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INFICON Grows Sales Organically by 1.9% in Q3 2013

- **Q3 2013:** Sales of USD 68.8 million; growth in three of four target markets; strong gross margin (49.4%), solid operating income margin (13.7%)
- **Full-year outlook:** Slightly reduced expectations for sales and operating profit of USD 285-295 million and USD 43-47 million respectively while order books are strong
- **Balance sheet and cash flow:** debt-free balance sheet with equity ratio of 80.7%; solid operational cash flow of USD 8.3 million
- **Downloads, conference call, webcast:** conference call and webcast at 09:30 a.m.; presentation slides ready for download at www.inficon.com

Bad Ragaz/Switzerland, October 22, 2013

Somewhat lower year-end expectations at higher order backlog level

INFICON Holding AG (SIX Swiss Exchange: IFCN) reports for the third quarter of 2013 net sales of USD 68.8 million. Adjusted for the vacuum valve business sold at the end of 2012 (-3.6 percentage points) and exchange rate effects (+0.1 percentage points), sales grew organically by 1.9%, yet were overall 1.7% below the level of the same prior year. In Q3 2013, INFICON grew in all target markets except for *General Vacuum Processes*. In the market for *Specific Vacuum Process Industries*, sales have not yet picked up as had been expected during the summer months. INFICON recorded in Q3 a rising order intake, yet reduces sales and operating profit expectations for the full year 2013 to USD 285-295 million and USD 43-47 million respectively.

Quarterly sales somewhat below expectations

INFICON significantly increased sales to its target market *Emergency Response & Security*: Mainly supported by shipments to North American customers, sales increased by 27.1% over the preceding

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quarter and by 5.2% over the same prior-year quarter to USD 6.1 million. Sales to the *Refrigeration & Air Conditioning* market rose by 3.3% compared with the second quarter 2013 and by 4.2% compared with the same quarter last year, to reach USD 12.5 million. In China, the demand for cooling and air conditioning appliances continued to recover from quarter to quarter. In addition, INFICON achieved growing sales as a global supplier to the automotive industry. Looking at the larger end markets, sales to customers in *Specific Vacuum Process Industries* grew by 8.9% to USD 22.0 million compared with last year. In the reporting quarter, sales for vacuum coating and OLED applications did not fully attain the expected volumes, while sales in the semiconductor business were quite solid. As a result, sales declined by 12.4% over the preceding Q2 2013. With USD 28.2 million, sales to the *General Vacuum Processes* market declined compared with the same prior-year quarter (-11.9%) as well as over the preceding Q2 (-2.8%), mainly reflecting weak demand in Europe.

Margins remain solid, high order backlog

During the reporting quarter, various INFICON products were qualified by customers for important future investment projects in the market for *Special Vacuum Process Industries*. In addition, INFICON reports a rather strong order book level for its *Emergency Response & Security* market, partially even reaching into the next year. With USD 68.8 million, net sales for the reporting quarter were overall below expectations. After increased expenses for research & development and slightly higher sales, general and administration cost, the gross and the operating income margins remained solid with 49.4% and 13.7% of sales, respectively (see fact sheet). The net profit of USD 6.3 million translates into a margin of 9.2% of sales after 11.7% a year ago. This equals fully diluted earnings of USD 2.71 per share after 3.65 a year ago.

Debt-free balance sheet and unchanged strong equity ratio

The balance sheet per September 30, 2013 does not contain any short- or long-term debt. With a cash flow from operations of USD 8.3 million, INFICON reports a net cash balance of USD 75.4 million. The higher order backlog also shows in the inventory level. The net working capital continues to be tightly managed as evidenced by the average of 46.5 days sales outstanding and an inventory turnover of 4.3 times, yet rose slightly to 22.6% of sales. During the first nine months, the equity ratio has risen from 79.8% at the end of 2012 to now 80.7%.

Presentation slides ready for download

Slides discussing the third quarter results in more detail are ready for download in the Investor Relations section of the INFICON website www.inficon.com at <http://phx.corporate-ir.net/phoenix.zhtml?c=124424&p=irol-IRHome>.

INFICON Fact Sheet Q3 2013

according SWISS GAAP FER

Income Statement (USD in Millions)	Q3 2013	Q3 2012	Change	%
Net Sales	68.8	70.0	-1.1	-2%
Gross Profit	34.0	34.7	-0.7	-2%
% of Sales	49.4%	49.5%	-0.2 %pts	
Research & Development	6.9	6.4	0.5	8%
Selling, General & Administrative	17.6	17.2	0.5	3%
Income from Operations	9.4	11.0	-1.6	-15%
% of Sales	13.7%	15.8%	-2.1 %pts	
Net Income	6.3	8.2	-1.9	-23%
% of Sales	9.2%	11.7%	-2.5 %pts	
Earnings per Share (diluted, USD)	\$ 2.71	\$ 3.65	-0.94	-26%

Balance Sheet (USD in million)	30-Sep-13	31-Dec-12	Change	%
Cash & Short Term Investments	75.4	92.2	-16.9	-18%
Trade Accounts Receivable	37.2	36.1	1.0	3%
Inventories	35.0	31.6	3.5	11%
Trade Accounts Payable	10.0	6.0	4.0	66%
Stockholders' Equity	166.3	171.5	-5.3	-3%
Total Liabilities and Stockholders' Equity	206.1	215.6	-9.5	-4%

Conference Call

INFICON's group management will provide a detailed presentation of the third quarter results today at 09:30 a.m. CEST. Participants can dial in at:

- Europa: +41 (0)58 310 5000
- UK: +44 (0)203 059 5862
- USA (Toll free): +1 (1) 866 291 4166

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 Investor section of the INFICON website at www.inficon.com where the webcast will later also be archived.

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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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