



A N N U A L
R E P O R T 2015



Company Overview

INFICON provides world-class instruments for gas analysis, measurement and control.

These analysis, measurement and control products are essential for gas leak detection in air conditioning, refrigeration, and automotive manufacturing.

They are vital to equipment manufacturers and end-users in the complex fabrication of semiconductors and thin film coatings for optics, flat panel displays, solar cells, LED lighting, and industrial vacuum coating applications.

Other users of vacuum based processes include the life sciences, research, aerospace, food and general packaging, heat treatment, laser cutting, oil and gas transportation and processing, alternative energy, utilities, and many other industrial processes.

We also leverage our expertise to provide unique, toxic chemical analysis products for emergency response, security, and environmental monitoring as well as instruments for energy and petrochemical applications.

INFICON publishes its annual report online. This edition has been optimized for easy reading on your computer and mobile devices.

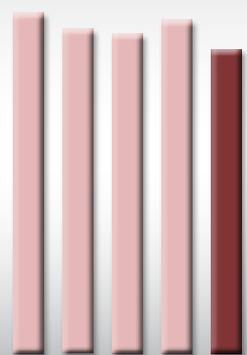
Additional copies of this report may be downloaded from the Investors section of our website,

www.inficon.com, Investor section

Cover photo:
Design study Helios UL3000 Fab Leak detector, designed together with our key customers especially to meet the high precision requirements of semiconductor applications.

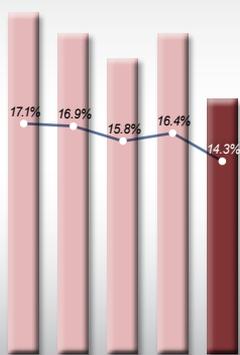
Company Overview	1
Key Figures	2
Recent Milestones and Achievements	4
Target Markets	6
Letter to our Shareholders	8
Investor Relations	14
Global Presence	15
Group Organization	16
Corporate Governance	17
Compensation Report	28
Report of the Statutory Auditor on the Compensation Report	33
Environmental Protection, Safety and Product Stewardship	34
Financial Report Group	
Financial Review	36
Consolidated Balance Sheet	38
Consolidated Statement of Income	39
Consolidated Statement of Shareholders' Equity	40
Consolidated Statement of Cash Flows	41
Notes to Consolidated Financial Statements	42
Report of the Statutory Auditor on the Consolidated Financial Statements	55
Financial Report INFICON Holding AG	
Balance Sheet	56
Statement of Income	57
Notes to the Financial Statements	58
Appropriation of Available Earnings	63
Report of the Statutory Auditor on the Financial Statements	64

Key Figures – At a Glance



2011 2012 2013 2014 2015
312.1 297.2 293.0 305.5 **278.7**

Net sales



2011 2012 2013 2014 2015
53.3 50.1 46.2 50.1 **39.8**

Operating income (in % of Net sales)



2011 2012 2013 2014 2015
46.5 48.8 29.2 49.6 **37.8**

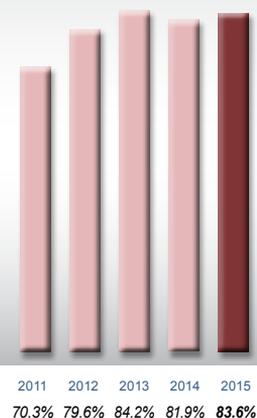
Cash flow from operations

According to Swiss GAAP FER
(US Dollars in Millions, except per share amounts)

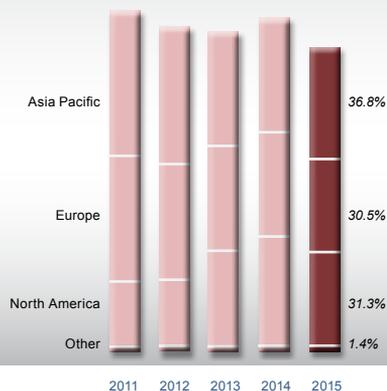
	2011	2012	2013	2014*	2015
Net sales	312.1	297.2	293.0	305.5	278.7
Research and development	24.7	26.7	27.8	27.3	24.6
Selling expense	28.3	29.3	30.1	32.4	30.3
General and administrative expense	42.9	40.9	43.3	45.8	41.1
Operating income	53.3	50.1	46.2	50.1	39.8
<i>in % of net sales</i>	17.1%	16.9%	15.8%	16.4%	14.3%
EBITDA	59.0	59.9	52.6	56.8	44.5
<i>in % of net sales</i>	18.9%	20.2%	18.0%	18.6%	16.0%
Net income	40.3	39.9	35.3	37.3	30.1
Cash and short-term investments	91.1	92.2	75.0	81.0	60.9
Cash flow from operations	46.5	48.8	29.2	49.6	37.8
Capital expenditures	7.5	6.6	12.7	8.0	22.7
Total assets	218.1	215.6	213.6	216.5	204.5
Long-term debt	–	–	–	–	–
Shareholders' equity	153.2	171.5	179.8	177.3	171.0
<i>Equity Ratio in %</i>	70.3%	79.6%	84.2%	81.9%	83.6%
Employees	909	940	942	948	959

* Restated according to FER 31 (see Note 2)

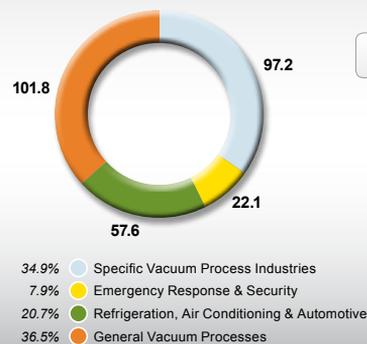
Key Figures – At a Glance



Equity Ratio



Direct Sales by Geographic Region



2015 Sales by End Market

According to Swiss GAAP FER
(US Dollars in Millions, except per share amounts)

	2011	2012	2013	2014*	2015
Ratios per Share					
Net income per share – diluted	18.29	17.86	15.23	15.94	12.72
Shareholders' equity per share – diluted	69.57	76.70	77.58	75.77	72.34
Free cash flow per share – diluted	17.92	18.32	6.55	17.20	5.97
Return on equity %	26.3%	23.3%	19.6%	21.0%	17.6%
Dividend/Distribution per share (CHF)	14.00	16.00	14.00	15.00	13.00**
Share price (CHF) at December 31,	154.00	219.10	343.75	308.25	320.25

** The proposed distribution is to be paid out from reserves from capital contributions.

Direct Sales by Geographic Region

	2011	2012	2013	2014	2015
Asia-Pacific	132.2	124.8	103.9	107.6	102.6
Europe	116.2	107.0	96.9	95.4	84.9
North America	60.3	60.5	87.7	98.4	87.3
Other	3.4	4.9	4.5	4.1	3.9

Sales by End Market

	2011	2012	2013	2014	2015
Specific Vacuum Process Industries	110.7	96.1	102.1	100.6	97.2
Emergency Response & Security	18.3	28.6	27.2	35.9	22.1
Refrigeration, Air Conditioning & Automotive	50.5	47.8	47.9	54.3	57.6
General Vacuum Processes	132.6	124.7	115.8	114.7	101.8

* Restated according to FER 31 (see Note 2)

Recent Milestones and Achievements

INFICON was formed in June 2000 from the instrumentation businesses of three well-known international vacuum technology companies which were merged in 1996 under the Swiss Company OC Oerlikon.

Our initial public offering was November 9, 2000, both on SIX Swiss Exchange and NASDAQ. In 2005, INFICON delisted its stock from NASDAQ. INFICON started to pay out dividends in 2006, and changed its reporting standard from US GAAP to Swiss GAAP FER in 2012. Since our inception, we have acquired and integrated various companies and technologies.



Corporate

CHF 10.00 distribution per share for 2010 from legal reserves from capital contributions	CHF 14.00 distribution per share for 2011 from legal reserves from capital contributions	CHF 16.00 distribution per share for 2012 from legal reserves from capital contributions	CHF 14.00 distribution per share for 2013 from legal reserves from capital contributions	CHF 15.00 distribution per share for 2014 from legal reserves from capital contributions
				CHF 13.00 proposed distribution per share for 2015 from legal reserves from capital contributions

Acquisitions / Divestments

+ Adixen Scandinavia AB Hydrogen leak detection specialist from Pfeiffer Vacuum	+ Applied Sensor Sweden AB Assets of hydrogen gas sensing specialist	+ Sycon Instruments Inc. Assets of thin film specialist		+ InstruTech, Inc. Assets of vacuum process specialist See Note 21, Subsequent Events
+ Photovac Inc. Assets of VOC detection specialist	- Vacuum Valve product line divestment	+ KeyX Assets of hydrogen leak detector specialist		

Sales / Marketing / Achievements

New sales location in Italy	New sales location in India Korea capability expansion	US Presidential Award for Exports	R&D 100 Award for Stripe High Speed Capacitance Diaphragm Vacuum Gauge R&D 100 Award for Micro GC Fusion Gas Analyzer Golden Gas Award for Micro GC Fusion Gas Analyzer	Inauguration of new production facility at Syracuse/NY, USA
2011	2012	2013	2014	2015
			INFICON joins Sematech to develop analysis and monitoring solutions for semiconductor manufacturing equipment	

Recent Milestones and Achievements

Innovation is key at INFICON. In our 16 years of existence we have developed and launched over 70 new products.



Technology Leadership

<p>Quantus LP100 for real-time contamination and endpoint detection for critical process environments</p>	<p>Transpector MPH Residual Gas Analyzer with industry leading performance for all gas analysis applications</p>	<p>Cube Calibration/ Reference Vacuum Measurement Instrument</p>	<p>Stripe 10m Torr Full Scale Capacitance Diaphragm Gauge</p>	<p>Contura S400 Leak Detector for packaging to detect any leak without tracer gas and without damage to the packages used in various industries</p>
<p>Cygnus 2 Thin Film Deposition Controller with unique features designed for OLED processes</p>	<p>The INFICON Porter CDG020D Capacitance Diaphragm Gauge designed for stable, long-term performance in industrial environments</p>	<p>Edge Capacitance Diaphragm Gauge, for high-temperature semi applications</p>	<p>IRwin Mobile Methane Leak Detector</p>	<p>Wey-Tek HD Wireless Refrigerant Charging Scale</p>
<p>Pernicka 700H leak detector combining mass spectrometer expertise with cryogenic ultra-high vacuum</p>	<p>LDS3000 Helium/ Hydrogen Leak Detector sets new standards for accuracy, reproducibility of measurement results and speed of leak detection</p>	<p>EtherCAT interfaces for Vacuum Gauge line</p>	<p>HLD 6000 Refrigerant Leak Detector</p>	<p>Design study Helios UL3000 Fab Leak Detector, designed together with our key customers especially to meet the high precision requirements of semiconductor applications</p>
<p>Sensistor Hydrogen leak detector family</p>	<p>Composer Elite Binary Gas Concentration Monitor for LED manufacturing processes</p>	<p>Gemini Cold Cathode Inverted Magnetron all purpose Vacuum Gauge</p>	<p>Sensistor Sentrac Hydrogen Leak Detector</p>	
<p>Photovac ComboPro 2020, an intrinsically safe, versatile VOC Photoionization Detector</p>	<p>Private label service leak detector</p>	<p>Stripe High Speed Vacuum Gauge</p>	<p>Vortex Dual Refrigerant Recovery Machine</p>	
<p>2011</p>	<p>2012</p>	<p>Transpector MPH Residual Gas Analyzer for semiconductor applications</p>	<p>2014</p>	<p>2015</p>
<p>2011</p>	<p>2012</p>	<p>Micro GC Fusion Gas Analyzer</p>	<p>2014</p>	<p>2015</p>
<p>2011</p>	<p>2012</p>	<p>Spot OEM Capacitance Diaphragm Pressure Sensor</p>	<p>2014</p>	<p>2015</p>

Target Markets

Specific Vacuum Process Industries	Emergency Response & Security	Refrigeration, Air Conditioning & Automotive	General Vacuum Processes
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Market

<p><i>In situ</i> metrology and process control for semiconductor manufacturers, manufacturers of capital equipment for semiconductor devices (OEMs), and for thin film coating applications including flat panel displays (LCD and OLED), solar cells, LED lighting systems, data storage media, scientific and consumer optics, and architectural glass coatings.</p>	<p>Analysis of chemical agents and toxic industrial chemicals in air, water or soil for military, emergency response and environmental events.</p> <p>Gas analysis for the petrochemical industry, including oil and gas production, refining, and alternative energy.</p> <p>Leak detection and monitoring of landfills, industrial processes, and public utility distribution networks</p>	<p>Leak detection for quality control in the manufacturing of commercial and consumer air conditioners and appliances.</p> <p>Technologies for air conditioners and air bags, fuel tanks, and other components in the automotive industry.</p> <p>After-sale service for repair.</p>	<p>Vacuum technology applications such as aerospace, heat treating, analytical instrumentation, food packaging, vacuum furnace and metallurgy, and research reached through private-label partners who are global manufacturers of vacuum pumps. INFICON also serves a growing portion of this market directly.</p>
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Growth Drivers

<p>Fast growth of electronic consumer products in emerging markets</p> <p>Increasing complexity and manufacturing cost of products</p> <p>Miniaturization for portability and online/mobile communication</p> <p>Increasing demand for solar/ photovoltaic energy and energy-efficient lighting systems such as LED</p>	<p>Imminent threats to national and global political and economic stability</p> <p>Public opinion, driven by fear of terror, supports and drives governments to allocate resources to homeland security</p> <p>Government agencies (military, police, etc.) faced with more and new tasks for national emergencies</p> <p>Growing environmental concerns</p>	<p>Increased government regulation to reduce environmental pollution and increase energy efficiency</p> <p>Increased quality standards and technology/process control</p> <p>New refrigerants for air conditioning</p> <p>General growth in demand for air conditioning</p> <p>Growing demand for household appliances in emerging economies</p>	<p>Life Science</p> <p>R&D budgets</p> <p>Easier use of vacuum for industrial and research applications</p> <p>Higher quality standards</p> <p>Global GDP growth</p> <p>New energy and fuel applications</p> <p>Extended shelf life</p>
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Long-term market trends

Ambient Intelligence			Ambient Intelligence
Sustainability	Sustainability	Sustainability	
Rising Middle Class		Rising Middle Class	Rising Middle Class
International Security	International Security		

Target Markets

Specific Vacuum Process Industries	Emergency Response & Security	Refrigeration, Air Conditioning & Automotive	General Vacuum Processes
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Products

Industrial gas analyzers, mass spectrometers, and process control sensors			Industrial gas analyzers, mass spectrometers, and process control sensors
Vacuum gauges, controllers, components and feedthroughs		Vacuum gauges, controllers, components and feedthroughs	Vacuum gauges, controllers, components and feedthroughs
Leak detectors	Leak detectors	Leak detectors	Leak detectors
Thin film controllers			
Chemical identification detectors	Chemical identification detectors		Chemical identification detectors
	Micro gas chromatography		Micro gas chromatography
Sensor integration software			
Quartz crystal technologies			Quartz crystal technologies
Gas concentration monitor			Gas concentration monitor
RF sensing technology			
		Service tools	

Letter to our Shareholders

Dear Shareholders

INFICON can apply its technological skills and products in a growing array of markets. The focus on multiple end markets typically mitigates particular developments in individual industries or geographic areas. This balanced concept again stood the test in the difficult business year 2015. Every quarter, INFICON achieved solid results in some of its four end markets. Yet, these positive quarterly aspects could not make up for a sluggish, to at best neutral development in other end markets. Overall, INFICON managed to gain some momentum after a very slow start in the year. Nevertheless, the second half of 2015 was not as strong as previously expected. INFICON closed the year with 3.9% lower organic sales of USD 278.7 million and income from operations of USD 39.8 million, resulting in an appealing margin of 14.3% of sales.

While lower than in the preceding year, these results are robust and remain firmly imbedded in various platforms: first and foremost, INFICON's research and development efforts and – as a consequence – its innovative product portfolio provide a solid basis for the company's development. Innovation allows us to deepen and expand the scope of our offering in existing markets and position ourselves early as a leading technology partner in industries which are just now discovering the advantages of vacuum technology. Second, our lean operational set up and a straight-forward decision-making process allow INFICON to quickly react to changes in the relevant market contexts. Last but not least, our reputation as a customer-oriented provider of excellent vacuum technology products, makes us a long-time supply partner for many key industries.



Letter to our Shareholders

Innovation underpins long-term growth

In 2015, INFICON achieved a growing share of its revenue with products launched in the last three years and with products sold into markets which were only recently added to INFICON's specifically targeted marketing scope. Over the last couple of years, INFICON has, for example, continuously expanded its sales to customers in the automotive industry. Starting from pressing requirements to leak test airbag and air conditioning equipment, the car making industry soon started to use vacuum technology in other quality assurance programs such as the testing of wheel wells or engine components. When new requirements urged the industry to move to more environmentally friendly refrigerants, INFICON was ready to serve the market. Today, the sales related to quality management in the global automotive industry contribute a significant and rising share of INFICON's sales. These revenues continue to be reported as part of our sales to the *Refrigeration, Air Conditioning & Automotive market*.



A wide range of INFICON products including T-Guard, Modul1000 and LDS3000 are being used in quality testing in the automotive industry. For more information, please visit http://bit.ly/IFCN_automotive

In 2015 we also saw first sales contributions from the oil and gas industry. Here too, INFICON has developed a product range addressing vital concerns of this sector: Oil and gas mining and refinement, long-haul transportation as well as the fine-mesh urban gas distribution networks increasingly rely on specifically developed, explosion-proof INFICON analysis equipment. The new focus on this industry not only broadens the scope of our *Emergency Response & Security market*. It also helps us to build, in general, a solid position in fuel markets and in particular, in the renewable energy domain – a segment of growing importance to our *General Vacuum Processes market*.

Traditionally, INFICON is devoted to serve the semiconductor manufacturers, the semiconductor equipment makers and the thin film coating industry with critical sensors, controllers and analysis software that help propel this demanding industry to yet a next level. INFICON's latest-generation components are now helping the industry adopt the



Products specifically launched for the oil and gas industry include the methane detection device IRwin, DataFID, a portable flame ionization detector, and Micro GC Fusion, a compact gas chromatography instrument. To learn more about INFICON's offering for this market, please refer to http://bit.ly/IFCN_PetroChem_Energy

Letter to our Shareholders

step-change EUV lithography technology and use OLED technology to manufacture better-performing displays. In our *Specific Vacuum Processes Industries market* we are also well positioned to benefit from surging industry trends such as the development of wearable communication devices, the internet of things and other aspects of ubiquitous computing.



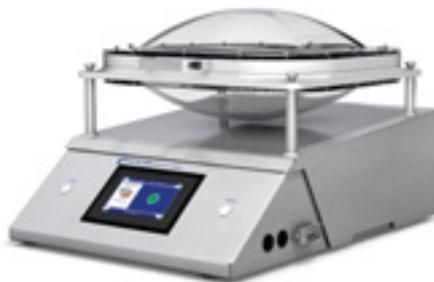
Important new products for the semiconductor industry include Quantus and the Helios UL3000 Fab which was shown as a design study in late 2015 for the first time in Taiwan. More information is available at http://bit.ly/IFCN_Semiconductor

With a view to expanding our technological leadership, Board and Management are continuously evaluating possible add-on acquisitions. In the new business year 2016, INFICON has strengthened its position in the American semiconductor and general vacuum processes market with the acquisition of the assets of InstruTech, Inc., Longmont, CO, USA. Apart from INFICON's traditional target markets, InstruTech products are used in many governmental, academic and industrial research and analysis labs and units. The acquisition strengthens our research and production base and enhances presence in the USA in existing and new markets.



InstruTech products strengthen INFICON's position in the American semiconductor and general vacuum processes market.

Over the last two years, our R&D experts have put significant effort into developing a new product allowing the food industry to leak test dry food packages as part of the standard production cycle. The Contura S400 Leak Detector discovers even the smallest leaks in flexible packages reliably within seconds – without any harm to the product or packaging and without using any test gas.



Whether it is a gross leak or a fine leak, the unique technology of Contura S400 can detect any leak without tracer gas and without damage to the package used in various industries. The operation principle is based on a foil chamber which consists of two highly elastic membranes. By creating a vacuum, these membranes tightly enclose the tested package. The device analyzes the pressure increase in a few seconds.

Letter to our Shareholders

Over all, INFICON spent USD 24.6 million on Research and Development during 2015. This is slightly less than in previous years as INFICON has strengthened its focus on leveraging its innovative and cutting-edge product portfolio into generating sales. INFICON has invested considerably in its sales power and market development initiatives.

Flexible operational set-up for high market responsiveness

Board and Management are continuously assessing the vital developments in the general economy and in INFICON's target markets. Our flexible manufacturing model allows us to quickly adapt to new market situations. In the past, we witnessed certain capacity constraints: Especially in the *Emergency Response & Security market*, we saw a growing need to expand our

capacities. With a view to the globally rising need of our defense, environmental and industrial hygiene customers to quickly and safely analyze chemical agents and toxic industrial chemicals in air, water, and soil, INFICON expanded its production capacities in the USA. In Syracuse, New York, a new production facility was completed well within the targeted time frame and budget. It took less than a year from ground-breaking in September 2014 to moving into the new facility. While the move and resulting process adjustments and calibration work temporarily slowed down the shipment of finished products last fall, this business now benefits from a superbly laid out production facility and a considerably increased capacity.

New Syracuse plant offers a considerable capacity enhancement



Letter to our Shareholders

Trusted partner for many industries

INFICON's strive to stay technologically at the forefront of key industry trends and to anticipate the key issues of a broad array of customers is the basis of our long-term success. In 2015, INFICON products were again specified by numerous customers as benchmark products for high-end manufacturing tools. The signing of a five-year supply contract with the US Department of Defense for our unique portable organic gas compound analysis system, HAPSITE, is additional proof of INFICON's high ranking as a trusted supplier. In addition, a key customer honored INFICON with a prestigious supplier award. We see these signs of appreciation as an obligation and commitment to strive for the best possible performance across the board of our activities.



Dr. Urs Wälchli, General Manager Vacuum Control Products, and Rob Ottobre, Sales Segment Manager for the Semi/Coating OEM Market, proudly show the supplier award INFICON won.

Lower-than-expected year-end results

INFICON closed the year 2015 with sales of USD 278.7 million. Organically, this is 3.9% less than in 2014 and obviously also less than what INFICON had previously expected to achieve. While the addition of the new production facility in Syracuse has expanded the overall capacities, the move itself and certain bottlenecks in the *Emergency Response & Security market* prevented sales from picking up as strongly as expected in the second

half of the year. The sales generated in this market remained 38.4% below the record-high levels of 2014. Yet, looking at the full order books, the prospects for the current year are good for INFICON's HAPSITE business.

Shipments to the broad *General Vacuum Processes market* continued to be affected by the generally slower than expected business trends in our main markets, the intensified consolidation in INFICON's private label business, and, last but not least, the weakening of the Euro against the US Dollar. The acquisition of all the assets of InstruTech early in 2016 will strengthen INFICON's position in the American market and help us to broaden our sales in this market.

The *Refrigeration, Air Conditioning & Automotive market* saw a strong development with sales increasing by 6.1% to USD 57.6 million. As highlighted above, this trend was underpinned by INFICON's growing sales to the global automotive industry and a solid after sales service tools business. The traditionally strong appliances business in Asia, however, started to show some signs of saturation. The overall prospects in this market should remain positive.

INFICON's position in the *Specific Vacuum Processes Industry market* remains strong. Yet, the generally significant year-end sales to semiconductor end-users were weaker in 2015 than in previous years. In addition, some equipment manufacturers have postponed shipments of their orders into the current year. Therefore, INFICON could not completely reach the prior year's sales volume. At USD 97.2 million, sales ended 3.4% below the 2014 figure. In the current year, the sales development has nicely picked up again and INFICON remains confident for the further trend in this global market.

Letter to our Shareholders

Looking at the sales development in 2015 by geographic region, reveals a mixed picture: Year-on-year, sales declined by over 10% both in Europe and in the Americas, while Asia's weakening was less pronounced and showed positive signs of acceleration again towards year-end.

Robust margins, solid cash flow and debt-free balance sheet

INFICON achieved an operating income of USD 39.8 million, resulting in a robust margin of 14.3% of sales. We again plan to launch several new products in 2016 and focus closely on our sales force and market development initiatives. Moving forward, we expect to achieve a rising share of sales with many of the recently launched products to our traditional markets, and also especially to our newly tapped markets.

INFICON generated a cash flow from operations of USD 37.8 million for the year under review. This result allows INFICON to close the books with liquid assets of USD 60.9 million after having invested some USD 20 million in the new manufacturing building in the USA. Moreover, the debt-free balance sheet features a further strengthened equity ratio of 83.6% on December 31, 2015.

After lower tax expenses, INFICON recorded a net income of USD 30.1 million. This translates into a double-digit margin of 10.8% of sales, down from the prior year's 12.2%. Earnings per share for the fiscal year 2015 amounted to USD 12.72 after USD 15.94 the year before.

Outlook and Dividend

While Board and Management are obviously not satisfied with INFICON's growth dynamic of the last few years in general nor its sales development in 2015 in particular, we continue to see a lot of potential for profitable growth in our markets. We are determined to tap this potential with our state-of-the-art products and our market development initiatives. Therefore, we continue to target a sales volume of USD 400 to 500 million as our unchanged mid- to long-term goal – depending on the size and the timing of acquisitions – while targeting an attractive and growing operating income margin.

In this light, the Board of Directors has decided to propose to the Annual General Meeting of Shareholders to pay out CHF 13 per share out of capital reserves. This equals in total slightly over 100% of the 2015 earnings. We appreciate the continued support by our shareholders.

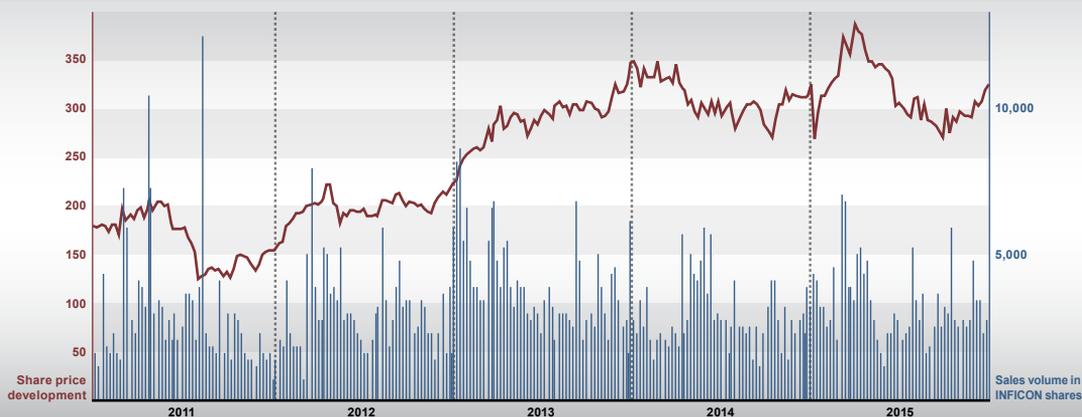
At this point, we would like to thank all our colleagues at INFICON for their hard work and commitment, and our customers and business partners for their ongoing trust and appreciation of our products and services. We strive to excel in our performance every day.

Yours sincerely,


Dr. Beat E. Lüthi Lukas Winkler Matthias Tröndle
Chairman CEO CFO



Investor Relations



Company Capital

The share capital of INFICON Holding AG consists of 2,350,508 registered shares with a nominal value of CHF 5.00 each.

Stock Market Trading

The registered shares are listed on SIX Swiss Exchange under
 – the SIX Security Number 1102994
 – ISIN CH0011029946
 – the symbol IFCN

Important Dates*

* Subject to change

April 21, 2016: First quarter 2016 results
 April 28, 2016: Annual General Meeting of Shareholders, Bad Ragaz, Switzerland
 August 4, 2016: Second quarter 2016 results/half-year results 2016
 October 20, 2016: Third quarter 2016 results
 March 2017: Fourth quarter 2016 results/Year-end results 2016

Internet/E-mail Alerts

E-mail alerts: The latest financial information from INFICON can automatically be sent via E-mail alert; sign up is available in the Investors section of the INFICON website www.inficon.com

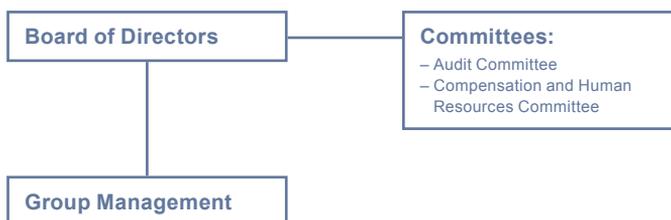
	2011	2012	2013	2014	2015
Key Figures per Share (CHF)					
Price at year-end	154.00	219.10	343.75	308.25	320.25
Highest price	208.50	222.20	347.50	346.75	391.00
<i>Date</i>	<i>May. 4</i>	<i>Apr. 19</i>	<i>Dec. 30</i>	<i>Jan. 08</i>	<i>Apr. 14</i>
Lowest price	120.00	153.10	219.70	250.00	252.00
<i>Date</i>	<i>Aug. 8</i>	<i>Jan. 6</i>	<i>Jan. 3</i>	<i>Oct. 16</i>	<i>Oct. 21</i>
Earnings per share	18.29	17.86	15.23	15.94	12.72
Equity per share	69.57	76.70	77.58	75.77	72.34
Dividend/Distribution per share	14.00	16.00	14.00	15.00	13.00*

* The proposed distribution is to be paid out from reserves from capital contributions.

Group Organization

(as of March 7, 2016)

Board of Directors and Group Management



Board of Directors	Dr. Beat E. Lüthi Dr. Richard Fischer Vanessa Frey Beat Siegrist Dr. Thomas Staehelin	Chairman Vice Chairman Member Member Member	Zürich, Switzerland Rankweil, Austria Uitikon, Switzerland Herrliberg, Switzerland Riehen, Switzerland
Audit Committee	Dr. Thomas Staehelin Vanessa Frey Beat Siegrist	Chairman	
Compensation and Human Resources Committee	Beat Siegrist Dr. Richard Fischer Dr. Thomas Staehelin	Chairman	
Group Management	Lukas Winkler Matthias Tröndle	President and Chief Executive Officer Vice President and Chief Financial Officer	
Investor Relations	Matthias Tröndle, Vice President and CFO INFICON HOLDING AG, Hintergasse 15 B, CH-7310 Bad Ragaz, Switzerland Tel. +41 81 300 4980 Fax +41 81 300 4988 E-mail: matthias.troendle@inficon.com		
Board and Executive Secretary	Elisabeth Kühne, General Secretary to the Board of Directors INFICON HOLDING AG, Hintergasse 15 B, CH-7310 Bad Ragaz, Switzerland Tel. +41 81 300 4980 Fax +41 81 300 4988 E-mail: elisabeth.kuehne@inficon.com		

Introduction

This Corporate Governance Report explains the principles of management and control of INFICON Holding AG at the highest corporate level in accordance with the Directive on Information relating to Corporate Governance (the Corporate Governance Directive) issued by the SIX Swiss Exchange on September 1, 2014.

Corporate governance of INFICON Holding AG complies with the principles and recommendations of the “Corporate Governance – Swiss Code of Best Practice.”

INFICON Holding AG is committed to continually reviewing its corporate governance framework, with a view to related developments.

The Swiss Ordinance Against Excessive Compensation with respect to Listed Stock Corporations (hereinafter referred to as “Ordinance”), subject to transitional provisions, has caused certain changes in our corporate governance. By virtue of the Ordinance, as from the INFICON Annual General Meeting of Shareholders in 2014, the General Meeting will have the following non-transferable powers:

- Election and recall of
 - all directors
 - the Chairman of the Board of Directors
 - the members of the Compensation and Human Resources Committee
 - the independent proxy
 - the auditing body
- Approval of the Annual Report
- Approval of the compensation of the Board of Directors and Group Management.

All elements of the Ordinance have been fully introduced with the amendment of the Articles of Incorporation of INFICON Holding AG.

Information on Board of Directors and Company Management compensation is outlined in our Compensation Report, beginning on page 28.

Furthermore, the Company’s internal guidelines regarding corporate governance are provided in its Articles of Incorporation, Organizational Regulations, Board Committee Charters, Code of Business Conduct and Ethics, as well as internal policies.

The following Corporate Governance Report follows the structure of SIX Swiss Exchange.

1 Group Structure and Shareholders

1.1 Group Structure

Operational Group Structure

See page 16.

INFICON Holding AG is the parent company of the INFICON group which operates from 16 countries and consists of a parent company, 8 manufacturing companies, 10 sales and service subsidiaries, and a management company located in Bad Ragaz, Switzerland which performs administrative, inter-company financing, and intellectual property management functions. The legal entity structure of the INFICON group is seen on page 15.

Listed Corporation: INFICON Holding AG

INFICON Holding AG is based in Bad Ragaz, Switzerland. It has a share capital of TCHF 11,753 made up of 2,350,508 shares with a nominal value of CHF 5 each. Registered shares are listed on SIX Swiss Exchange under security number 1102994, ISIN CH0011029946 and symbol IFCN.

Due to the change to Swiss GAAP FER, the last trading day for registered shares of INFICON Holding AG on the Main Standard was December 30, 2011. Since January 3, 2012, the registered shares of INFICON Holding AG are traded on SIX Swiss Exchange’s Domestic Standard.

Market capitalization at December 31, 2015 was TCHF 752,750 based on shares outstanding.



Share Capital and Percentage of Shares Held by Subsidiaries

See statutory financial statements, Note 2, "Investments."

1.2 Significant Shareholders

Shareholder Structure

Based on number of registered shareholders as of December 31, 2015.

Number of shares	Number of shareholders
> 50,000	7
10,000–50,000	10
1–9,999	2,338
Total	2,355

Shareholders by Country

Based upon number of registered shareholders as of December 31, 2015.

Country	Number of shareholders
Switzerland	2,139
Germany	72
United States of America	50
Liechtenstein	23
Rest of Europe	52
Rest of World	19
Total	2,355

Major Shareholders

See statutory financial statements, Note 3.2, "Significant Shareholders."

1.3 Cross-shareholdings

INFICON Holding AG has no cross-shareholdings.

2 Capital Structure

2.1 Capital (Issued, Authorized & Conditional)

Registered shares of CHF 5 each at December 31, 2015:

Issued share capital	2,350,508	TCHF	11,753
Conditional share capital	104,347	TCHF	522

The issued share capital comprises 2,350,508 registered shares of CHF 5 each. Each share entitles the registered owner to one vote at the General Meeting of Shareholders, as well as a share of dividends or distribution from capital contribution reserve, if any, declared by the Company and proceeds from liquidation, corresponding to its nominal value as a percentage of the total nominal value of issued share capital.

2.2 Authorized and Conditional Share Capital

The Board of Directors is currently not authorized to issue new registered shares.

The Articles of Incorporation provide for a conditional capital (according to Art. 653 of the Swiss Code of Obligations) of a maximum of TCHF 650 through the issuance of 129,944 registered shares of CHF 5 each by the exercise of option rights granted to employees and members of the Board of Directors of the Company. As of December 31, 2015, a total of 25,597 (2014: 19,813) options have been exercised reducing the available conditional shares to 104,347 and the conditional share capital to TCHF 522.

2.3 Changes in Shareholders' Equity

Changes in shareholders' equity are presented in the consolidated statements of shareholders' equity section of the consolidated financial statements for INFICON Holding AG for the years ended December 31, 2015 and 2014.

2.4 Shares

For further information refer to Note 2.1, "Capital" as above. No participation certificates are issued.

2.5 Profit Sharing Certificates

The Company currently has no profit sharing certificates.

2.6 Limitations on Transferability and Nominee Registrations

The Articles of Incorporation contain no special regulations regarding limitations on transferability and nominee registrations.

2.7 Convertible Bonds and Warrants/Options

In conjunction with the employee and director stock option programs, current and former employees as well as current and former members of the Board of Directors held as of December 31, 2015 a total of 53,177 exercisable options. These options entitle holders to acquire a total of 53,177 registered shares of INFICON Holding AG. All shares resulting from the exercise of stock options are covered by shares that can be created from conditional capital resulting in an increase in share capital. The aggregate par value of shares purchasable by means of outstanding options amounts to TCHF 266. For a more detailed discussion of stock option plans, please see Notes to Consolidated Financial Statements, Note 12, "Share-based Plans".

The Company currently has no convertible bonds or bonds with warrants.

3 Board of Directors

3.1 Members of the Board of Directors, other Activities and Vested Interests, and Internal Organizational Structure

Board of Directors and Management Board

Our Articles of Incorporation provide that the Board of Directors may consist of three or more members at any time. Directors are elected and removed by shareholder resolution. Members of our Board of Directors serve one-year terms and may be re-elected upon completion of their term of office. The shareholders may remove the directors without cause. Our five directors currently in office were elected by shareholder resolution.

All members of the Board of Directors are non-executive Board members.

According to the law, the Board of Directors is responsible for the ultimate direction and supervision of INFICON Holding AG. The Board of Directors has delegated the conduct of the day-to-day business operations to the Company's Group Management comprising the Chief Executive Officer and Chief Financial Officer. Group Management is responsible for the management of INFICON Holding AG and for all other matters except for those reserved by law and the Articles of Incorporation. The Board of Directors is required to resolve all matters, which are not defined by the law, Articles of Incorporation, or management bylaws as being the responsibility of any other governing body. According to the Swiss Code of Obligations and to the Articles of Incorporation the following non-transferable and inalienable responsibilities are incumbent on the Board of Directors:

- Ultimate management of the Corporation and the issuance of the necessary directives;
- Determination of the organization;
- Structuring of the accounting system and of the financial controls, as well as the financial planning insofar as this is necessary to manage the Corporation;
- Appointment and the removal of the persons entrusted with the management and representation of the Corporation and the granting of the signatory power;
- Ultimate supervision of the persons entrusted with the management, particularly with regard to compliance with the law, the Articles of Incorporation and regulations and directives;
- The preparation of the business report as well as the General Meeting of Shareholders, and the implementation of the latter's resolutions;
- Notification of the judge in the case of over-indebtedness;
- Passing of resolutions regarding the subsequent payment of capital with respect to non-fully paid in shares;
- Passing of resolutions confirming increases in the share capital and regarding the amendments to the Articles of Incorporation entailed thereby;
- Examination of the professional qualifications of the specially qualified auditors in those cases in which the law foresees the use of such auditors.

The Board of Directors, as of the date of this report, has established an Audit Committee and a Compensation and Human Resources Committee. Each of these



committees has regulations, which outline its duties and responsibilities. The Board of Directors elects the Chairman for each committee. The committees meet regularly carrying out preparatory work to provide the Board of Directors with updates and recommendations at its regular meetings. Their respective chairperson sets the agendas for the committee meetings. The length of the meetings range from an hour up to an entire day, depending on the agenda as decided by the chairman.

The Audit Committee

The Audit Committee consists of three non-executive members of the Board of Directors. Currently, the Audit Committee is comprised of the following members:

Dr. Thomas Staehelin, Chairman
Vanessa Frey
Beat Siegrist

The responsibilities of the Audit Committee include:

- Recommending to the Board of Directors the independent public accountants to be selected to conduct the annual audit of our books and records;
- Reviewing the proposed scope of such audit and approving the audit fees to be paid;
- Reviewing the adequacy and effectiveness of our accounting and internal financial controls with the independent public accountants and our financial and accounting staff;
- Reviewing and approving transactions between the Company, its directors, officers and affiliates; and
- Reviewing and reassessing, on an annual basis, the adequacy of our audit committee charter.

The Compensation and Human Resources Committee

The Compensation and Human Resources Committee is to provide a general review of our compensation and benefit plans to ensure they meet corporate financial and strategic objectives, as well as to make recommendations to the Board regarding appointment, dismissal and career development of executive management positions. The responsibilities of the Compensation and Human Resources Committee also include the administration of employee incentive plans. The Compensation and

Human Resources Committee consists of three non-executive members of the Board of Directors. Currently, the Compensation and Human Resources Committee is comprised of the following members:

Beat Siegrist, Chairman
Dr. Richard Fischer
Dr. Thomas Staehelin

Frequency of Meetings of the Board of Directors and its Committees

The Board of Directors holds six or more meetings per year and additional ad hoc meetings and conference calls as necessary. The Audit Committee holds four meetings per year in addition to three quarterly conference calls. The Compensation and Human Resources Committee holds four or more meetings per year.

The following table does not include preparation of meetings, travel time as well as various separate meetings:

- Meetings with audit firm
- Meetings with Group Management
- Meetings with shareholders



Corporate Governance

Number of meetings and conference calls in 2015:

	Board of Directors	Audit Committee	Compensation and Human Resources Committee
Number of meetings in 2015	6	4	4
Approx. average duration of meetings (in hours)	5.9	1.5	4.1
Dr. Richard Fischer	6	4	4
Vanessa Frey	5	3	3
Dr. Beat E. Lüthi	6	4	4
Beat Siegrist	6	4	4
Dr. Thomas Staehelin	6	4	4
KPMG personally	—	1	—
KPMG calling in	—	1	—
Number of conference calls 2015	1	3	—
Approx. average duration of conference calls (in hours)	0.9	1.0	—
Dr. Richard Fischer	1	3	—
Vanessa Frey	1	3	—
Dr. Beat E. Lüthi	1	3	—
Beat Siegrist	1	3	—
Dr. Thomas Staehelin	1	3	—
KPMG	—	2	—

The meetings took place in Balzers (Liechtenstein), Syracuse (USA), Cologne (Germany) and Rankweil (Austria).

The Company's Board of Directors is composed of:

Dr. Beat E. Lüthi, Citizen of Switzerland, 1962

Chairman of the Board of Directors

Educational Background

- 1980–1986 Swiss Federal Institute of Technology, ETH, Master in Electrical Engineering
- 1987–1990 Ph.D. at ETH/BWI on “Management of Industrial Software Projects”
- 1994 INSEAD, Fontainebleau France, International Executive Program

Executive Experience

- 1987–1990 Zellweger Uster (Quality Control Products), Project Manager
- 1990–1998 Mettler-Toledo (Weighing Equipment): Business Unit Leader for System Business General Manager of Mettler-Toledo (Switzerland) AG

1998–2002 Feintool International (Fineblanking Presses and Parts), Chief Executive Officer and Member of the Board

2002–2007 Mettler-Toledo (Weighing Equipment), Member of the Group Executive Team and Chief Executive Officer of the Laboratory Division

Since 2007 CTC Analytics AG (Laboratory Robots), Chief Executive Officer and Member of the Board

Previous Board Mandates

- 2002–2005 Soudronic AG, Bergdietikon
- 2007–2010 Uster Technologies AG, Uster
- 2007–2011 Addex Pharma SA, Geneva
- 2007–2011 Stadler Rail AG, Bussnang
- 2002–2013 Bossard AG, Zug

Current Board Mandates

- Since 2010 Straumann AG, Basel
- Since 2012 INFICON Holding AG, Chairman

Dr. Richard Fischer, Citizen of Austria, 1955

Vice Chairman of the Board of Directors and Member of the Compensation and Human Resources Committee

Educational Background

- 1973–1979 Technical University of Vienna, Master of Science in Electrical and Electronical Engineering
- 1979–1982 Technical University of Vienna, Assistant Professor, Ph.D. with excellence

Executive Experience

- 1982–1984 Gama, Access Systems, Austria, R&D Manager and Technical Director
- 1984–2004 VAT Holding AG, Switzerland, Chief Executive Officer

Previous Board Mandates

- 1990–2011 ARS GmbH, Member
- 2008–2009 Netservice AG, Chairman
- 2003–2014 VAT Holding AG, Switzerland, Chairman

Current Board Mandates

- Since 2003 INFICON Holding AG, Member

Corporate Governance

Vanessa Frey, Citizen of Switzerland, 1980

Director, Member of the Audit Committee

Educational Background

- 2000–2002 University of St. Gallen, Switzerland
Undergraduate Studies in Economics,
Business Administration and Law
- 2003–2004 Stockholm School of Economics, Sweden
Master of Science in International
Economics and Business.
Major in Finance

Executive Experience

- 2004–2006 Handelsbanken Capital Markets,
Corporate Finance, Stockholm, Sweden
- 2007 HSZ Group, Asset Manager, Hong Kong
- Since 2007 CEO of Corisol Holding AG, Family Office,
Zug

Previous Board Mandates

- 2010–2011 South Pole Carbon Asset Management
- 2010–2012 Absolute Invest, Member

Current Board Mandates

- Since 2002 Corisol Holding AG, Member
- Since 2008 Swiss Small Cap Invest, Member
- Since 2008 KWE Beteiligungen AG, Member
- Since 2012 Garaventa Lift AG, Vice Chairwoman
- Since 2012 INFICON Holding AG, Member
- Since 2014 Schweiter Technologies AG, Member

Beat Siegrist, Citizen of Switzerland, 1960

Director, Member of the Audit Committee, Chairman of
the Compensation and Human Resources Committee

Educational Background

- 1980–1985 Swiss Federal Institute of Technology,
ETH, Master in Electrical Engineering
- 1987–1988 INSEAD, Fontainebleau France, MBA

Executive Experience

- 1985–1986 Contraves AG (Defense Equipment),
Development Engineer
- 1987–1993 McKinsey&Co. (Consulting), first McKinsey
Fellows in Switzerland, Consultant and
Project Manager

- 1993–1995 Outsourcing AG (Reorganisation and Out-
sourcing of Productions), Founder and CEO
- 1996–2008 Schweiter Technologies (Machinery
Equipment for Textiles, Semiconductor
and Optics), CEO
- 2008–2012 Essilor (Ophthalmic Lens Manufacturer),
Member of the Executive Team and President
of machinery division Satisloh, which was
sold to Essilor from Schweiter Technologies

Previous Board Mandates

- 2002–2012 Ismeca Semiconductor Holding SA, Chairman
- 2000–2013 Satisloh Holding AG, Member

Current Board Mandates

- Since 1996 SSM Schärer Schweiter Mettler AG, Chairman
- Since 2003 Phoenix Mecano AG, Member
- Since 2008 Schweiter Technologies AG, Chairman
- Since 2010 INFICON Holding AG, Member
- Since 2013 Garaventa Lift AG, Chairman

Dr. Thomas Staehelin, Citizen of Switzerland, 1947

Director, Chairman of the Audit Committee, Member of
the Compensation and Human Resources Committee

Educational Background

- 1967–1971 University of Basel, lic. iur. (Master in Law)
- 1972–1974 University of Basel, Ph.D. in Law
- 1973–1975 Various traineeships
- 1975 Admission to the Bar

Professional Experience

- 1973 Swiss Bank Corporation, London
- 1974 SG Warburg & Co., Ltd., London
(Portfolio Management, Corporate Finance)
- 1975–today FROMER Advokatur und Notariat, Swiss
Corporate and Tax Attorney, and Partner

Previous Board Mandates

- 1991–2012 Siegfried Holding AG, Vice-Chairman
(1991–1998 Chairman)
- 1996–2008 JRG Gunzenhauser AG, Vice-Chairman
- 2005–2008 Lenzerheide Bergbahnen AG, Vice-Chairman

Current Board Mandates

Since 1978 Kühne + Nagel International AG, Member
Since 1993 Lantal Textiles AG, Chairman (since 2010)
Since 2001 INFICON Holding AG, Member
Since 2002 Swissport International AG, Chairman
Since 2005 Scobag Privatbank AG, Chairman
Since 2006 Stamm Bau AG, Chairman

Good Citizenship Mandates

1977–2013 “Allgemeine Musikgesellschaft Basel,”
President
1982–2014 Swiss Association of Privately Held
Companies, Chairman
2001–today Chamber of Commerce of Basle, Chairman
2001–today Member of the Board of Directors of
“economiesuisse” (Swiss Business
Federation)
2006–today Swiss Business Association Saudi Arabia
(SBASA), Chairman, and Saudi Swiss
Business Council (SSBC), Co-Chairman
2012–today Switzerland Global Enterprise, Director

3.2 Other Activities and Vested Interests

Pursuant to Article 21 c) of the company’s Articles of Incorporation the Board members maximum number of board mandates is twenty-five with not listed companies whereof five with listed companies. For further information refer to Note 3.1.

3.3 Elections and Terms of Office

In accordance with the Ordinance and the company’s Articles of Incorporation members of the Board of Directors and its Chairman as well as Compensation and Human Resources Committee members are elected for a respective one-year term of office.

Election occurs at the General Meeting of Shareholders.

The members of the Board of Directors were elected individually as follows:

Board of Directors	Date First Elected	Term Expires
Dr. Beat E. Lüthi	May 2012	April 2016
Dr. Richard Fischer	May 2003	April 2016
Vanessa Frey	May 2012	April 2016
Beat Siegrist	May 2010	April 2016
Dr. Thomas Staehelin	May 2001	April 2016

3.4 Internal Organizational Structure

Refer to page 16.

3.5 Definition of Areas of Responsibility

The Board of Directors has delegated authority to the Company’s Group Management comprising the Chief Executive Officer and Chief Financial Officer to execute the Company’s approved annual budget. INFICON Holding AG has a comprehensive financial and enterprise reporting system to gather and report its financial results. The quarterly financial results are reviewed and approved by the Audit Committee prior to issuance to the public. Additionally, the Board of Directors provides oversight and approval for potential acquisitions or strategic partnerships.

3.6 Information and Control Instruments vis-à-vis Group Management

Information regarding the current state of the business is provided continuously at the meetings of the Board of Directors in an appropriate format and is presented by the persons bearing responsibility for oversight of the financial and operational aspects of the business.

The Board of Directors receives monthly reports from Group Management.

Furthermore, the Audit Committee reviews the financial performance and assesses the effectiveness of the internal and external audit processes as well as the internal risk management and processes.

Members of the Board of Directors and Group Management attend the Audit Committee meetings.

The external auditors, KPMG AG, Zurich, conduct their audit in compliance with Swiss law and in accordance with Swiss auditing standards.

4 Group Management

4.1 Members of Group Management, other Activities and Vested Interests, Management Contracts

Our Group Management is responsible for our day-to-day management. The officers have individual



Corporate Governance

responsibilities established by our Organizational Regulations and by the Board of Directors.

Lukas Winkler, Citizen of Switzerland, 1962

President and Chief Executive Officer
(since January 2004)

Educational Background

- 1982–1986 Swiss Federal Institute of Technology (ETH), Zürich, Dipl. Ing. ETH, BWI
- 1999–2001 Syracuse University, NY, USA, Executive MBA

Executive Experience

- 1987–1989 General Motors Europe AG, Switzerland, Engineer
- 1989–1991 Maschinenfabrik Rieter AG, Switzerland, Project Manager
- 1991–1992 Maschinenfabrik Rieter AG, Switzerland, Department Head
- 1993–1994 UNAXIS-Balzers AG, Liechtenstein and Switzerland, Manager Logistics
- 1995–1996 UNAXIS-Balzers AG, Liechtenstein and Switzerland, Manager Production
- 1996–2003 Balzers and Leybold Instrumentation and INFICON AG, Liechtenstein, Vice President and General Manager (member of the Executive Team)
- 2004–today INFICON Holding AG, Bad Ragaz, Chief Executive Officer

Matthias Tröndle, Citizen of Germany, 1960

Vice President and Chief Financial Officer
(since September 2008)

Educational Background

- 1982–1985 University of Cooperative Education, Mannheim, Degree in Business Administration (Diplom-Betriebswirt)

Executive Experience

- 1985–1988 Digital Equipment Corporation (DEC), Stuttgart, Financial Analyst Software Development and Sales
- 1988–1995 Hewlett Packard GmbH, Germany, Senior Financial Analyst Headquarters Germany

- Finance Manager of two subsidiaries in Germany and Switzerland
- Accounts Receivables and Credit Manager
- Accounting & Reporting Manager Leasing & Remarketing
- Commercial Manager Leasing & Remarketing Division
- 1995–2003 Solectron GmbH, Germany, Director Finance Germany,
- 2003–2003 Solectron Romania SRL, Timisoara – Romania, Director Finance Eastern Europe (9 months)
- 2003–2008 Solectron Europe BV, Amsterdam, Senior Director Finance Europe
- 2008–today INFICON Holding AG, Switzerland, Chief Financial Officer

4.2 Other Activities and Vested Interests

Pursuant to Article 21 c) of the company's Articles of Incorporation Group Management members maximum number of board mandates is five with not listed companies whereof one with listed companies. Refer to Note 4.1 for any activities and vested interests.

4.3 Management Contracts

INFICON Holding AG has not entered into any management contracts with third parties outside the Group.

5 Compensation, Shareholdings and Loans

Please refer to Note 3.3 «Shares and Share Options owned by Group Management and Members of the Board of Directors, including any related parties,» of the statutory financial statements of INFICON Holding AG for details of Board members' and Group Managements' shareholdings and to the Compensation Report for disclosures pertaining to compensation, as well as the content and method of determining the compensation and shareholdings programs. Pursuant to Article 21, no loans or advances were made by the INFICON Group to members of the Board of Directors or to Group Management during the financial year.

6 Shareholder Participation

6.1 Voting-Rights and Representation Restrictions

Each INFICON share carries one vote at our shareholders' meetings. Voting rights may be exercised only after a shareholder has been recorded in our share register (Aktienbuch) as a shareholder with voting rights. INFICON may enter into agreements with banks or financial companies which hold shares for the account of other persons (nominees) regarding the exercise of the voting rights related to the shares.

INFICON shares are cleared and settled through SIX Securities Services AG. The shares will not be physically represented by certificates but will be managed collectively in book-entry form by SIX Securities Services AG. Shareholders are therefore not entitled to have their shares physically represented and delivered in certificate form (aufgehobener Titeldruck). They can, however, request a statement confirming their ownership of the shares.

6.2 Statutory Quorums

The Articles of Incorporation contain no quorums greater than that set out by the applicable legal provisions.

6.3 General Meetings of Shareholders

The Articles of Incorporation contain no rules on the convocation of the General Meeting of Shareholders that differ from applicable legal provisions.

6.4 Agenda

Shareholders holding shares with a par value of at least TCHF 500 have the right to request in writing, at least 50 days prior to the day of the respective shareholders' meeting, that a specific proposal be discussed and voted upon at such shareholders' meeting.

6.5 Entries into the Share Register

Only those shareholders with voting rights whose names were recorded in the Company's register of shareholders on the respective closing date may attend the General Meeting of Shareholders and exercise their voting rights. The Board of Directors endeavors to set the closing date for registration as close as possible to the date of the

General Meeting of Shareholders, i.e. not more than 3 to 4 weeks before the General Meeting of Shareholders. There are no exceptions to this rule regarding the closing date for registration.

7 Changes of Control and Defense Measures

7.1 Duty to Make an Offer

The Company's Articles of Incorporation do not include "opting-out" or "opting-up" clauses and accordingly under Article 32 of the Swiss Securities Exchanges and Securities Trading Act a shareholder who acquires 33⅓% or more of the Company's shares is obliged to submit a public offer for the remaining shares.

7.2 Clauses on Changes of Control

The Directors, Management & Key Employee Share-based plans contain a provision whereby all unvested outstanding options vest and blocked shares release upon change in control.

8 Auditors

8.1 Duration of the Mandate and Term of Office of the Lead Auditor

Statutory auditors pursuant to Art. 727 and 728, respectively, of the Swiss Code of Obligations is KPMG AG, Zurich, elected for one year. KPMG AG commenced its mandate as statutory auditors of INFICON Holding AG in April 2014. The lead engagement partner, Mr. Toni Wattenhofer, has been responsible for the audit of the statutory and consolidated financial statements of INFICON Holding AG since financial year 2014. The significant subsidiaries of INFICON Holding AG are audited by member firms of KPMG AG.

8.2 Auditing Fees

Audit fees of the Group Auditor for the 2015 audit were approximately TUSD 308 (TCHF 296).

8.3 Additional Fees

No additional fees were paid to the Group Auditor in 2015.



8.4 Supervisory and Control Instruments Pertaining to the Audit

Each year the Audit Committee reviews and discusses the scope of the proposed audit work and the timely quarterly reviews, and evaluates the performance and fees of the auditors. Periodically the lead auditor participates in the Audit Committee meetings. In 2015 the audit firm attended two conference calls and one meeting calling in (see Frequency of Meetings of the Board of Directors and its Committees).

Criteria applied to the performance and compensation evaluation of KPMG AG includes: technical and operational competence, independent and objective view, sufficient resources employed, focus on areas of significant risk to INFICON, ability to provide effective, practical recommendations and effective communication and coordination with the Audit Committee and financial management.

Following the audit work, the auditors submit a report on their results, including all communications required, to the Audit Committee and to the Board of Directors in accordance with Swiss auditing standards. The Audit Committee meets with the auditors to discuss and review their feedback. Based on this information, the Audit Committee determines changes and improvements as necessary.

9 Information policy

INFICON Holding AG pursues an information policy which is based on truthfulness, timeliness, and continuity. Matters potentially affecting the share price are published immediately as ad hoc announcements, in accordance with ad hoc publicity requirements of SIX Swiss Exchange.

Annual financial reports are published online for the benefit of shareholders and potential investors in March following the year-end closing.

Key financial figures are prepared and issued in a press release on a quarterly basis.

A 2015 half-year report was published online in August 2015.

Information available for investors can be found at www.inficon.com.





Compensation Report

Introduction

This Compensation Report describes the principles of remuneration at INFICON. The report is prepared in accordance with the Swiss Ordinance Against Excessive Compensation with respect to Listed Stock Corporations of November 20, 2013 (hereinafter referred to as "Ordinance"). The report also follows the recommendations defined in Appendix 1 to the Swiss Code of Best Practice for Corporate Governance published by *economiesuisse* and complies with Chapter 5 of the Appendix to the SIX Swiss Exchange Guidelines concerning information on corporate governance. The Articles of Incorporation have been considered in this compensation report. The Articles of Incorporation can be accessed with the following link:

http://bit.ly/IFCN_AoInc

Unless otherwise indicated, all information refer to the financial year 2015 closed on December 31, 2015. In the compensation report the share based payment is disclosed based on the year of allotment (grant date). All other compensation is disclosed according to the accrual principle: i.e. the compensation is reported in the respective period (i.e. financial year) in which it is recorded in the financial statements.

1 Remuneration Policy

INFICON is a globally active group which maintains a remuneration policy in accordance with general market practice which also considers individual performance. This ensures the Group's ability to hire and retain the right talents. Individual remuneration corresponds to responsibility and complies with requirements, skills, the Group's economic success and individual performance. INFICON's overall remuneration policy is performance oriented and contains a variable component which applies to all staff.

The Compensation and Human Resources Committee (hereinafter referred to as "CHR Committee") annually reviews the principles of the remuneration policy. Based on a proposal of this Committee, the Board of Directors decides on the level of compensation for the

members of the Board and the Group Management annually, once the audited financial results have been submitted to the Board. The CHR Committee consists of three members of the Board of Directors: Currently Beat Siegrist (Chairman), Dr. Richard Fischer and Dr. Thomas Staehelin.

2 Board of Directors Compensation

The compensation to the members of the Board of Directors consists of a fixed yearly cash element which makes up 2/3 of the total compensation and a defined share allotment which makes up 1/3 of the total compensation. The shares are subject to a 3-year holding period. The compensation includes Swiss Social Security and Unemployment Insurance contributions. The members of the Board of Directors do not participate in any pension scheme of the company.

The CHR Committee annually proposes the total compensation levels for the Chairman and the other members of the Board. The CHR Committee bases its judgement on Committee member's experience. If needed the CHR Committee might use external compensation surveys and professional insights. The Board of Directors then deliberates on the level of total compensation for the members of the Board. The total amount of the compensation is then proposed to the Annual General Meeting for the term of office until the closing of the following Annual General Meeting of Shareholders.

The total compensation paid to the Board of Directors conforms to conferred responsibilities and market conditions.

In 2014 the Directors' Stock Option Plan from 2001 was terminated and the share program was introduced. The shares are subject to a 3-year mandatory holding period. The relevant share price for allocation purposes is the average share price on the day of allotment. The allotment occurs five working days after the Annual General Meeting.

Neither attendance fees nor flat rate expenses are paid. However, direct incurred expenses, such as travel and accommodation are reimbursed.



3 Compensation to Members of Group Management

Based on a proposal of the CHR Committee, the Board of Directors asks annually at the Annual General Meeting for the approval of the compensation for Group Management. The CHR Committee bases its judgement on Committee member's experience and, if deemed necessary, by external compensation benchmarks.

The compensation for the Members of the Group Management consists of a fixed base compensation paid in cash and a variable compensation. The variable compensation is based on individual performance and the group's financial results. 50% of the variable compensation is paid in cash, 25% are provided by shares subject to a four-year blocking period and 25% provided by restricted shares allotted over the following four years which are not subject to any blocking period.

The average share price on the fifth day following the Annual General Meeting will serve as the calculation base to establish the number of shares.

The compensation includes Social Security and Unemployment Insurance, pension plan contributions as well as a car allowance.

Similar to the 2014 introduction of the share program for the Board of Directors, in 2015 the Board of Directors proposed at the Annual General Meeting to replace the stock options program for Members of Group Management with a performance-related, variable compensation by means of shares. As a consequence, the stock options as a share-based fixed compensation element have not been granted in 2015. These were compensated with a one time allocation of a defined number of shares in the equivalent amount of CHF 195,000. 50% of these shares have been allotted on July 1, 2015 and are subject to a four-year blocking period. The remaining 50% will be allotted over the next four years – one fourth each year – and will not be subject to any blocking period. The relevant share price for allocation purposes is the average share price on the day of allotment.

The variable cash compensation serves as an incentive to achieve short-term goals and the variable share program is a long-term incentive and affect a long-term relationship to the enterprise in line with the shareholder's interest. The composition and amount of the compensation are in accordance with the sector and labor market and are reviewed periodically.

Both variable compensation elements (cash & shares) depend on the fulfilment of individual performance goals and on the Group's financial performance. For Group Management members, the target variable compensation is at 80% of the base salary and 90% for the CEO. The financial performance based bonus criteria must meet a certain minimum threshold for eligibility. The total variable annual compensation is capped at 200% of the annual base cash compensation.

The financial performance based bonus is depending on the annual results of operating income, asset management and productivity targets, weighted for approximately 77%. The individual performance goals, weighted for approximately 23%, are based on individual performance objectives.

The specific metrics for the target bonus as well as the range between maximum and minimum variable compensation are determined by the Board of Directors via preparation and recommendation by the CHR Committee. The achievement of the financial performance goals are calculated based on the annual result following the close of the financial year. Achievement of the individual performance is determined by the Board of Directors as recommended by the CHR Committee.

As described above, the structure and the variable compensation elements of the Group Management have been reworked and modified during 2015. The fixed base cash salary of the Group Management members did not change in 2015. The variable compensation has been adjusted according to the financial performance and the individual performance goals.



Compensation Report

4 Authority and Determination of Compensation

INFICON's existing CHR Committee acts as the relevant body in accordance with the Ordinance Against Excessive Compensation with respect to Listed Stock Corporations and its Articles of Incorporation, subject to revision in accordance with the afore-mentioned Ordinance.

The CHR Committee prepares the recommendations submitted to the Board of Directors for compensation for the Board of Directors and the Group Management.

The CHR Committee consists of at least three members of the Board of Directors who are elected by the Annual General Meeting of the Shareholders for a term of office that runs until the end of the next Annual General Meeting of the Shareholders. Re-election is allowed.

The CHR Committee constitutes itself. It appoints its chairperson from among its members. The Board of Directors has issued rules on the organization and decision-making powers of the CHR Committee.

The CHR Committee has the following duties and competencies in particular:

1. to submit proposals to the Board of Directors regarding the determination of Group Management compensation principles;
2. to submit proposals to the Board of Directors to the attention of the General Meeting of the Shareholders regarding the total amounts of compensation of the Board of Directors and Group Management;
3. to submit proposals to the Board of Directors regarding the compensation of the members of the Board of Directors and the fixed and variable compensation of the Group Management within the respective total amount approved by the General Meeting of Shareholders;
4. to submit proposals to the Board of Directors to the attention of the General Meeting of Shareholders regarding amendments to the Articles of Incorporation with respect to the system of compensation to compensate the Board of Directors and the Group Management.

The compensations of the Board of Directors and the fixed and variable compensations of the Group Management are subject to authorization by the General Meeting of the Shareholders.

5 Severance Compensations

No severance payments have been contractually defined for members of the Board of Directors or the Group Management. For the financial year 2015 no severance compensations were paid.

6 Employment Contracts

The Company may enter into fixed-term or open-ended employment contracts with the members of the Group Management. Fixed-term employment contracts shall have a maximum duration of one year; a renewal is allowed.

The employment contracts of the Group Management members make no provision for unusually long notice periods or contract terms. Open-ended employment contracts of the Group Management have a notice period of a maximum of twelve months and make no provisions for unusually long notice periods or contract terms.

Non-competition agreements are allowed for the period following termination of the employment contract. In compensation for such agreements, a compensation not exceeding the affected member's last annual salary may be paid for up to one year.



Compensation Report

7 Compensations to the Board of Directors and Group Management

The compensation to members of the Board of Directors and the aggregate to the Group Management shown in the tables below are gross and based on the accrual principle.

a) Compensations 2015

	Base compensation	Variable compensation	Shares granted**	Shares granted***	Em-ployer social security contributions	Other compensation****	Total 2015
	Cash	Cash bonus accrued	(Ordinary allocation)	One-time allocation			
	TCHF	TCHF	Number	TCHF	Number	TCHF	TCHF
Board of Directors*:							
Dr. Beat E. Lüthi Chairman	126	—	187	63	—	14	203
Dr. Richard Fischer Vice Chairman	94	—	140	47	—	14	155
Vanessa Frey Member	63	—	94	31	—	7	101
Beat Siegrist Chairman of CHR Committee	80	—	119	40	—	12	132
Dr. Thomas Staehelin Chairman of Audit Committee	80	—	119	40	—	30	150
Total	443	—	659	221	—	77	741
Group Management:							
Lukas Winkler President and Chief Executive Officer	422	105	—	178	60	96	703
Total	692	165	—	290	98	176	1,171

- * For the Board of Directors the base compensation as well as the shares granted are part of the compensation for the one year election term 2015/2016. The shares were transferred to the members of the Board of Directors at the beginning of the election term.
- ** The shares are valued based on the volume weighted average share price at the day of the share purchases with no discount applied for the blocking periods until April 29, 2018.
- *** The shares are valued based on the volume weighted average share price at the day of the share purchases with no discount applied for the blocking periods until July 1, 2019.
- **** Other compensation comprise payments mainly related to car allowances.

b) Compensations 2014

	Base compensation	Variable compensation	Share options granted**	Shares granted***	Em-ployer social security contributions	Other compensation****	Total 2014		
	Cash	Cash bonus accrued	Number	Number	TCHF	TCHF	TCHF		
	TCHF	TCHF	Number	Number	TCHF	TCHF	TCHF		
Board of Directors*:									
Dr. Beat E. Lüthi Chairman	126	—	—	—	206	63	14	203	
Dr. Richard Fischer Vice Chairman	94	—	—	—	153	46	22	162	
Vanessa Frey Member	63	—	—	—	103	31	7	101	
Beat Siegrist Chairman of CHR Committee	80	—	—	—	131	40	10	130	
Dr. Thomas Staehelin Chairman of Audit Committee	80	—	—	—	131	40	11	131	
Total	443	—	—	—	724	220	64	727	
Group Management:									
Lukas Winkler President and Chief Executive Officer	424	200	2,000	77	—	—	94	20	815
Total	694	310	3,250	125	—	—	166	40	1,335

- * For the Board of Directors the base compensation as well as the shares granted are part of the compensation for the one year election term 2014/2015. The shares were transferred to the members of the Board of Directors at the beginning of the election term.
- ** The share options are valued according to the fair value of options granted using the Black-Scholes option-pricing model.
- *** The shares are valued based on the volume weighted average share price at the day of the share purchases with no discount applied for the blocking period until April 29, 2017.
- **** Other compensation comprise payments mainly related to car allowances.

The compensation to the Chairman and the other Board members did not change over the previous year. The shares have been granted for the current term of office until the next Annual General Meeting of the Shareholders. The allotment occurs five working days after the Annual General Meeting of the Shareholders (grant date). The total amount of compensation of TCHF 741 compares to the amount of TCHF 880 approved during the Annual General Meeting of Shareholders. The difference is mainly driven by higher amounts requested for potential Employer Social Security and Unemployment Insurance contributions which are due in case of stock option exercises.

Due to the compensation revision and the new structure (see section 3) the total compensation levels for the Group Management did change over the previous year. For the Group Management the base compensation did not change. The year 2015 was a transition year from the Management Stock Option Plan to the Management Share Plan. In 2015, the Management Stock Option plan was terminated and a share program was introduced. The average share

Compensation Report

price on the fifth day following the Annual General Meeting will serve as the calculation base to establish the number of shares, which are allotted July 1st. The variable compensation has been adjusted according to the achievement of the financial and individual performance targets.

The total amount of compensation for the Group Management of TCHF 1,171 compares to the amount of TCHF 5,300 approved during the Annual General Meeting of the Shareholders.

The main differences are driven by lower variable performance related compensation (and related social security contributions), no amounts for the potential event of one further member being added to the Group Management and no amounts for a potential disadvantage compensation.

8 Compensations for Former Members of Governing Bodies

There was no compensation to former members of the Board of Directors.

9 Additional Fees and Remunerations

No additional fees or remunerations were paid to members of the Governing Bodies and their related parties.

10 Loans to Members of Governing Bodies

No loans were granted to current or former members of governing bodies and their related parties during 2015. No such loans were outstanding as of December 31, 2015.



Report of the Statutory Auditor on the Compensation Report

We have audited the compensation report dated March 7, 2016 of INFICON Holding AG for the year ended December 31, 2015. The audit was limited to the information according to articles 14–16 of the Ordinance against Excessive compensation in Stock Exchange Listed Companies contained in the tables a) and b) in section 7 as well as sections 8 to 10 on page 32 of the compensation report.

Responsibility of the Board of Directors

The Board of Directors is responsible for the preparation and overall fair presentation of the compensation report in accordance with Swiss law and the Ordinance against Excessive compensation in Stock Exchange Listed Companies (Ordinance). The Board of Directors is also responsible for designing the compensation system and defining individual compensation packages.

Auditor's Responsibility

Our responsibility is to express an opinion on the accompanying compensation report. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the compensation report complies with Swiss law and articles 14–16 of the Ordinance.

An audit involves performing procedures to obtain audit evidence on the disclosures made in the compensation report with regard to compensation, loans and credits in accordance with articles 14–16 of the Ordinance. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements in the compensation report, whether due to fraud or error. This audit also includes evaluating the reasonableness of the methods applied to value components of compensation, as well as assessing the overall presentation of the compensation report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

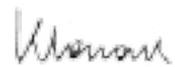
Opinion

In our opinion, the compensation report for the year ended December 31, 2015 of INFICON HOLDING AG complies with Swiss law and articles 14–16 of the Ordinance.

KPMG AG



Toni Wattenhofer
Licensed Audit Expert
Auditor in Charge



Lars Klossack
Licensed Audit Expert

Zurich, March 7, 2016

Environmental Protection, Safety and Product Stewardship

1 Comprehensive Approach

INFICON's approach to sustainability is a comprehensive one. In its business decisions and conduct the Company takes into account economic, environmental and social aspects at both strategic and operational levels.

In an external rating carried out in 2015, INFICON was compared against a select group of peer companies in Switzerland and received a rating on sustainability that is clearly above-average. The comprehensive review included the following criteria: "Renewal and adaptability; cycles of material, energy, and information; inter-connection of organization and operations; location and needs; materials usage as well as systems and legal compliance" (Source: Swiss & Global Asset Management AG).

2 General

INFICON's commitment to sustainability is evidenced by the fact that all manufacturing sites strive to obtain ISO 14001 certification and to maximize the resource and energy efficiency of products. The manufacturing facilities in Balzers (Liechtenstein), Cologne (Germany), Aaland (Finland) and Shanghai (China) are already certified according to ISO 14001:2015, the remaining production facilities will be certified by mid of 2016.

INFICON also observes the standards set out in the Code of Conduct of the "Electronic Industry Citizenship Coalition (EICC)."

All manufacturing facilities observe and comply with international and regional legislation, as well as guidelines.

3 Safety and Health at Work

Employee safety is a top priority at INFICON. The Company has endeavored for many years to prevent accidents from happening at all sites and to limit their secondary effects. To this end, employees are regularly trained and educated on work safety and health protection.

4 Environmental Stewardship

Environmental protection, safety and product stewardship have long been key priorities at INFICON. The first manufacturing facility already met ISO 14001 standards as early as 1998.

Environmental management means that all ecological aspects are analyzed systematically and that the corresponding need for action is identified. The manufacturing facilities are themselves in charge of setting priorities and implementing the actions they deem necessary.

The Company observes the RoHS directive 2011/65/EU on the restriction of the use of certain hazardous substances in electrical and electronic equipment, the European Union's REACH regulation on chemicals and their safe use, and monitors the "SVHC Candidate List" which lists substances of very high concern.



5 Resource and Energy Efficiency

Many products of INFICON help to reduce the impact on environment:

- Leak detectors detect harmful gases which then can be sealed
- Gauges control the production process and as a consequence reduce waste and energy consumption
- Gas analysis products can create contamination profiles as a basis to remove the contamination

Resource conservation is important to INFICON and is individually driven by the locations. EcoDesign is a focus area within the Company's research and development function. It helped the Company to develop an environmentally-friendly product packaging that led to a reduction in resource consumption and waste.

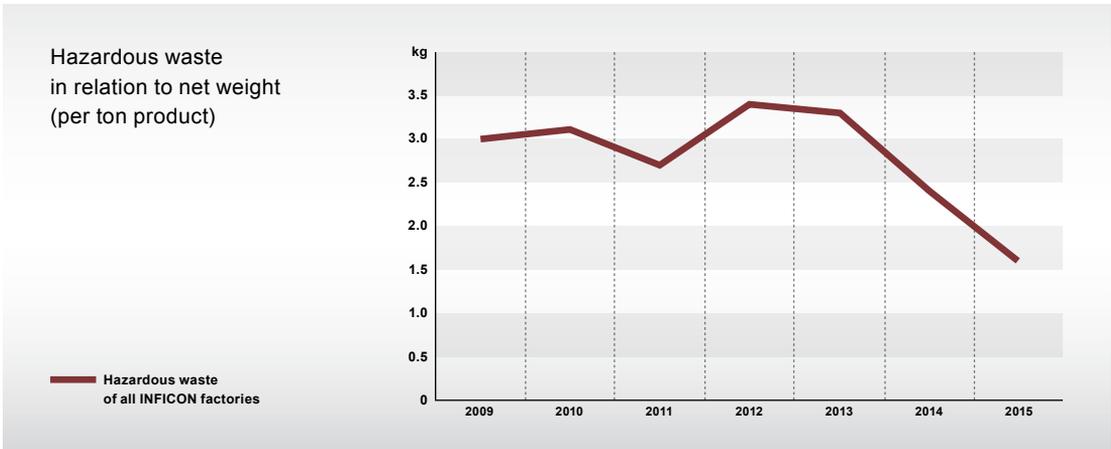
Other main areas in which resources are conserved are "travel and transport," "storage" and "packaging." The Company managed to reduce CO₂ emissions by 55.8 tons by directly delivering to customers. INFICON implemented video conferencing systems at all sites to reduce travel.

The combination of reduced storage, optimization of transport routing and means, coupled with economic use of raw materials and special packaging material has resulted in a further reduction of waste.

INFICON strives to maximize its resource and energy efficiency across the entire life span of its products and manufacturing facilities, beginning with the production of materials and processes, extending to their use, decommissioning and ultimate disposal.

INFICON works together with its suppliers to ensure that they also follow its environmental requirements.

Moreover, the Company observes the UN Security Council Report S/2006/525 regarding so called "conflict minerals."



Financial Review

(US Dollars in Millions)

Income Statement

Net Sales

In 2015, net sales decreased by USD 26.8 million or 8.8% to USD 278.7 million from USD 305.5 million in 2014. As this includes a negative impact of USD 14.7 million or 4.8% from changes in currency exchange rates (FX impacts), net sales decreased organically by 3.9% in 2015. Refrigeration, Air Conditioning & Automotive sales achieved a new record level with USD 57.6 million and increased 6.1% or USD 3.3 million, mainly due to higher sales to the automotive industry in all regional markets. The Specific Vacuum Process Industries market experienced a decrease in net sales of USD 3.4 million or 3.4% due to a decreased demand from semiconductor and equipment makers as well as for thin film coating processes in all regions. Emergency Response & Security market sales decreased 38.4% or USD 13.8 million primarily due to lower government spending for security and environmental applications, especially in North America. The General Vacuum Processes market sales decreased by USD 12.9 million or 11.2% largely due to a decrease in sales to European distributors and direct sales to industrial OEMs.

Gross Profit

Gross profit margin was 48.7% for 2015 as compared with 50.9% for 2014. The decrease is driven by the lower volume as well as unfavorable product mix and FX impacts.

Research and Development

Research and development costs decreased to USD 24.6 million or 8.8% of sales, as compared with USD 27.3 million or 8.9% of sales in 2014. This decrease is partly driven by lower variable compensation as well as favorable FX impacts.

Selling, General and Administrative (SGA)

Selling, general and administrative costs decreased to USD 71.5 million or 25.6% of sales in 2015 from USD 78.2 million or 25.6% of sales in 2014. This decline is due to lower variable compensation, commissions, and favorable FX impacts.

Operating Result

Income from operations decreased to USD 39.8 million or 14.3% of sales for 2015 from USD 50.1 million or 16.4% of sales for 2014. The profitability was impacted by the lower sales volume, lower gross profit margin and a cost structure that has been kept under control.

Financial Result

Interest income remained stable at USD 0.1 million for 2015 as compared with USD 0.1 million for 2014. Foreign currency losses increased to USD 1.2 million in 2015 from USD 0.3 million in 2014.

Income Taxes

Income taxes decreased to USD 7.1 million or 19.0% of income before taxes for 2015 from USD 12.7 million or 25.4% of income before taxes for 2014. The lower tax rate was driven by the mix in earnings and tax rates among the Company's different tax jurisdictions.

Net Result and Diluted Earnings per Share

Net income and diluted earnings per share was USD 30.1 million and 12.72 for 2015 as compared with USD 37.3 million and 15.94 for 2014. The 20.2% decrease in earnings per share is a result of the 19.4% decrease in net income.



Financial Review

(US Dollars in Millions)

Balance Sheet and Liquidity

Trade accounts receivable decreased by USD 6.5 million to USD 33.5 million at December 31, 2015 as compared with USD 40.0 million at December 31, 2014. This decrease was driven by a lower sales volume in the last quarter of 2015 as compared with the same period in 2014.

Inventories increased by USD 0.2 million to USD 37.0 million at December 31, 2015 as compared with USD 36.8 million at December 31, 2014. Inventory turns decreased to 3.6 in 2015 from 3.9 in 2014 using a 4-point average of quarter-end inventory balances.

Cash and short-term investments at December 31, 2015 totaled USD 60.9 million, a decrease of USD 20.1 million as compared with USD 81.0 million at December 31, 2014. The decrease was mainly driven by the investments into the factory expansion in Syracuse/USA. Cash Flow from operations totaled USD 37.8 million in 2015 as compared with USD 49.6 million in 2014. The decrease was influenced by a lower net income and lower levels of trade accounts payable and provisions, partially offset by a lower level of trade accounts receivable.



Consolidated Balance Sheet

(US Dollars in Thousands, except share and per share amounts)

	Note	December 31, 2015	December 31, 2014*
Assets			
Cash and cash equivalents		57,080	70,986
Short-term investments		3,820	9,997
Trade accounts receivable, net	4	33,490	39,981
Inventories	5	37,045	36,827
Prepayments and accrued income		1,301	1,832
Other current assets		5,175	4,833
Total current assets		137,911	164,456
Property, plant, and equipment	6	50,736	36,079
Intangible assets	8	4,419	4,640
Deferred tax assets		9,826	9,815
Financial assets		1,561	1,514
Total non-current assets		66,542	52,048
Total assets		204,453	216,504
Liabilities and Shareholders' Equity			
Trade accounts payable		4,757	7,171
Short-term provisions	10	8,648	11,927
Income taxes payable		4,042	2,478
Accrued expenses and deferred income	9	9,089	11,006
Other current liabilities		2,707	2,334
Total current liabilities		29,243	34,916
Long-term provisions	10	1,934	2,104
Deferred tax liabilities		2,311	2,149
Total non-current liabilities		4,245	4,253
Total liabilities		33,488	39,169
Common stock	11	6,586	6,514
Own shares (Treasury shares)	11	(539)	—
Retained earnings		172,637	174,681
Foreign currency translation		(7,719)	(3,860)
Total shareholders' equity		170,965	177,335
Total liabilities and shareholders' equity		204,453	216,504

The accompanying notes form an integral part of the consolidated financial statements.

* Restated according to FER 31 (see Note 2)

Consolidated Statement of Income

(US Dollars in Thousands, except share and per share amounts)

Year ended December 31,	Note	2015	2014*
Net sales	14	278,690	305,467
Cost of sales		142,847	149,922
Gross profit		135,843	155,545
Research and development		24,602	27,276
Selling expense		30,339	32,373
General and administrative expense		41,141	45,802
Operating result		39,761	50,094
Financial result	15	(1,093)	(118)
Ordinary result		38,668	49,976
Non-operating result	15	(1,553)	—
Earnings before income taxes (EBT)		37,115	49,976
Income taxes	16	7,060	12,682
Net result		30,055	37,294
Earnings per share:	17		
Basic		12.81	16.12
Dilution		0.09	0.18
Diluted		12.72	15.94

The accompanying notes form an integral part of the consolidated financial statements.

* Restated according to FER 31 (see Note 2)

Consolidated Statement of Shareholders' Equity

(US Dollars in Thousands, except share and per share amounts)

	Note	Common stock	Capital reserves	Own shares	Retained earnings	Foreign currency translation	Total shareholders' equity
Balance at December 31, 2013*		6,458	0	0	169,452	3,901	179,811
Net result					37,294		37,294
Foreign currency translation						(7,761)	(7,761)
Issuance of common stock from exercise of stock options	12	56	3,561				3,617
Stock-based compensation			1,313				1,313
Distribution from legal reserves (CHF 14 per share)			(4,874)		(32,205)		(37,079)
Adjustment of Goodwill					140		140
Balance at December 31, 2014*		6,514	0	0	174,681	(3,860)	177,335
Net result					30,055		30,055
Foreign currency translation						(3,859)	(3,859)
Issuance of common stock from exercise of stock options	12	72	4,924				4,996
Acquisition of own shares				(1,154)			(1,154)
Disposal of own shares				615			615
Stock-based compensation			1,088				1,088
Distribution from legal reserves (CHF 15 per share)			(6,012)		(32,051)		(38,063)
Adjustment of Goodwill					(48)		(48)
Balance at December 31, 2015		6,586	0	(539)	172,637	(7,719)	170,965

The accompanying notes form an integral part of the consolidated financial statements.

* Restated according to FER 31 (see Note 2)

Consolidated Statement of Cash Flows

(US Dollars in Thousands, except share and per share amounts)

Year ended December 31,	Note	2015	2014*
Cash flows from operating activities:			
Net result		30,055	37,294
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	6	6,197	5,491
Amortization	8	1,338	1,448
Result from disposal of fixed assets		22	429
Deferred Taxes		(109)	1,958
Stock based compensations		1,088	1,313
Changes in operating assets and liabilities, excluding effects from acquisition:			
Trade accounts receivable		5,497	(322)
Inventories		(1,256)	(4,056)
Other assets		(473)	(675)
Trade accounts payable		(2,172)	(440)
Accrued liabilities and short-term provisions		(4,349)	4,951
Income taxes payable		1,596	2,249
Other liabilities		408	(68)
Net cash provided by operating activities		37,842	49,572
Cash flows from investing activities:			
Purchase of property, plant and equipment		(22,664)	(8,035)
Disposal of property, plant and equipment		187	601
Purchase of intangible assets		(1,072)	(1,289)
Disposal of intangible assets		1	82
Acquisitions of businesses net of cash acquired	3	(199)	(171)
Purchase of short-term investments		(2,022)	(13,156)
Disposal of short-term investments		8,199	3,159
Net cash used in investing activities		(17,570)	(18,809)
Cash flows from financing activities:			
Proceeds from exercise of stock options	12	4,996	3,617
Cash distribution from legal reserves		(38,063)	(37,079)
Purchase/disposal of own shares		(539)	—
Net cash used in financing activities		(33,606)	(33,462)
Effect of exchange rate changes on cash and cash equivalents		(571)	(1,280)
Change in cash and cash equivalents		(13,906)	(3,979)
Cash and cash equivalents at beginning of period		70,986	74,965
Cash and cash equivalents at end of period		57,080	70,986

The accompanying notes form an integral part of the consolidated financial statements.

* Restated according to FER 31 (see Note 2)

Notes to Consolidated Financial Statements

(US Dollars in Thousands, except share and per share amounts)

1 Description of Business

INFICON Holding AG (INFICON or the “Company”) is domiciled in Bad Ragaz, Switzerland, as a corporation (Aktiengesellschaft) organized under the laws of Switzerland.

The Company’s stock is traded on the SIX Swiss Exchange in Switzerland. INFICON provides world-class instruments for gas analysis, measurement and control, and our products are essential for gas leak detection in air conditioning, refrigeration, and automotive manufacturing. They are vital to equipment manufacturers and end-users in the complex fabrication of semiconductors and thin film coatings for optics, flat panel displays, solar cells and industrial vacuum coating applications. Other users of vacuum based processes include the life sciences, research, aerospace, packaging, heat treatment, laser cutting and many other industrial processes. The Company also leverages its expertise in vacuum technology to provide unique, toxic chemical analysis products for emergency response, security, and environmental monitoring.

INFICON has world-class manufacturing facilities in Europe, the United States and China, as well as subsidiaries in China, Finland, France, Germany, India, Italy, Japan, Korea, Liechtenstein, Singapore, Sweden, Switzerland, Taiwan, the United Kingdom and the United States.

2 Summary of Significant Accounting Policies

Basis of Preparation

The consolidated financial statements give a true and fair view of the financial position, results of operations and cash flows of the Company. They have been prepared in accordance with the complete set of Swiss GAAP Accounting and Reporting Recommendations (Swiss GAAP FER) and are based on the subsidiaries’ annual financial statements at December, 31, which are prepared using uniform classification and accounting policies. The consolidated financial statements are prepared under the

going concern assumption, based on the historical cost principle with the exception of certain items such as derivative financial instruments and short-term investments, which are carried on the balance sheet at their fair value. The consolidated financial statements comply with the Listing Rules of the SIX Swiss Exchange and the provisions of Swiss Corporation Law. The Board of Directors of INFICON Holding AG approved the consolidated financial statements on March 7, 2016 for submission to the Annual General Meeting on April 28, 2016.

Swiss GAAP FER 31

The new accounting standard Swiss GAAP FER 31 has been adopted effective January 1, 2015. Following this standard, share-based payments have to be included in the Statement of Income and are shown within General and administrative expense. The following tables illustrate the effects on equity and net result for 2014.

	December 31, 2014
Equity according to Swiss GAAP FER (before FER 31)	177,335
Adjustments on conversion to Swiss GAAP FER incl. FER 31:	
Share-based compensation	3,708
Additional paid-in capital	
Share-based compensation	(3,708)
Retained earnings	
Equity according to Swiss GAAP FER (incl. FER 31)	177,335
	2014
Net result according to Swiss GAAP FER (before FER 31)	38,607
Adjustments on conversion to Swiss GAAP FER incl. FER 31:	
General and administrative expense:	(1,313)
Share-based payments	
Net result according to Swiss GAAP FER (incl. FER 31)	37,294

With regards to FER 31, no other adjustments have been made to the financial data of 2014. The required disclosures are included in the notes to the consolidated financial statements.

Consolidation

These consolidated financial statements include INFICON Holding AG and all companies that INFICON controls. Control exists if INFICON (the “Group”) holds

Notes to Consolidated Financial Statements

(US Dollars in Thousands, except share and per share amounts)

directly or indirectly more than half of the voting rights, or has other means of controlling the company.

The financial statements of subsidiaries are prepared using uniform classification and accounting policies. The reporting date for INFICON Holding AG, all subsidiaries and the consolidated financial statements is December 31.

The full consolidation method is applied to all subsidiaries over which control exists. Their assets, liabilities, income and expenses are incorporated in full. The purchase method of consolidation is used to account for the acquisition of subsidiaries. Under this method, the carrying amount of the investment in a subsidiary is offset against the Group's share of the fair value of the subsidiary's net assets. Intercompany transactions and balances are eliminated. Unrealized intercompany profits on goods and services supplied within the Group but not yet sold to third parties are eliminated on consolidation.

Companies acquired or established or those in which the Group increases its interest and thereby obtains control during the year are consolidated from the date of formation or date on which control commences. Companies are deconsolidated from the date that control effectively ceases upon disposal or a reduction in ownership interest.

The following companies are included in these consolidated financial statements:

Company	Domicile	Participation rate
INFICON Holding AG	Bad Ragaz (CH)	
INFICON GmbH	Bad Ragaz (CH)	100%
INFICON (Guangzhou) Instruments Co., Ltd.	Guangzhou (CN)	100%
INFICON Instruments Shanghai Co. Ltd.	Shanghai (CN)	100%
INFICON GmbH	Cologne (DE)	100%
INFICON Aaland Ab.	Mariehamn (FI)	100%
INFICON S.A.R.L.	Courtaboeuf (FR)	100%
INFICON Ltd.	Hong Kong (HK)	100%
INFICON India Pvt. Ltd.	Pune (IN)	100%
INFICON S.r.l.	Bozen (IT)	100%
INFICON Co., Ltd.	Yokohama-Shi (JP)	100%
INFICON Ltd.	Bungdang (KR)	100%
INFICON AG	Balzers (LI)	100%
INFICON AB	Linköping (SE)	100%

INFICON Pte. Ltd.	Singapore (SG)	100%
INFICON Ltd.	Chubei City (TW)	100%
INFICON Ltd.	Blackburn (UK)	100%
INFICON Inc.	Syracuse, NY (US)	100%
INFICON EDC Inc.	Overland Park, KS (US)	100%

Significant Accounting Policies and Estimates

The preparation of financial statements in conformity with Swiss GAAP FER requires management to make estimates and assumptions that affect the reported and disclosed amounts of (contingent) assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses. Management bases its estimates and judgments on historical experience and on various other factors believed to be reasonable under the circumstances that form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. The main estimates include pension, deferred taxes, allowances for trade accounts receivables and inventories.

Cash and Cash Equivalents and Short-Term Investments

The Company considers all highly-liquid investments with an original maturity of three months or less on their acquisition date to be cash equivalents. The Company classifies investments with an original maturity of more than three months on their acquisition date as short-term investments. Short-term investments consist of certificates of deposit, time deposits, or money market mutual funds.

Trade Accounts Receivable

Trade accounts receivable and other current receivables are recognized at nominal value less allowance for any impairment. Doubtful receivables are provided for by way of specific allowances for known or alleged specific risks. Furthermore, an additional lump-sum allowance is set-up based on accounts receivable aging and taking into account the actual losses expected based on past experience.

Inventories

Inventories are stated at the lower of cost and net realizable value. Purchasing discounts received are offset

Notes to Consolidated Financial Statements

(US Dollars in Thousands, except share and per share amounts)

against the production cost of inventories. Production cost comprises all direct material and manufacturing costs as well as those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is determined by the moving average method. Appropriate allowances are made for slow-moving inventories and obsolete inventories are fully written off. If the net realizable value of inventories is lower than their purchase price or production cost, then their carrying amount is written down as necessary.

Property, Plant, and Equipment

Property, plant, and equipment are stated at cost, less accumulated depreciation and less any impairment loss. Expenditures for major renewals and improvements that extend the useful lives of property, plant and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. When assets are sold or otherwise disposed of, the cost and related accumulated depreciation are eliminated from the accounts and any resulting gain or loss is recognized in earnings. The Group does not depreciate land.

The estimated useful lives and depreciation periods in years are as follows:

Category	Years
Buildings	20–30
Building and land improvements	10–20
Machinery and equipment	5–10
Vehicles	5–10
Content, furniture and fixtures	5–10
Business machines	5–10
Information technology (hardware)	3–5
Demonstration equipment	2

Intangible Assets

Acquired intangible assets are recognized in the balance sheet if they are to bring measurable benefits to the company over several years. They are valued at historical cost less straight-line amortization over the estimated useful lives of 3 to 10 years.

Goodwill

Goodwill arising on business combinations represents the excess of the cost of acquisition over the Group's interest

in the fair value of the recognized assets and liabilities at the date of acquisition. Goodwill from acquisitions is fully offset against equity at the date of acquisition. The impact of the theoretical capitalization and amortization of goodwill is disclosed in the notes to the consolidated financial statements. For the determination of goodwill from acquisitions, parts of the purchase price contingent on future performance are estimated at the date of acquisition. Any changes in contingent consideration are offset against goodwill in equity.

Impairment of Non-current Assets and Goodwill

At every balance sheet date an assessment is made for non-current assets (in particular property, plant, equipment, intangible assets, financial assets as well as goodwill offset against equity) whether indicators for impairment exist. If indicators for a continuous impairment exist, the recoverable amount of the asset is determined. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the smallest cash-generating unit to which the asset belongs. When the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized separately in the income statement. As goodwill is fully offset against equity at the date of acquisition, impairment of goodwill will not affect income, but be disclosed in the notes to the consolidated financial statements.

Pension Benefits

Pension benefit assets and obligations are recognized in the consolidated financial statements according to legal regulations of the respective countries. The actual economic impact of pension plans is calculated at each balance sheet date. A pension asset is recorded when an economic benefit exists, meaning that such economic benefit will be used to reduce future pension contributions by the Company. A pension liability is recognized when an economic obligation exists, meaning if the requirements to record a provision are met.

Trade Payables and Other Payables

Trade accounts payable and Other liabilities are recognized at par value.

Notes to Consolidated Financial Statements

(US Dollars in Thousands, except share and per share amounts)

Provisions

Provisions are recognized when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. A provision for the expected costs associated with restructuring is recognized when a detailed restructuring plan has been developed and the measures have been approved and communicated before the balance sheet date.

Revenue Recognition

Revenue is recognized when risks and rewards as well as control has been passed to the acquirer and income and related expenses can be determined reliably. This generally coincides with the delivery of goods or the rendering of service.

Research and Development

Research and development costs are expensed as incurred.

Shipping and Handling Costs

Revenue and costs associated with shipping products to customers are included in sales and cost of sales, respectively.

Share-based Plan

Since 2001, a stock option plan for Directors, as well as for Group Management and key employees is in place. The granting of options under the stock option plan does result in the recognition of personnel expenses. The effect on equity is recognized in equity at the time the options are exercised.

In 2014 the Directors' Stock Option Plan from 2001 was terminated and a share program was introduced. The shares are subject to a 3-year mandatory holding period.

In 2015 the Group Management and Key Employee Stock Option Plan from 2001 was terminated and a share program was introduced. Within this plan, 50% of the shares are allotted on the grant date and are subject to a four-year blocking period. The remaining 50% will be allotted over the next four years – one fourth each year – and will not be subject to any blocking period. The allocation of shares does result in the recognition of personnel expenses.

Income Tax Expense

Current income tax is calculated on taxable profits for the year and recognized on an accrual basis. Deferred income tax is provided, using the liability method, on all temporary differences and recognized as tax liabilities or assets. Temporary differences arise between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. The same method is also used to provide for differences arising on acquisitions between the fair value and tax base of the assets acquired. Deferred tax assets and liabilities are offset when the Group has a legally enforceable right and intends to settle its current tax assets and liabilities on a net basis. Deferred tax is calculated using local tax rates that have been enacted by the balance sheet date. Tax losses carried forward and tax credits are recognized as deferred tax assets to the extent that it is probable that future taxable profits will be available against which they can be utilized.

Foreign Currency Translation

The functional currency of the Company's foreign subsidiaries is the applicable local currency. For those subsidiaries, assets and liabilities are translated to US Dollars at year-end exchange rates. Income and expense accounts are translated at the average monthly exchange rates in effect during the year. The effects of foreign currency translation adjustments are taken to retained earnings (currency translation difference) and not recognized in the income statement.

The following foreign exchange rates versus the US Dollar have been applied when translating the financial statements of the Company's major subsidiaries:

Currency		Period-end rates		Average rates	
		2015	2014	2015	2014
Swiss Franc	USD	1.0104	1.0110	1.0402	1.0940
Euro	USD	1.0926	1.2160	1.1103	1.3290
1 Japanese Yen	USD	0.0083	0.0084	0.0083	0.0095
Hong Kong Dollar	USD	0.1290	0.1289	0.1290	0.1290
Korean Won	USD	0.0009	0.0009	0.0009	0.0010

Notes to Consolidated Financial Statements

(US Dollars in Thousands, except share and per share amounts)

3 Acquisitions and Disposals

Verionix Inc.

On November 4, 2009, the Company acquired substantially all the assets of Verionix Inc., a developer of gas sensor, gas composition sensors and gas analyzers. The acquisition expands the Company's position in the gas analysis market. It also increases opportunities for the Company in the semiconductor, LCD and solar manufacturing markets.

The purchase price was USD 610 at closing. Additionally, there is an earn-out capped at USD 8,718 to be paid based on units sold over a four year period. At the acquisition date, the Company had performed a fair value calculation which resulted in USD 4,600 of contingent consideration.

The following table summarizes the fair values of the assets acquired at the acquisition date.

As of November 4,	2009
Inventory	57
Equipment	15
Goodwill	4,848
Intangible assets	290
Net assets acquired	5,210
Accrued contingent consideration	(4,600)
Purchase price at closing	(610)
Total fair value of consideration	(5,210)

The fair value of the contingent consideration amounts to zero since December 31, 2013. The Company is involved in a commercial dispute regarding the final earn-out for the units sold over the four year period. Due to these ongoing discussions, the earn-outs described above might be partly restored. As of March 7, 2016, the Company cannot reasonably estimate the final outcome.

Cumulative Helium Leak Detection (CHLD)

On December 22, 2010, the Company acquired the Cumulative Helium Leak Detection (CHLD) technology from the Pernicka Corporation. The acquisition expands the Company's position in the hermetic sealed parts market. It also increases opportunities for the Company in the medical implants, electronic hybrid circuits and components for satellites markets.

The purchase price was USD 1,500 at closing. Additionally, there is an earn-out to be paid based on units sold over a four year period. At the acquisition date, the Company has performed a fair value calculation which resulted in USD 500 of contingent consideration.

The following table summarizes the fair values of the assets acquired and liabilities assumed at the date of acquisition:

As of December 22,	2010
Inventory	31
Goodwill and intangible assets	1,969
Net assets acquired	2,000
Accrued contingent consideration	(500)
Purchase price at closing	(1,500)
Total fair value of consideration	(2,000)

The fair value of the contingent consideration amounts to zero since December 31, 2014.

Notes to Consolidated Financial Statements

(US Dollars in Thousands, except share and per share amounts)

Sycon

On October 21, 2013, the Company acquired substantially all the assets of Sycon Instruments, Inc., a developer and manufacturer of instrumentation for the measurement and control of thin film processes. The acquisition further strengthens the Company's leading position in the thin film controller market. It also increases opportunities for the Company in the optical manufacturing market.

The purchase price was USD 2,500 at closing. Additionally, there is an earn-out to be paid based on sales growth over a two year period. At the acquisition date, the Company has performed a fair value calculation which resulted in USD 100 of contingent consideration.

The following table summarizes the fair value of the assets acquired at the acquisition date:

As of October 21,	2013
Inventory, net	930
Equipment	20
Goodwill	1,430
Intangible assets	220
Net assets acquired	2,600
Accrued contingent consideration	(100)
Purchase Price at closing	(2,500)
Total fair value of consideration	(2,600)

Up to December 31, 2015, an amount of USD 199 has been paid out to Sycon Instruments that has reduced the contingent consideration from USD 220 to USD 21. As of December 31, 2015, the Company has re-evaluated the fair value calculation of the contingent consideration. As a result, the contingent consideration has been increased by USD 48, which increased goodwill accordingly, which is offset against equity under Swiss GAAP FER. As of December 31, 2015, the fair value of the contingent consideration amounts to USD 69.

The results of these acquisitions were included in the Company's consolidated operations beginning on the date of acquisition. The pro forma consolidated statements reflecting the operating results as if the acquisitions occurred at the beginning of the periods presented, would not differ materially from the operating results of the Company as reported for the twelve months ended December 31, 2015 and 2014, respectively.

4 Trade Accounts Receivable

Trade accounts receivable and related bad debt allowance are recorded as follows as at December 31:

	2015	2014
Trade accounts receivable, gross	34,151	40,634
Bad debt allowance	(661)	(653)
Total trade accounts receivable, net	33,490	39,981

5 Inventories

Inventories consist of the following at December 31:

	2015	2014
Raw material	24,744	25,645
Work-in-process	4,370	4,262
Finished goods	7,916	6,629
Advance Payments to suppliers	15	291
Net balance at December 31,	37,045	36,827

Notes to Consolidated Financial Statements

(US Dollars in Thousands, except share and per share amounts)

6 Property, Plant, and Equipment

The components of property, plant, and equipment consist of the following at December 31:

Property, plant, and equipment 2015	Land	Buildings	Machinery and equipment	Capital leases	Prepayments and tangible fixed assets under construction	Demonstration equipments	Other tangible fixed assets	Total property, plant, and equipment
At cost								
At January 1, 2015	3,037	24,095	50,891	10,686	3,448	—	12,429	104,586
Additions	—	430	2,604	86	18,203	770	571	22,664
Disposals	—	(1,227)	(5,456)	(80)	(106)	(25)	(411)	(7,305)
Reclassifications	—	18,033	1,712	—	(20,372)	4,534	66	3,973
Exchange Differences	(237)	(1,132)	(698)	(40)	(38)	—	(1,126)	(3,271)
At December 31, 2015	2,800	40,199	49,053	10,652	1,135	5,279	11,529	120,647
Accumulated depreciations:								
At January 1, 2015	385	11,308	40,097	8,183	—	—	8,534	68,507
Systematic depreciation	3	665	3,556	508	—	573	891	6,196
Disposals	—	(1,227)	(5,405)	(80)	—	(15)	(390)	(7,117)
Reclassifications	—	—	(495)	—	—	4,242	23	3,770
Exchange Differences	—	(100)	(554)	(29)	—	—	(762)	(1,445)
At December 31, 2015	388	10,646	37,199	8,582	—	4,800	8,296	69,911
Net book values:								
At January 1, 2015	2,652	12,787	10,794	2,503	3,448	—	3,895	36,079
At December 31, 2015	2,412	29,553	11,854	2,070	1,135	479	3,233	50,736

Property, plant, and equipment 2014	Land	Buildings	Machinery and equipment	Capital leases	Prepayments and tangible fixed assets under construction	Other tangible fixed assets	Total
At cost							
At January 1, 2014	3,323	24,527	51,797	11,135	1,801	13,310	105,893
Additions	27	1,017	2,492	580	3,241	678	8,035
Disposals	—	—	(781)	(1)	(179)	(84)	(1,045)
Reclassifications	—	94	1,235	—	(1,354)	25	—
Exchange Differences	(313)	(1,543)	(3,852)	(1,028)	(61)	(1,500)	(8,297)
At December 31, 2014	3,037	24,095	50,891	10,686	3,448	12,429	104,586
Accumulated depreciations:							
At January 1, 2014	382	10,820	40,082	8,494	—	8,845	68,623
Systematic depreciation	4	721	3,507	498	—	761	5,491
Disposals	—	—	(360)	(1)	—	(83)	(444)
Reclassifications	—	—	—	4	—	(4)	—
Exchange Differences	(1)	(233)	(3,132)	(812)	—	(985)	(5,163)
At December 31, 2014	385	11,308	40,097	8,183	—	8,534	68,507
Net book values:							
At January 1, 2014	2,941	13,707	11,715	2,641	1,801	4,465	37,270
At December 31, 2014	2,652	12,787	10,794	2,503	3,448	3,895	36,079

7 Goodwill

Goodwill from acquisitions is fully offset against equity at the date of acquisition. The impact of the theoretical capitalization and amortization of goodwill is disclosed below:

Theoretical movement schedule for goodwill:

	2015	2014
At cost		
At January 1,	8,382	9,473
Additions from acquisitions of subsidiaries	48	120
Subsequent Purchase Price Adjustments	—	(260)
Elimination of fully amortized goodwill items	(4,719)	(248)
Exchange Differences	(117)	(703)
At December 31,	3,594	8,382

Accumulated amortization

At January 1,	5,403	4,492
Amortization expense	1,626	1,629
Elimination of fully amortized goodwill items	(4,719)	(248)
Exchange Differences	(99)	(469)
At December 31,	2,211	5,403

Theoretical net book values

At January 1,	2,979	4,981
At December 31,	1,383	2,979

Goodwill is theoretically amortized on a straight-line basis usually over 5 years.

Impact on income statement:

	2015	2014
Operating result according to income statement	39,761	50,094
Amortization of goodwill	(1,626)	(1,629)
Theoretical operating result incl. amortization of goodwill	38,135	48,465
Net result according to income statement	30,055	37,294
Amortization of goodwill	(1,626)	(1,629)
Theoretical net result incl. amortization of goodwill	28,429	35,665

Notes to Consolidated Financial Statements

(US Dollars in Thousands, except share and per share amounts)

Impact on balance sheet:

	2015	2014
Equity according to balance sheet	170,965	177,335
Equity as % of total assets	83.6%	81.9%
Theoretical capitalization of goodwill (net book value)	1,383	2,979
Theoretical equity incl. net book value of goodwill	172,348	180,315
Theoretical equity incl. net book value of goodwill as % of total assets	83.7%	82.2%

No indication for impairment of goodwill has been identified.

8 Intangible Assets

Intangible assets 2015	Techno-logy	Software	Other	Total
At cost				
At January 1, 2015	7,805	5,972	2,060	15,837
Additions	103	934	35	1,072
Disposals	—	(435)	—	(435)
Reclassifications	—	103	(35)	68
Exchange Differences	(101)	(113)	(1)	(215)
At December 31, 2015	7,807	6,461	2,059	16,327

Accumulated amortization

At January 1, 2015	5,463	4,924	810	11,197
Systematic amortization	486	523	329	1,338
Disposals	—	(435)	—	(435)
Exchange Differences	(87)	(95)	(10)	(192)
At December 31, 2015	5,862	4,918	1,128	11,908

Net book values

At January 1, 2015	2,342	1,048	1,250	4,640
At December 31, 2015	1,945	1,543	931	4,419

Intangible assets 2014	Techno-logy	Software	Other	Total
At cost				
At January 1, 2014	8,608	7,362	418	16,388
Additions	349	415	525	1,289
Disposals	(379)	—	—	(379)
Reclassifications	(67)	(1,025)	1,092	—
Exchange Differences	(706)	(780)	25	(1,461)
At December 31, 2014	7,805	5,972	2,060	15,837

Accumulated amortization

At January 1, 2014	5,739	5,081	284	11,104
Systematic amortization	593	540	315	1,448
Disposals	(297)	—	—	(297)
Reclassifications	(65)	(63)	128	—
Exchange Differences	(507)	(634)	83	(1,058)
At December 31, 2014	5,463	4,924	810	11,197

Net book values

At January 1, 2014	2,869	2,281	134	5,284
At December 31, 2014	2,342	1,048	1,250	4,640

9 Accrued Expenses and Deferred Income

The components of accrued liabilities are as follows at December 31:

	2015	2014
Salaries, wages and related costs	4,315	4,865
Deferred revenue	646	2,429
Professional fees	793	751
Other	3,335	2,961
Balance at December 31,	9,089	11,006

Notes to Consolidated Financial Statements

(US Dollars in Thousands, except share and per share amounts)

10 Provisions

Provisions 2015	Warranty	Pension	Bonus & Commissions	Restructuring	Other	Total
At January 1, 2015	2,466	75	9,554	121	1,815	14,031
Creation	324	14	6,389	—	164	6,891
Utilizations	(140)	—	(8,455)	(121)	(248)	(8,964)
Reversals	(213)	(72)	(693)	—	(36)	(1,014)
Exchange Differences	(91)	(3)	(262)	—	(6)	(362)
At December 31, 2015	2,346	14	6,533	—	1,689	10,582
Short-term	2,020	14	6,533	—	81	8,648
Long-term	326	—	—	—	1,608	1,934

Provisions 2014	Warranty	Pension	Bonus & Commissions	Restructuring	Other	Total
At January 1, 2014	2,752	216	8,830	327	2,174	14,299
Creation	305	75	9,401	—	225	10,006
Utilizations	(82)	—	(7,946)	(79)	(481)	(8,588)
Reversals	(348)	(195)	(264)	(94)	(49)	(950)
Exchange Differences	(161)	(21)	(467)	(33)	(54)	(736)
At December 31, 2014	2,466	75	9,554	121	1,815	14,031
Short-term	2,118	75	9,554	121	59	11,927
Long-term	348	—	—	—	1,756	2,104

Discounting

There are no material discounting effects for the long-term provisions.

Restructuring

The restructuring provisions of 2014 include obligations relating to the sale of INFICON's non-core business vacuum valves product line.

Warranty

INFICON gives warranties in connection with the products and services it provides. These are based on local legislation or contractual arrangements. The provision is calculated from past experience. The current provision for liability claims is based on actual claims reported, which are generally settled within one year. The long-term provision is based on historical experience for warranties with more than one year remaining warranty period.

11 Shareholder's Equity

As of December 31, 2015, shareholder's equity consists of 2,350,508 issued and outstanding bearer shares (2014: 2,324,911) with a par value of CHF 5 (2014: CHF 5).

Under the Swiss Code of Obligations, the shareholders may decide on an increase of the share capital in a specified aggregate par value up to 50% of the existing share capital, in the form of authorized capital to be used at the discretion of the Board of Directors. The Board of Directors is currently not authorized to issue new registered shares. The General Meeting of Shareholders approved conditional capital in the amount of 260,000 shares in 2012, which shall be issued upon the exercise of option rights, which some employees and members of the Board of Directors will be granted pursuant to the Employee Incentive Plans. The Board of Directors will regulate the details of the issuances. As of December 31, 2015 and 2014, 104,347 and 129,944 shares of CHF 5 each, respectively, were available for issuance.

a) Own Shares 2015

	Number of own shares	Price per share in CHF		Volume-weighted average
		Highest	Lowest	
Balance as of January 1	—			—
Purchases May 4–May 29, 2015	1,784	348.00	333.00	341.03
Purchases August 25–August 31, 2015	800	300.75	277.50	290.47
Purchases November 5–November 30, 2015	1,000	302.50	283.75	289.76
Allocation to Members of the Board of Directors	(659)			
Allocation to Group Management and Key Employees	(1,125)			
Balance as of December 31	1,800			

b) Own Shares 2014

	Number of own shares	Price per share in CHF		Volume-weighted average
		Highest	Lowest	
Balance as of January 1	—			—
Purchases May 8–May 12, 2014	724	306.50	298.86	303.84
Allocation to Members of the Board of Directors	(724)			
Balance as of December 31	—			

At December 31, 2015, acquisition cost for directly held own shares amounted to TCHF 523.

Notes to Consolidated Financial Statements

(US Dollars in Thousands, except share and per share amounts)

The statutory or legal reserves that may not be distributed amount to TCHF 2,874 at December 31, 2015, as compared with TCHF 2,325 at December 31, 2014.

12 Share-based Plans

Stock Option Plans

In fiscal year 2001, the Board of Directors approved the Directors' Stock Option Plan. The Directors' Stock Option Plan is solely for members of the Board, who are not employees of INFICON. The Company has granted options to the eligible Directors in May of each year and the options are nontransferable. All options have been granted at prices equal to 100% of the market value of the common stock at the date of grant. The plan includes specific requirements for the Directors who are removed or resign from the Board.

In fiscal year 2001, the Board of Directors approved the Management & Key Employee Stock Option Plan. The purpose of the plan is to provide key employees of the Company with an opportunity to become shareholders, and in addition, to obtain options on shares and allow them to participate in the future success of the Company.

The options have been granted in Swiss Francs.

The following is a summary of option transactions under the two plans:

	Options	Weighted average exercise price (CHF)
Outstanding at December 31, 2013	111,126	209.01
Granted	35,850	307.25
Cancelled	(975)	245.75
Exercised	(19,813)	167.54
Outstanding at December 31, 2014	126,188	243.15
Granted	—	—
Cancelled	(2,525)	279.34
Exercised	(25,597)	187.84
Outstanding at December 31, 2015	98,066	256.65
Exercisable at December 31, 2015	53,177	234.02

The exercise of options under the stock option plan led to the following increase in shareholder's equity.

	2015	2014
Increase in Common stock	72	56
Increase in Capital reserves	4,924	3,561
Total	4,996	3,617

By December 31, 2015, both the Directors' Stock Option Plan as well as the Management & Key Employee Stock Option Plan have been terminated.

Share Plans

In 2014 a share program for the Board of Directors has been introduced. The shares are subject to a 3-year mandatory holding period.

In 2015 a share program for Management & Key Employees has been introduced. It is intended that the plan will provide an additional incentive for key employees to maintain continued employment, contribute to the future success and prosperity, and enhance the value of the Company. Within this plan, 50% of the shares are allotted on the grant date and are subject to a four-year blocking period. The remaining 50% will be allotted over the next four years – one fourth each year – and will not be subject to any blocking period. The relevant share price for allocation purposes is the closing market price on the day of allotment, which occurs five working days after the Ordinary Annual General Meeting.

The impact of all share-based plans on the income statement as per December 31, 2015 and 2014, amounts to USD 1,713 and USD 1,312, respectively.

Notes to Consolidated Financial Statements

(US Dollars in Thousands, except share and per share amounts)

13 Employee Benefit Plans

INFICON employees in certain countries (primarily the United States, Liechtenstein, and Germany) participate in contributory and non-contributory defined benefit plans. Benefits under the defined benefit plans are generally based on years of service and average pay. The company funds the plans in accordance with local regulations in the specified countries.

The economical benefits and economical obligations of the pension plans and the relating pension benefit expenses are summarized in the following table:

	Surplus / Deficit	Economic surplus/ deficit of the organization		Change to prior year period recognized in the current result of the period	Contributions during the business period	Pension benefit expenses within personnel expenses	
	31.12.2015	31.12.2015	31.12.2014	2015	2015	2015	2014
Pension institutions with surplus	6,180	—	—	—	(1,572)	(1,572)	(1,361)
Pension institutions with deficit	(2,172)	—	—	—	(1,661)	(1,661)	(865)
Total	4,008	—	—	—	(3,233)	(3,233)	(2,226)

14 Business Segments

The Company is a global supplier of instrumentation for gas analysis, measurement and control. The Board of Directors is responsible for the ultimate direction and supervision of INFICON Holding AG and delegates the day to day management to Group Management. In 2013, the Board of Directors decided to condense the management of the Company to only comprising the CEO and the CFO as this best reflects the operational management of INFICON.

Group Management steers the business globally and the allocation of resources, assessment of performance and the respective reporting is made for the Group as a whole.

Although the Company discloses net sales into various end markets, the Company uses a key account concept and thus focuses on customers, regardless of products, technologies or regions.

Since the Company operates in one global segment, all information required by FER31 can be found in the consolidated financial statements.

15 Financial and non-operating result

The financial result consists of the following:

	2015	2014
FX loss	(1,223)	(261)
Interest income	130	143
Total financial result	(1,093)	(118)

The non-operating result of USD 1,553 relates to restructuring expenses in Balzers (Liechtenstein).

16 Income Taxes

Tax expense consists of the following:

	2015	2014
Current tax expense	6,909	10,473
Deferred tax expense	151	2,209
Total	7,060	12,682

As of December 31, 2015, the group average tax rate for calculating deferred taxes was 19.0% (2014: 25.4%).

The impact from changes in tax loss carried forward on income taxes are shown in the following table:

	2015	%
Weighted average tax before impact of tax loss carry forwards	7,939	21.4%
Effect of changes tax loss carry forwards	(879)	-2.4%
Weighted average tax after impact of tax loss carry forwards	7,060	19.0%

The entitlement for deferred income taxes on tax losses carried forward not yet used was USD 2,956 at December 31, 2015, as compared with USD 346 at December 31, 2014.

Notes to Consolidated Financial Statements

(US Dollars in Thousands, except share and per share amounts)

17 Earnings per Share

The Company computes basic earnings per share, which is based on the weighted average number of common shares outstanding, and diluted earnings per share, which is based on the weighted average number of common shares outstanding and all dilutive common equivalent shares outstanding. The dilutive effect of options is determined under the treasury stock method using the average market price for the period.

The following table sets forth the computation of basic and diluted earnings per share for the years ended December 31:

	2015	2014
Numerator:		
Net income	30,055	37,294
Denominator:		
Weighted average shares outstanding	2,346,238	2,313,723
Effect of dilutive stock options	16,966	26,608
Denominator for diluted earnings per share	2,363,205	2,340,331
Earnings per share:		
Basic	12.81	16.12
Dilution	(0.09)	(0.18)
Diluted	12.72	15.94

For the year ended December 31, 2015, the fully diluted earnings per share calculation excluded 35,575 options to purchase shares since these shares would have been anti-dilutive for 2015, compared with 66,075 options in 2014, respectively.

18 Commitments and Contingencies

A summary of contractual commitments and contingencies as of December 31, 2015 is as follows:

	Operating leases	Fixed Inventory Purchase Commitments	Total
2016	4,361	3,702	8,063
2017	4,324	1,621	5,945
2018	4,246	74	4,320
2019	3,225	—	3,225
2020	2,909	—	2,909
Thereafter	696	—	696
Total	19,761	5,397	25,158

The Company leases some of its facilities and machinery and equipment under operating leases, expiring in years 2016 through 2021. Generally, the facility leases require the Company to pay maintenance, insurance and real estate taxes.

Purchase obligations include amounts committed under legally enforceable contracts or purchase orders for goods or services with defined terms as to price, quantity, delivery and termination liability.

The Group has a number of risks arising in the ordinary course of business from contingent or probable liabilities in connection with litigation and outstanding tax assessments.

Provisions have been recognized to the extent that the outcome of such matters can be reliably estimated. No provisions have been made where the outcome is uncertain or the risk is not quantifiable.

At year-end 2015, no guarantees (previous year none) in favor of third parties existed. The Group has not given any other guarantees in respect of its business relationships with third parties. There are no subordination agreements with third parties.

Notes to Consolidated Financial Statements

(US Dollars in Thousands, except share and per share amounts)

19 Related Party Transaction

In 2015 USD 5 (2014 USD 28) were paid to related parties for assisting in the preparation of shareholder meetings and other corporate actions.

20 Additional Information Required by Swiss Law

As required by article 959 of the Swiss Code of Obligations, the following supplementary information is disclosed:

	2015	2014
Total personnel costs	94,303	100,991

Compensations Disclosure

Please refer to the Compensation Report for disclosures pertaining to compensations to the Board of Directors and Group Management.

Shares and Share Options owned by Members of the Board of Directors and Group Management

The number of shares and options owned by the Board of Directors and Group Management for the years ended December 31:

	2015		2014	
	Shares owned	Options owned	Shares owned	Options owned
Board of Directors:				
Dr. Beat E. Lüthi	393	1,800	401	1,800
Dr. Richard Fischer	24,983	675	24,168	1,350
Vanessa Frey*	197	900	103	900
Beat Siegrist	8,700	500	8,081	1,000
Dr. Thomas Staehelin	2,600	1,050	381	3,150
Total Board of Directors	36,873	4,925	33,134	8,200
Group Management:				
Lukas Winkler, President & CEO	4,278	6,000	5,000	7,000
Matthias Tröndle, Group CFO	112	2,744	150	3,438
Total Group Management	4,390	8,744	5,150	10,438

* Vanessa Frey as part of the Frey family owns through KWE Beteiligungen AG 19.45% (2014: 19.53%) in INFICON Holding AG.

21 Subsequent Events

The Company has evaluated subsequent events through March 7, 2016, which represents the date when the consolidated financial statements were available to be issued. On February 1, 2016, the Company acquired all assets of InstruTech, Inc., Longmont/CO, USA. This acquisition will strengthen the Company's research and production base and enhances its presence in the USA in existing and new markets.

Due to the timing of the acquisition, the purchase price allocation has not been completed yet. However, it is believed that the allocation will be among inventory, equipment, intangible assets and goodwill.

The preliminary purchase price was USD 9,600 at closing. Due to the timing of the acquisition, the purchase price allocations has not been completed yet. However, it is believed that the allocation will be among inventory, equipment, intangible assets and goodwill.

Report of the Statutory Auditor on the Consolidated Financial Statements

As statutory auditor, we have audited the consolidated financial statements of INFICON Holding AG, which comprise the balance sheet, income statement, cash flow statement, statement of changes in equity and notes (pages 38 to 54) for the year ended December 31, 2015.

Board of Directors' Responsibility

The Board of Directors is responsible for the preparation of the consolidated financial statements in accordance with Swiss GAAP FER and the requirements of Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we

have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements for the year ended December 31, 2015 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with Swiss GAAP FER and comply with Swiss law.

Report on Other Legal Requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

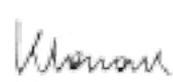
In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

KPMG AG



Toni Wattenhofer
Licensed Audit Expert
Auditor in Charge



Lars Klossack
Licensed Audit Expert

Zurich, March 7, 2016

Balance Sheet

INFICON Holding AG, Bad Ragaz/Switzerland

(CHF in Thousands)

	Notes	December 31, 2015	December 31, 2014
Assets			
Cash		2,013	11,272
Other short-term receivables			
- from third parties		5	17
- from companies in which the entity holds an investment		670	1,080
Prepaid expenses and accrued income		133	165
Total current assets		2,821	12,534
Financial assets			
- Loans granted to companies in which the entity holds an investment		74,689	75,254
Investments	2.1	300,018	300,018
Total non-current assets		374,707	375,272
Total assets		377,528	387,806
Liabilities and Shareholders' Equity			
Accrued expenses and deferred income	2.2	593	596
Provisions for unrealized exchange gain		41	—
Total short-term liabilities		634	596
Total liabilities		634	596
Share capital	2.3	11,753	11,625
Legal capital reserves			
- Reserves from capital contributions	2.4	113,728	144,210
Legal retained earnings			
- General legal retained earnings		2,590	2,590
Voluntary retained earnings			
- Available earnings			
- Profit brought forward		228,776	125,439*
- Profit for the year		20,570	103,346*
Treasury shares	2.5	(523)	—
Total shareholders' equity		376,894	387,210
Total liabilities and shareholders' equity		377,528	387,806

* In order to ensure comparability, the prior year figures have been adjusted to the new mandatory structure as described in the notes.

Statement of Income

INFICON Holding AG, Bad Ragaz/Switzerland

(CHF in Thousands)

Year ended December 31,	Notes	2015	2014
Dividend income		19,624	105,426
Other financial income	2.6	3,803	295*
Total income		23,427	105,721
Financial expenses		888	172*
Other operating expenses	2.7	1,793	2,191
Direct taxes	2.8	176	12
Total expenses		2,857	2,375
Profit for the year		20,570	103,346

* In order to ensure comparability, the prior year figures have been adjusted to the new mandatory structure as described in the notes.

Notes to the Financial Statements

INFICON Holding AG, Bad Ragaz/Switzerland

1 Principles

1.1 General Aspects

The financial statements of INFICON Holding AG, Bad Ragaz (the “Company”), were prepared according to the principles of the Swiss Law on Accounting and Financial Reporting (32nd title of the Swiss Code of Obligations). Where not prescribed by law, the significant accounting and valuation principles applied are described below.

In order to ensure comparability, the prior year figures of the balance sheet as well as the statement of income have been adjusted to the new mandatory structure. Affected positions in the balance sheet as well as in the statement of income are marked with an asterisk (*). These adjustments were made for presentation purposes and have no effect on the profit for the year, total assets, total liabilities or equity as previously reported.

The information contained in the financial statements relates to the ultimate parent company alone, while the consolidated financial statements reflect the economic situation of INFICON Group as a whole.

1.2 Valuation Methods and Translation of Foreign Currencies

Assets and liabilities in foreign currencies are translated into Swiss Francs using year-end rates of exchange, except investments which are translated at historical rates. Transactions during the year in foreign currencies are translated at the exchange rates effective at the relevant transaction dates. Foreign currency gains and losses are recognized in the statement of income.

1.3 Financial assets

Loans granted in foreign currencies are translated at the rate at the balance sheet date, whereby unrealized losses are recorded but unrealized profits are deferred. Financial assets include long-term loans to subsidiaries.

1.4 Investments

The investments in subsidiaries are carried at lower of cost or their intrinsic value.

1.5 Treasury Shares

Treasury shares are recognized at acquisition costs including transaction costs and deducted from shareholders' equity at the time of acquisition. The acquisition costs are calculated with the FIFO method (first in – first out). In case of resale, the gain or loss is recognized through the voluntary retained earnings.

1.6 Share-based payments

Share-based compensation programs for the Board of Directors are in place since 2014 and for Group Management and Key Employees since 2015. Treasury shares are used in these programs and the cost is determined by reference to the market price at grant date. For the Board of Director's program, costs are allocated over the first year after allocation (vesting period). The costs of granted shares are recognized in other operating expenses.

1.7 Cash Flow statement and additional disclosures

As INFICON Holding AG has prepared its consolidated financial statements in accordance with a recognized accounting standard (Swiss GAAP FER), no cash flow statement and notes with additional information are required for the Company.



Notes to the Financial Statements

INFICON Holding AG, Bad Ragaz/Switzerland

2 Disclosure on Balance Sheet and Income Statement Items

2.1 Investments

The subsidiaries included in INFICON Holding AG's investment portfolio are shown below.

Company	Currency	December 31, 2015	2014
INFICON Inc.		(in 1,000)	(in 1,000)
Syracuse, USA			
Share Capital	USD	*	*
Share in capital and voting right		100%	100%
Purpose: Manufacturing, Sales and Service			
INFICON AG			
Balzers, Liechtenstein			
Share Capital	CHF	6,000	6,000
Share in capital and voting right		100%	100%
Purpose: Manufacturing, Sales and Service			
INFICON GmbH			
Bad Ragaz, Switzerland			
Share Capital	CHF	2,000	2,000
Share in capital and voting right		100%	100%
Purpose: Management Company			
INFICON GmbH			
Cologne, Germany			
Share Capital	EUR	1,026	1,026
Share in capital and voting right **		100%	100%
Purpose: Manufacturing, Sales and Service			
INFICON Aaland Ab			
Mariehamn, Finland			
Share Capital	EUR	60	60
Share in capital and voting right **		100%	100%
Purpose: Manufacturing			
INFICON AB.			
Linköping, Sweden			
Share Capital	SEK	3,810	3,810
Share in capital and voting right		100%	100%
Purpose: Manufacturing and Sales			
INFICON Ltd.			
Blackburn, United Kingdom			
Share Capital	GBP	400	400
Share in capital and voting right		100%	100%
Purpose: Sales and Service			
INFICON S.A.R.L.			
Courtaboeuf, France			
Share Capital	EUR	108	108
Share in capital and voting right		100%	100%
Purpose: Sales			

Company	Currency	December 31, 2015	2014
INFICON S.r.l.			
Bozen, Italy			
Share Capital	EUR	10	10
Share in capital and voting right		100%	100%
Purpose: Sales			
INFICON Co., Ltd.		(in 1,000)	(in 1,000)
Yokohama-Shi, Japan			
Share Capital	JPY	90,000	90,000
Share in capital and voting right		100%	100%
Purpose: Sales			
INFICON Ltd.			
Chubei City, Taiwan			
Share Capital	TWD	52,853	52,853
Share in capital and voting right		100%	100%
Purpose: Sales			
INFICON Ltd.			
Bungdang-Ku, Korea			
Share Capital	KRW	600,000	600,000
Share in capital and voting right		100%	100%
Purpose: Manufacturing and Sales			
INFICON Pte. Ltd.			
Singapore			
Share Capital	SGD	1,797	1,797
Share in capital and voting right		100%	100%
Purpose: Sales			
INFICON Ltd.			
Pune, India			
Share Capital	INR	18,920	18,920
Share in capital and voting right **		100%	100%
Purpose: Sales			
INFICON Ltd.			
Hong Kong			
Share Capital	HKD	8,780	8,780
Share in capital and voting right		100%	100%
Purpose: Sales			
INFICON (Guangzhou) Instruments Co., Ltd.			
Guangzhou			
Share Capital	RMB	9,837	9,837
Share in capital and voting right		100%	100%
Purpose: Service			
INFICON Instruments (Shanghai) Co., Ltd.			
Shanghai			
Share Capital	USD	2,180	2,180
Share in capital and voting right		100%	100%
Purpose: Manufacturing			
INFICON EDC Inc.			
Syracuse, USA			
Share Capital	USD	*	*
Share in capital and voting right **		100%	100%
Purpose: Manufacturing, Sales and Service			

* INFICON Inc. has issued 100 shares at a nominal value of USD 0.01 per share

** Indirect participation

Notes to the Financial Statements

INFICON Holding AG, Bad Ragaz/Switzerland

2.2 Accrued expenses and deferred income

In CHF 1,000	December 31,	
	2015	2014
Liabilities to third parties	204	246
Liabilities to governing bodies (Board of Directors and auditors)	389	350
Total	593	596

2.3 Issued, authorized and conditional share capital

Share capital in the amount of TCHF 11,753 (2014: TCHF 11,625) consists of 2,350,508 (2014: 2,324,911) registered shares at a nominal value of CHF 5 each.

Issued share capital / share capital increase

During 2015, employees and members of the Board of Directors of INFICON exercised stock options which resulted in 25,597 new shares being issued and increased nominal share capital by CHF 127,985. The share premium thereon of CHF 4,680,197 has been credited to the reserves from capital contributions.

Conditional Share Capital

The articles of incorporation provide for a conditional capital of a maximum of CHF 649,720 through the issuance of 129,944 registered shares of CHF 5 each by the exercise of option rights granted to employees and members of the Board of Directors of the Company. In 2015, employee stock options were exercised resulting in an increase in share capital of 25,597 shares. The remaining available balance of conditional share capital at December 31, 2015, is CHF 521,735.

2.4 Reserves from capital contributions

The reserves from capital contributions include the premium from capital increases in the years 2000–2015, less the distributions to shareholders.

2.5 Treasury shares

a) Treasury Shares 2015

	Number of treasury shares	Price per share in CHF		Volume-weighted average
		Highest	Lowest	
Balance as of January 1	—			—
Purchases May 4–May 29, 2015	1,784	348.00	333.00	341.03
Purchases August 25–August 31, 2015	800	300.75	277.50	290.47
Purchases November 5–November 30, 2015	1,000	302.50	283.75	289.76
Allocation to Members of the Board of Directors	(659)			
Allocation to Group Management and Key Employees	(1,125)			
Balance as of December 31	1,800			

b) Treasury Shares 2014

	Number of treasury shares	Price per share in CHF		Volume-weighted average
		Highest	Lowest	
Balance as of January 1	—			—
Purchases May 8–May 12, 2014	724	306.50	298.86	303.84
Allocation to Members of the Board of Directors	(724)			
Balance as of December 31	—			

The above mentioned timeline is the period within which the bank purchased the instructed quantity of shares. At December 31, 2015, acquisition cost for directly held treasury shares amounted to TCHF 523. The treasury shares are reserved for compensations due in 2016. These shares are non-dividend bearing shares.

2.6 Other financial income

Other financial income amounts to TCHF 3,803 (2014: TCHF 295) and consists mostly of interest income from loans to companies in which the entity holds an investment.

Notes to the Financial Statements

INFICON Holding AG, Bad Ragaz/Switzerland

2.7 Other operating expenses

In CHF 1,000	December 31,	
	2015	2014
Administrative expenses	900	967
Share based payments	218	150
Consulting expenses	125	367
Withholding taxes	383	601
Other operating expenses	167	106
Total	1,793	2,191

2.8 Direct taxes

The tax charge includes income and capital taxes.

3 Other Information

3.1 Full-time Equivalents

INFICON Holding AG does not have any employees.

3.2 Significant Shareholders

The following shareholders owned more than 5 per-cent of voting rights:

December 31,	2015	2014
KWE Beteiligungen AG	19.45%	19.53%
7-Industries Holding B.V.	9.65%	9.75%
UBS Fund Management (Schweiz) AG	5.11%	4.95%
Chase Nominees Ltd.	4.44%	5.88%

Any significant shareholder notifications during 2015 and since January 1, 2016, can be accessed via the following weblink to the database search page of the disclosure office:

http://bit.ly/IFCN_major_Shareholders

3.3 Shares and Share Options owned by Group Management and Members of the Board of Directors, including any related parties

The number of shares and share options owned by the Board of Directors and Group Management for the years ended December 31:

	2015		2014	
	Shares owned	Options owned	Shares owned	Options owned
Board of Directors:				
Dr. Beat E. Lüthi	393	1,800	401	1,800
Dr. Richard Fischer	24,983	675	24,168	1,350
Vanessa Frey*	197	900	103	900
Beat Siegrist	8,700	500	8,081	1,000
Dr. Thomas Staehelin	2,600	1,050	381	3,150
Total Board of Directors	36,873	4,925	33,134	8,200

Group Management:

Lukas Winkler, President & CEO	4,278	6,000	5,000	7,000
Matthias Tröndle, Group CFO	112	2,744	150	3,438
Total Group Management	4,390	8,744	5,150	10,438

* Vanessa Frey as part of the Frey family owns through KWE Beteiligungen AG 19.45% (2014: 19.53%) in INFICON Holding AG.

The members of the Group Management held together on December 31, 2015 directly and indirectly a total of 0.19% (2014: 0.22%) bearer shares or 0.19% (2014: 0.22%) of the voting rights of INFICON. The members of the Board of Directors held together on December 31, 2015 directly and indirectly a total of 21.02% (2014: 20.95%) bearer shares or 21.02% (2014: 20.95%) of the voting rights in INFICON.

Notes to the Financial Statements

INFICON Holding AG, Bad Ragaz/Switzerland

3.4 Shares and Share Options for Group Management, Key Employees and Members of the Board of Directors

a) Share- and option-based compensations 2015	Shares granted		Options granted		Total
	Quantity	Value in CHF 1,000	Quantity	Value in CHF 1,000	Value in CHF 1,000
Total Board of Directors	659	221	0	0	221
Total Group Management and Key Employees	1,125	379	0	0	379
Total	1,784	600	0	0	600

b) Share- and option-based compensations 2014	Shares granted		Options granted		Total
	Quantity	Value in CHF 1,000	Quantity	Value in CHF 1,000	Value in CHF 1,000
Total Board of Directors	724	220	0	0	220
Total Group Management and Key Employees	0	0	32,800	1,312	1,312
Total	724	220	32,800	1,312	1,532

In 2014 the Directors' Stock Option Plan and in 2015 the Key Employee Stock Option Plan, both from 2001, were terminated and a share program was introduced. The relevant share price for allocation purposes is the closing market price on the day of allotment, which occurs five working days after the Ordinary Annual General Meeting. Shares for compensation to Group Management and key employees are transferred at acquisition costs to the respective legal entity.

3.5 Contingent Liabilities

In CHF 1,000	December 31,	
	2015	2014
Guarantees in favor of affiliated companies	10,160	8,319

The guarantees in favor of affiliated companies are to cover credit facilities with various banks in Europe. However, none of the credit facilities are drawn.

Appropriation of Available Earnings

INFICON Holding AG, Bad Ragaz/Switzerland

(Proposal of the Board of Directors)

In CHF 1,000	December 31,	
	2015	2014
Reserves from capital contributions at beginning of year	144,210	173,347
Transfer from general legal retained earnings		
Share premium on exercised stock options	4,680	3,220
Distribution to shareholders	(35,162)	(32,357)
Reserves from capital contributions	113,728	144,210
Profit brought forward	228,776	125,439
Profit for the year	20,570	103,346
Available earnings	249,346	228,785

The Board of Directors proposes to the General Meeting of Shareholders the following appropriation:

Reserves from capital contribution before proposed distribution	113,728
Distribution from capital contribution reserve (2015: CHF 13.00 each share)*	30,557
Reserves from capital contribution after proposed distribution	83,171

* The proposed distribution from capital contribution reserve represents an estimated amount. This will be adjusted to take into account any new shares entitled to a distribution from legal reserves which are issued subsequent to December 31, and prior to the date of the distribution.

Report of the Statutory Auditor on the Financial Statements

INFICON Holding AG, Bad Ragaz

As statutory auditor, we have audited the financial statements of INFICON HOLDING AG, which comprise the balance sheet, income statement and notes (pages 56 to 62) for the year ended December 31, 2015.

Board of Directors' Responsibility

The Board of Directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements for the year ended December 31, 2015 comply with Swiss law and the company's articles of incorporation.

Report on Other Legal Requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

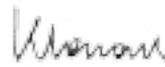
In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

KPMG AG



Toni Wattenhofer
Licensed Audit Expert
Auditor in Charge



Lars Klossack
Licensed Audit Expert

Zurich, March 7, 2016



Certain statements contained in this Annual Report are forward-looking statements that do not relate solely to historical or current facts. Forward-looking statements can be identified by the use of words such as “may”, “believe”, “will”, “expect”, “project”, “assume”, “estimate”, “anticipate”, “plan” or “continue.” These forward-looking statements address, among other things, our strategic objectives, trends in vacuum technology and in the industries that employ vacuum instrumentation, such as the semiconductor and related industries and the anticipated effects of these trends on our business. These forward-looking statements are based on the current plans and expectations of our management and are subject to a number of uncertainties and risks that could significantly affect our current plans and expectations, as well as future results of operations and financial condition. Some of these risks and uncertainties are discussed in the Company’s Annual Report for fiscal 2015.

As a consequence, our current and anticipated plans and our future prospects, results of operations and financial condition may differ from those expressed in any forward-looking statements made by or on behalf of our Company. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.



2015 Annual Report

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