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INFICON with solid third quarter 2012 performance

- **Strengthened YoY gross and operating income margins of 49.5% and 15.8% respectively**
- **Weaker Semiconductor market demand limits sales to USD 70.0 million**
- **Outlook 2012: Narrower sales forecast range of USD 290-300 million with strong earnings guidance of USD 45-50 million**

Bad Ragaz/Switzerland, October 18, 2012

Q3 Sales of USD 70.0 million reflect low demand from semiconductor market

INFICON Holding AG (SIX Swiss Exchange: IFCN) reports sales of USD 70.0 million for the third quarter 2012, a decline both compared with the previous quarter (-7.3%) as well as the same period of last year (-10.7%). Negative foreign exchange effects impacted sales by 5.1 percentage points while acquisitions positively contributed 2.4 percentage points. Adjusted for these effects, sales declined organically by 8.0%, reflecting primarily a bigger than expected decline in the demand from the semiconductor market.

Stronger margins

A favorable product and customer mix allowed INFICON to increase its gross margin to 49.5% of sales during the reporting period. With nearly unchanged expenses for research & development and tightly controlled sales and administration costs, INFICON recorded an operating profit of USD 11.0 million, resulting in an improved margin of 15.8% after 15.1% recorded a year ago. The net profit for the period of USD 8.2 million equals 11.7% of sales, or fully diluted earnings per share of USD 3.65 after USD 4.31 a year ago.

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Very solid balance sheet with equity ratio of 77%

The balance sheet as per September 30, 2012 shows a strong increase in net cash (cash minus short-term borrowings) to USD 72.1 million compared with the figures recorded as per end of June. This increase reflects the strong operating cash flow of USD 16.4 million, up from USD 13.7 million in the preceding second quarter of the year. Somewhat higher inventories expanded the net working capital to 21.4% of sales. Compared with the financial statements per June 30, 2012, the equity ratio remained unchanged at a strong 77.0%.

Semiconductor market with weak demand leads to noticeable decline in sales

The sales volume generated in the *Specific Vacuum Industries* market declined during the third quarter 2012 following unexpectedly low investment levels in the semiconductor market. While the market for optical coatings developed positively, the overall sales of USD 20.2 million represent a decline of 26.3% over the prior year's period, or a 27.3% decrease compared with the preceding second quarter. The *Refrigeration & Air Conditioning* market is backed by a broad array of industrial applications, but experienced, as expected, lower sales compared with the respective prior year period (-11.6%) and the second quarter (-1.5%), not least reflecting the market developments in Asia. The market for *General Vacuum Processes*, which depends largely on the European economy, developed rather well with an increase of 10.3% over the preceding quarter and just a minor decline of -2.1% over the same period of last year. The market for *Emergency Response & Security* grew again significantly and achieved 23.4% higher sales of USD 5.8 million compared with the same quarter of last year, however, did not reach the preceding quarter's volume (-10.8%) due to the timing of certain shipments.

Outlook

From a current perspective, INFICON is cautious about the future development of sales, yet tends to expect a further earnings improvement. Due to the hardly predictable sales development in the semiconductor market, INFICON curtails the upper end of the expected sales span for the full year 2012 from USD 290-310 million to now USD 290-300 million. At the same time, INFICON raises the lower end of the now more precisely defined earning forecast range of USD 45-50 million (before USD 42 to 54 million).

Conference call

Management will discuss the third quarter results today in more detail in a conference call scheduled for 09:00 a.m. CEST. The local dial-in numbers are as follows:

+41 (0)91 610 56 18 (CH + Europe)
+44 (0)203 059 58 63 (UK)
+1 (1)866 666 56 64 (USA - Toll-Free)



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, including a visual presentation in addition to the audio, will also be available in the Investors section of the INFICON website www.inficon.com.

INFICON Fact Sheet Q3 2012				
according SWISS GAAP FER				
Income Statement (USD in million)	Q3 2012	Q3 2011	Change	%
Net Sales	70.0	78.4	-8.5	-11%
Gross Profit	34.7	36.6	-1.9	-5%
% of Sales	49.5%	46.6%	+2.9 %pts	
Research & Development	6.4	6.5	-0.0	-1%
Selling, General & Administrative	17.2	18.3	-1.1	-6%
Income from Operations	11.0	11.8	-0.8	-7%
% of Sales	15.8%	15.1%	+0.7 %pts	
Net Income	8.2	9.5	-1.3	-14%
% of Sales	11.7%	12.1%	-0.4 %pts	
Earnings per Share (diluted, USD)	\$ 3.65	\$ 4.31	-0.7	-15%

Balance Sheet (USD in million)	30-Sep-12	31-Dec-11	Change	%
Cash & Short Term Investments	74.7	91.1	-16.4	-18%
Trade Accounts Receivable	33.2	37.2	-4.0	-11%
Inventories	34.4	31.9	2.6	8%
Trade Accounts Payable	7.8	6.6	1.2	19%
Stockholders' Equity	153.5	153.2	0.3	0%
Total Liabilities and Stockholders' Equity	199.2	218.1	-18.9	-9%

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.



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, India, 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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