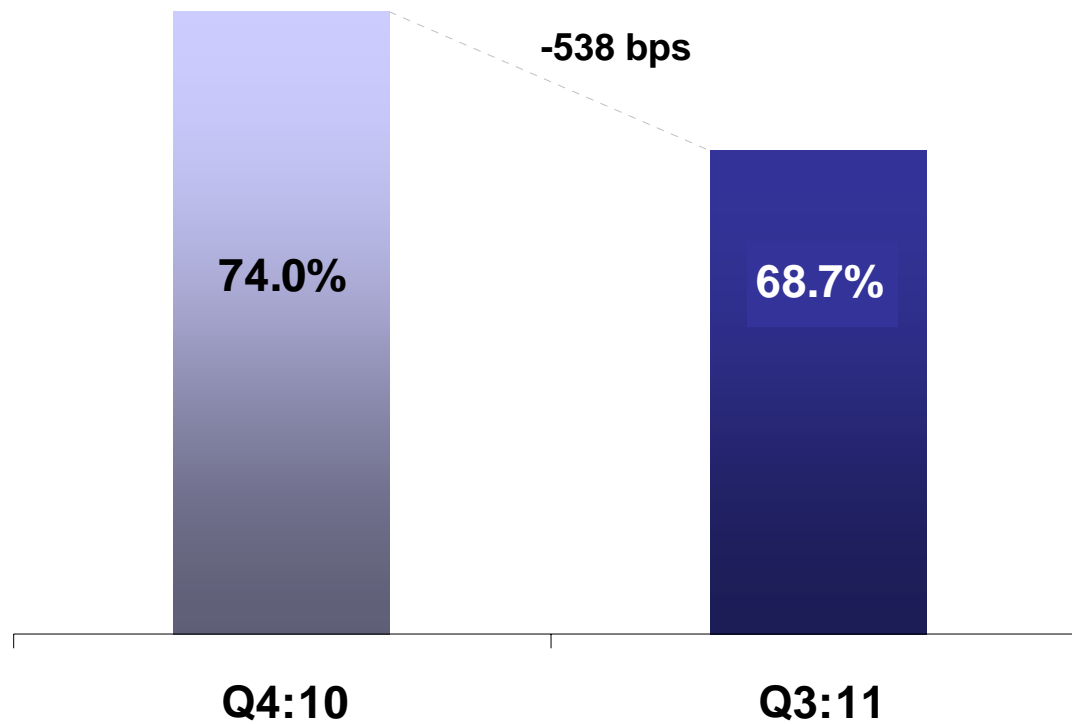
Solid balance sheet with no long-term debt.

Operating Cash Flow (in USD million)



**Strong cash flow generation
due to high net income and lower working capital.**

Equity Ratio (in %)

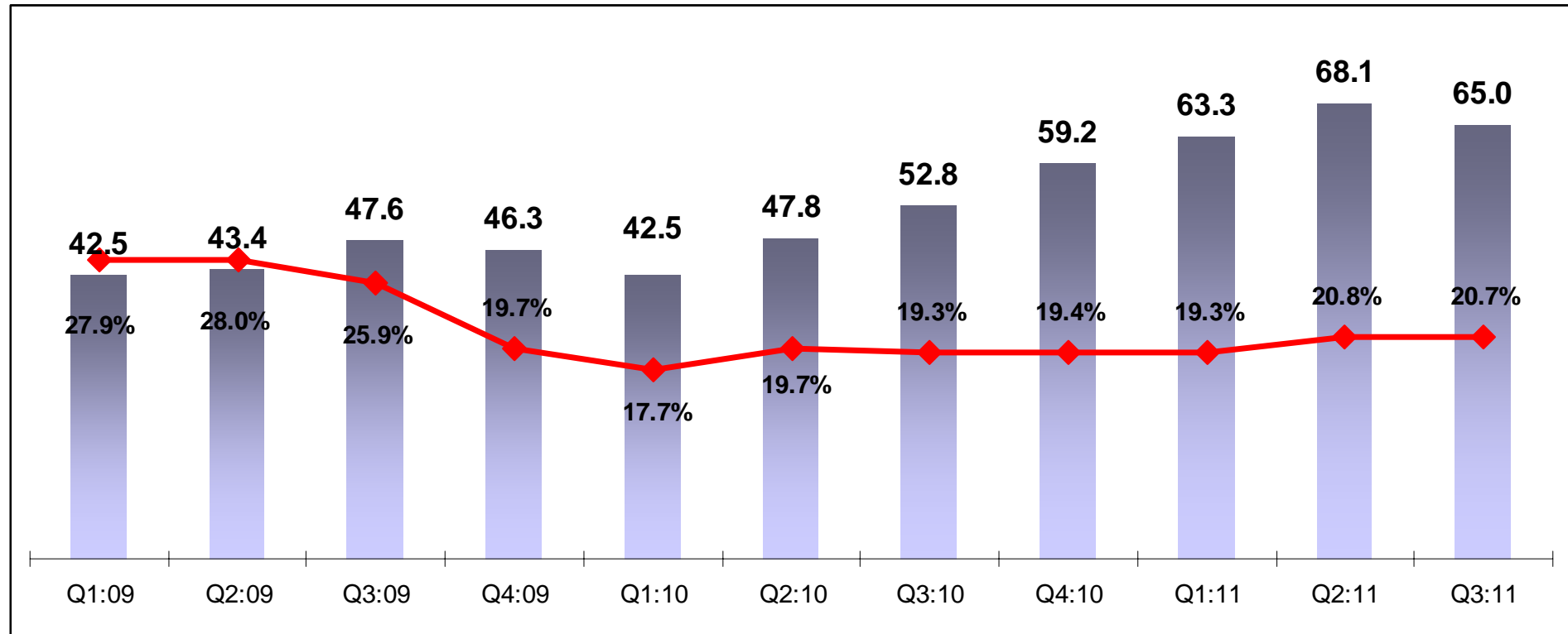


Solid balance sheet structure.

Working Capital and Working Capital Ratio

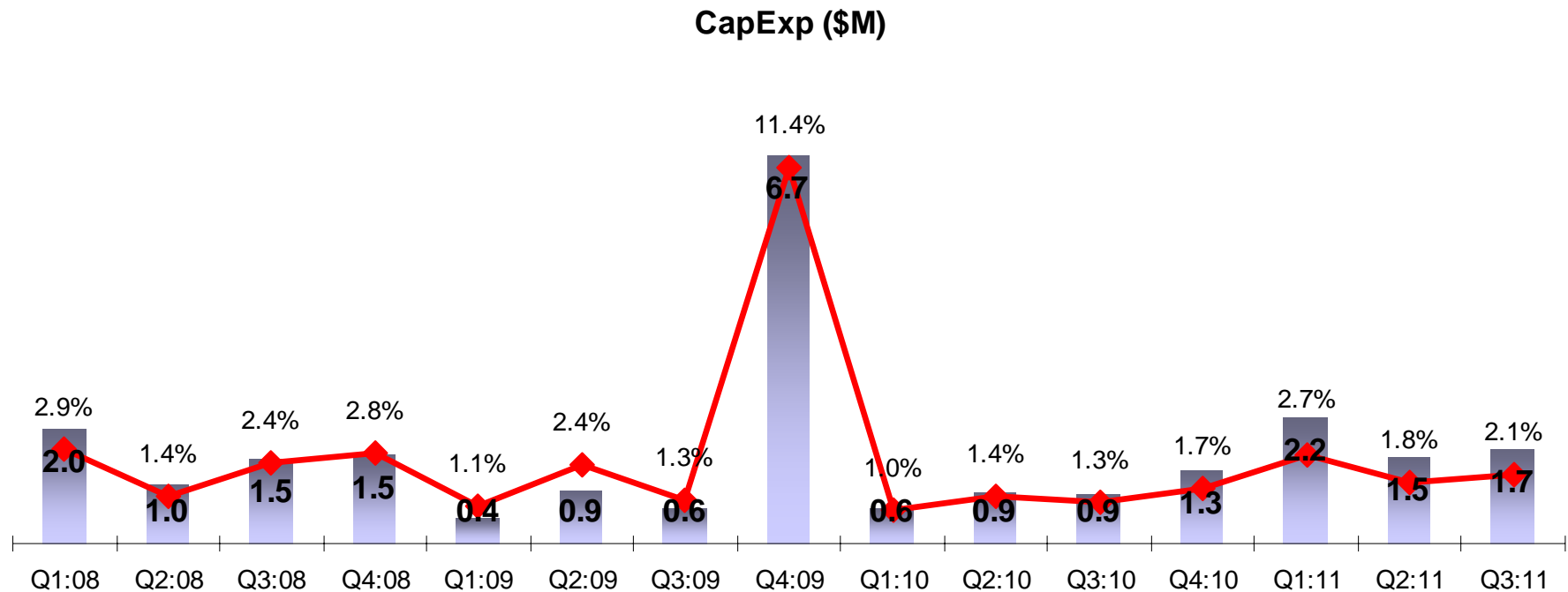
(Inv + AR – AP)

(WC as % of Revenue)



Effective Net Working Capital Management.

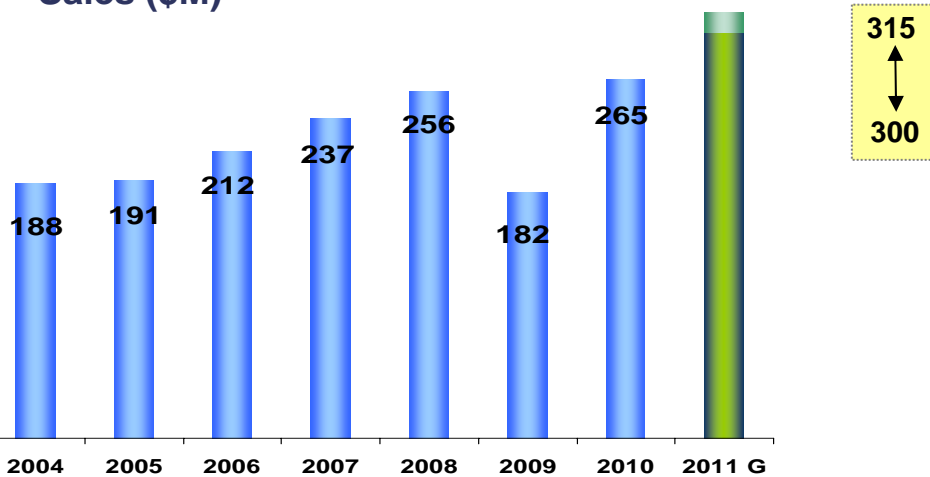
Capital Expenditures (in USD million, as % of Revenue)



Capex spending slightly increased and in normal range.

Full Year 2011 Guidance – Update

Sales (\$M)



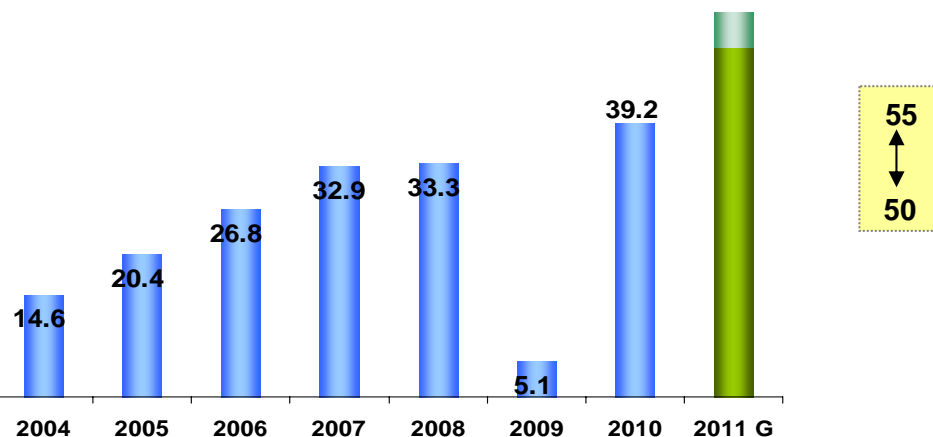
Full Year 2011 Guidance:

3rd Update this year – based on previous performance and current expectations for our end markets.

Sales **300 – 315 USD M**

Op. Income **50 – 55 USD M**

Operating Income (\$M)



Thank You !

Q&A

