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INFICON reports solid second quarter results

- **Healthy operating income margin of 17.2% despite 7.7% lower sales of USD 75.5 million**
- **Product launches ensure technology leadership and further growth**
- **Positive outlook for the full year**
- **2012 half-year report available for download at www.inficon.com**

Bad Ragaz/Switzerland - August 9, 2012.

Quarterly sales as expected at USD 75.5 million

INFICON Holding AG (SIX Swiss Exchange: IFCN) recorded, on a high sales level, a slight decline both compared with the first three months of the year (-6.5%) and the prior year period (-7.7%). Unfavorable currency effects of 2.7 percentage points outweighed the positive 2.2 percentage point contribution from acquisitions, resulting in a sales decline of 7.2% adjusted for organic growth and currency effects.

Strengthened gross margin

The gross margin rose to 49.0 percent of sales, which is the result of a more favorable product and client mix. After slightly higher expenses for research and development, operating profit stands at USD 13.0 million, still resulting in a solid margin of 17.2% compared with 18.4% last year. Net income of USD 9.1 million equals a profit margin of 12.1%, or the equivalent of fully diluted earnings per share of USD 4.08 after USD 4.91 last year.

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Reduced balance sheet total and increased equity ratio of 77%

The balance sheet total of USD 183.5 million per June 30 is now lower than at the end of last year, primarily arising from the profit distribution to shareholders and short-term loan repayments. Supported by the high operating cash flow of USD 13.7 million (First quarter 2012: USD 2.2 million) the cash position as well as net working capital only declined under-proportionately compared with the balance sheet total. INFICON reduced net working capital even further to 20.3 percent of sales and closed the period with net cash (cash minus short term borrowings) of USD 54.5 million. Consequently, the equity ratio rose from 70.3% to 77.0% in the first six months of the year.

Overall net sales performance in line with expectations

The market for *Specific Vacuum Industries* (Prior year comparison: -6.7% to USD 27.8 million) saw sales rise by 4.1% compared with the first quarter primarily because of the demand for thin film technology from the optical and data storage industries. Manufacturers of flat screens and solar panels were cautious due to existing over-capacities. Business with semiconductor equipment manufacturers was also rather weak. The *Specific Vacuum Industries* target market should in all show an upward trend in the second half of the year. The market for *Refrigeration & Air Conditioning* showed as expected a slight decline of 5.4% to USD 12.2 million, compared with the respective period of last year and the preceding quarter. The market for industrial leak detectors was stable. The market for *Emergency Response & Security* grew significantly by 58.5% to USD 6.5 million compared with last year; the market recorded, however, a decline of 23.5% over the record quarter Q1 2012. The market for *General Vacuum Processes*, which depends heavily on the European economy, fell both compared with the prior year period (-17.1%) and the first quarter 2012 (-11.0%) to USD 29.0 million. The business did well in the United States: INFICON achieved a new sales record of USD 17.6 million across all target markets in the United States.

A quick succession of product launches

INFICON presented several new products in the second quarter, which strengthen the company's technology leadership in its traditional business areas, and are geared toward gaining new market share or entering new market segments. With *Transpector MPH*, INFICON presented the next generation of mass spectrometers for gas analysis. They can be used in all target markets. The cost-efficient, small and highly precise pressure sensor *Porter CDG* is a new product class of INFICON and opens up new markets in specific and general vacuum applications. With its leak detector *LDS 3000*, INFICON replaces a previous generation of devices at Original Equipment Manufacturers for automotive and refrigeration and air conditioning technology. In addition, INFICON launched an easily transportable service leak detector as an innovative *private label device*. Further products are to be launched into the market soon.



Outlook

INFICON remains cautiously confident for the coming months. Based on the assumption that the economies in Europe and Asia stabilize, INFICON expects slightly higher sales of USD 290 to USD 310 million (before USD 280 – 310 million) and an operating profit of USD 42 to 54 million (before USD 38 to 54 million).

INFICON Fact Sheet		Q2 2012		
according SWISS GAAP FER				
Income Statement (USD in million)	Q2 2012	Q2 2011	Change	%
Net Sales	75.5	81.8	-6.3	-8%
Gross Profit	37.0	38.1	-1.1	-3%
% of Sales	49.0%	46.6%	+2.4 %pts	
Research & Development	6.4	5.8	0.6	10%
Selling, General & Administrative	17.6	17.3	0.3	2%
Income from Operations	13.0	15.0	-2.1	-14%
% of Sales	17.2%	18.4%	-1.2 %pts	
Net Income	9.1	10.9	-1.7	-16%
% of Sales	12.1%	13.3%	-1.2 %pts	
Earnings per Share (diluted, USD)	\$ 4.08	\$ 4.91	-0.8	-17%
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Balance Sheet (USD in million)	30-Jun-12	31-Dec-11	Change	%
Cash & Short Term Investments	57.0	91.1	-34.1	-37%
Trade Accounts Receivable	37.1	37.2	-0.1	0%
Inventories	33.5	31.9	1.6	5%
Trade Accounts Payable	9.3	6.6	2.6	40%
Stockholders' Equity	141.4	153.2	-11.9	-8%
Total Liabilities and Stockholders' Equity	183.5	218.1	-34.6	-16%

Half-year report and presentation slides available for download

The complete half-year report 2012 and detailed presentation slides on the quarterly results are now available in the Investors' section of the INFICON website www.inficon.com. The half-year report also contains a detailed reconciliation that shows the impacts of the change from US GAAP to Swiss GAAP FER.



Conference Call

INFICON's management team will provide a detailed presentation of the second quarter results today at 09.30 am CEST. Participants can dial in at:

- Europe: +41 (0)91 610 41 11
- UK: +44 (0)203 059 58 64
- USA (Toll free): +1 (1) 866 666 56 64

All participants should dial in at least 10 minutes prior to the call. There is no PIN required to access the call. A live webcast of the conference call and the presentation visuals are available in the Investors section of the INFICON website at www.inficon.com where the webcast will also later be archived.

E-mail Alerts

To automatically receive notification via e-mail of the latest financial information from INFICON, sign up for e-mail Alert in the Investors section of the INFICON website.

ABOUT INFICON

INFICON is a leading provider of innovative instrumentation, critical sensor technologies, and advanced process control software that enhance productivity and quality in sophisticated industrial vacuum processes. 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 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. We also leverage our expertise in vacuum technology to provide unique, toxic chemical analysis products for emergency response, security, and environmental monitoring. INFICON is headquartered in Switzerland and has world-class manufacturing facilities in Europe, the United States and China, as well as subsidiaries in China, Finland, France, Germany, Italy, Japan, Korea, Liechtenstein, Singapore, Sweden, Switzerland, Taiwan, the United Kingdom and the United States. INFICON registered shares (IFCN) are listed on SIX Swiss Exchange. For more information about INFICON and its products, please visit www.inficon.com

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