

Media release

Unaxis sales increase 15 percent in 2004. Market-related downturn in fourth quarter orders received. Future core businesses in thin film and vacuum technology show stable development. Heavy corporate operating loss accruing from Display Technology and goodwill impairment at Assembly & Packaging (ESEC).

Pfäffikon SZ, February 1, 2005 – Unaxis increased its sales by 15 percent to CHF 1,850 million (2003: CHF 1,610 million). With pronounced market weakening in certain segments, the amount of orders received in 2004 was CHF 1,778 million, similar to the previous year's figure (2003: CHF 1,788 million).

Stable business development by future core businesses in thin film and vacuum technology

Sales by the future core businesses – Coating Services (Balzers), Vacuum Solutions (Leybold Vacuum), Data Storage Solutions, and Components and Special Systems – increased to CHF 1,282 million in 2004 (2003: CHF 1,181 million). Orders received were CHF 1,211 million, on a par with the previous year's figure (CHF 1,216 million). In a demanding market climate, operating result for thin film and vacuum technology could be maintained at CHF 120 million, comparable to the year before. Further development of the future core businesses in thin film and vacuum technology will involve stronger exploitation of organic growth potential, geographical expansion, and thrust into new application areas.

Coating Services (Balzers) achieved total sales of CHF 367 million in 2004. This corresponds to a 16 percent increase on the previous year (2003: CHF 315 million).

Vacuum Solutions (Leybold Vacuum) improved its sales by 10 percent on the previous year, to CHF 379 million (2003: CHF 345 million). Orders received amounted to CHF 365 million, as in the previous year (2003: CHF 365 million).

Seite 2 *Data Storage Solutions* recorded a market-related 29 percent decline in sales to CHF 208 million, following a very good year in 2003 (2003: CHF 293 million). There was a 42 percent reduction in the amount of orders received, to CHF 170 million (2003: CHF 293 million).

Sales by the *Components and Special Systems* segment clearly improved in the 2004 financial year, rising by 44 percent to CHF 328 million (2003: CHF 228 million). The amount of orders received by the segment rose by 27 percent to CHF 309 million (2003: CHF 243 million).

Future Semiconductor Equipment activities show increased sales and almost neutral operating result before restructuring expenses and goodwill impairment at Assembly & Packaging (ESEC)

Sales from the future Semiconductor Equipment¹ activities consisting of Wafer Processing and Assembly & Packaging (ESEC) saw an on-year increase of 42 percent, to CHF 462 million (2003: CHF 326 million), while the amount of orders received rose by 15 percent to CHF 437 million (2003: CHF 379 million). Despite market weakness in the second half of 2004, an almost neutral operating result of around CHF -5 million was achieved prior to restructuring expenses approximating CHF 20 million and goodwill impairment of about CHF 150 million. The Semiconductor Equipment segment will be developed into an independent provider of Wafer Processing and Assembly & Packaging equipment, with the aim of ensuring sustained competitiveness and profitable growth.

Reappraisal of current projects by the new management team discovers significantly higher losses at Display Technology

The new corporate management team fundamentally reappraised and evaluated Display Technology projects at the end of the year, giving special consideration to project-related risks. Display Technology thus posted a strongly negative operating result on the order of CHF -300 million, a figure that includes restructuring costs and value adjustments to fixed assets of around CHF 60 million.

¹ Display Technology will be reported as part of the Semiconductor Equipment segment in the 2004 annual accounts.

Seite 3 **Display Technology and goodwill impairment at Assembly & Packaging (ESEC)**
lead to heavy net operating loss

Unaxis expects a negative consolidated operating result for 2004 on the order of CHF -140 million ahead of restructuring costs and impairments. Accounting for impairments and provisions for restructuring costs of around CHF –230 million leaves a negative operating result of around CHF –370 million (2003: CHF 16 million).

Unaxis is convinced that financial adjustments and the restructuring measures introduced have prepared the ground for successful implementation of the corporate strategy decided in late 2004.

Attachment: Key figures tables

This media release is based on information currently available to management. The forward-looking statements contained herein could be substantially impacted by risks and influences that are not foreseeable at present, so that actual results may vary materially from those anticipated, expected, or projected.

Unaxis will provide detailed information about the year-end accounts at the press conference to be held on Tuesday, March 22, 2005 at the SWX Swiss Exchange, Zurich.

For further information, please contact:

Unaxis Management Inc.

Media Relations

Nicolas Weidmann

Tel. +41 58 360 96 05

Fax +41 58 360 91 93

E-mail media.relations@unaxis.com

Unaxis Management Inc.

Investor Relations

Dr. Philipp Gamper

Tel. +41 58 360 96 22

Fax +41 58 360 91 93

E-mail investor.relations@unaxis.com



Seite 4 **Group profile**

| Thin-film and vacuum technology | | | | | |
|---------------------------------|------------------|------------------|------------------------|--------------------------------|------------------|
| Segments | Coating Services | Vacuum Solutions | Data Storage Solutions | Components and Special Systems | |
| Divisions | | | | Optics | Space Technology |
| Brands | Balzers | Leybold Vacuum | Unaxis | Unaxis | Contraves Space |

| Semiconductor technology | | |
|--------------------------|----------------------|--------------------|
| Semiconductor Equipment | | |
| Wafer Processing | Assembly & Packaging | Display Technology |
| Unaxis | ESEC | Unaxis |

Unaxis – a globally leading high-tech company

Unaxis (SWX: UNAX) is a globally leading provider of production systems, components, and services for high-technology products based on core competencies in thin-film and vacuum technology. Unaxis' commercial activities center on high-growth sectors such as protective coatings for precision tools and components (Coating Services), systems for producing vacuum and conveying process gases (Vacuum Solutions), production systems for data storage devices (Data Storage Solutions), optical components (Optics), and aerospace technology (Space Technology). Unaxis also deploys its core competencies as a major provider of semiconductor technology (Semiconductor Equipment). Unaxis currently employs approximately 6,500 individuals and, in its 2003 financial year, achieved sales of CHF 1,610 million. The company, headquartered in Pfäffikon SZ, Switzerland, has a globe-spanning infrastructure that encompasses centers of competency for research, development, and production in Europe, Asia, and the USA, as well as 80 subsidiaries in 25 countries.

Seite 5 **Key figures for the 2004 financial year**

Consolidated total

| In CHF million | 2004 | | | | | 2003 | | | | |
|------------------------|-------|-----|-----|-----|-----|-------|-----|-----|-----|-----|
| | Q1-Q4 | Q4 | Q3 | Q2 | Q1 | Q1-Q4 | Q4 | Q3 | Q2 | Q1 |
| Orders received | 1,778 | 313 | 375 | 511 | 579 | 1,788 | 642 | 383 | 389 | 374 |
| Orders on hand | 494 | 494 | 537 | 659 | 692 | 575 | 575 | 406 | 413 | 417 |
| Sales | 1,850 | 347 | 496 | 538 | 469 | 1,610 | 462 | 388 | 394 | 366 |

Coating Services segment (Balzers)

| In CHF million | 2004 | | | | | 2003 | | | | |
|----------------|-------|----|----|----|----|-------|----|----|----|----|
| | Q1-Q4 | Q4 | Q3 | Q2 | Q1 | Q1-Q4 | Q4 | Q3 | Q2 | Q1 |
| Sales | 367 | 96 | 89 | 94 | 88 | 315 | 81 | 75 | 82 | 78 |

Vacuum Solutions segment (Leybold Vacuum)

| In CHF million | 2004 | | | | | 2003 | | | | |
|------------------------|-------|----|----|----|----|-------|----|----|----|----|
| | Q1-Q4 | Q4 | Q3 | Q2 | Q1 | Q1-Q4 | Q4 | Q3 | Q2 | Q1 |
| Orders received | 365 | 87 | 93 | 92 | 94 | 365 | 94 | 84 | 99 | 88 |

| In CHF million | 2004 | | | | | 2003 | | | | |
|-----------------------|-------|----|----|----|----|-------|----|----|----|----|
| | 12/31 | Q4 | Q3 | Q2 | Q1 | 12/31 | Q4 | Q3 | Q2 | Q1 |
| Orders on hand | 36 | 36 | 38 | 52 | 55 | 51 | 51 | 47 | 51 | 37 |

| In CHF million | 2004 | | | | | 2003 | | | | |
|----------------|-------|----|-----|----|----|-------|----|----|----|----|
| | Q1-Q4 | Q4 | Q3 | Q2 | Q1 | Q1-Q4 | Q4 | Q3 | Q2 | Q1 |
| Sales | 379 | 88 | 107 | 94 | 91 | 345 | 89 | 88 | 86 | 83 |

Seite 6 **Data Storage Solutions segment**

| In CHF million | 2004 | | | | | 2003 | | | | |
|------------------------|------------|----|----|----|----|------------|----|----|----|----|
| | Q1-Q4 | Q4 | Q3 | Q2 | Q1 | Q1-Q4 | Q4 | Q3 | Q2 | Q1 |
| Orders received | 170 | 18 | 28 | 58 | 66 | 293 | 64 | 58 | 98 | 74 |

| In CHF million | 2004 | | | | | 2003 | | | | |
|-----------------------|-----------|----|----|----|----|-----------|----|----|----|----|
| | 12/31 | Q4 | Q3 | Q2 | Q1 | 12/31 | Q4 | Q3 | Q2 | Q1 |
| Orders on hand | 12 | 12 | 25 | 33 | 52 | 52 | 52 | 70 | 99 | 92 |

| In CHF million | 2004 | | | | | 2003 | | | | |
|----------------|------------|----|----|----|----|------------|----|----|----|----|
| | Q1-Q4 | Q4 | Q3 | Q2 | Q1 | Q1-Q4 | Q4 | Q3 | Q2 | Q1 |
| Sales | 208 | 30 | 36 | 76 | 66 | 293 | 80 | 88 | 90 | 35 |

Components and Special Systems segment

| In CHF million | 2004 | | | | | 2003 | | | | |
|------------------------------------|------------|----|----|----|-----|------------|-----|----|----|----|
| | Q1-Q4 | Q4 | Q3 | Q2 | Q1 | Q1-Q4 | Q4 | Q3 | Q2 | Q1 |
| Orders received | | | | | | | | | | |
| Optics | 207 | 16 | 36 | 85 | 70 | 160 | 62 | 43 | 27 | 28 |
| Space Technology (Contraves Space) | 102 | 18 | 31 | 11 | 43 | 83 | 40 | 17 | 9 | 17 |
| Total | 309 | 34 | 67 | 96 | 112 | 243 | 103 | 60 | 35 | 45 |

| In CHF million | 2004 | | | | | 2003 | | | | |
|------------------------------------|------------|-----|-----|-----|-----|------------|-----|-----|-----|-----|
| | 12/31 | Q4 | Q3 | Q2 | Q1 | 12/31 | Q4 | Q3 | Q2 | Q1 |
| Orders on hand | | | | | | | | | | |
| Optics | 35 | 35 | 72 | 103 | 80 | 61 | 61 | 45 | 34 | 31 |
| Space Technology (Contraves Space) | 149 | 149 | 171 | 172 | 177 | 144 | 144 | 141 | 143 | 150 |
| Total | 184 | 184 | 243 | 275 | 258 | 205 | 205 | 185 | 177 | 181 |

| In CHF million | 2004 | | | | | 2003 | | | | |
|------------------------------------|------------|----|----|----|----|------------|----|----|----|----|
| | Q1-Q4 | Q4 | Q3 | Q2 | Q1 | Q1-Q4 | Q4 | Q3 | Q2 | Q1 |
| Sales | | | | | | | | | | |
| Optics | 231 | 50 | 67 | 61 | 52 | 124 | 44 | 32 | 23 | 25 |
| Space Technology (Contraves Space) | 98 | 40 | 32 | 16 | 10 | 104 | 36 | 19 | 16 | 32 |
| Total | 328 | 91 | 99 | 77 | 62 | 228 | 80 | 51 | 39 | 57 |

Seite 7 **Semiconductor Equipment segment**

| In CHF million | 2004 | | | | | 2003 | | | | |
|-----------------------------|------------|-----------|-----------|------------|------------|------------|------------|------------|-----------|-----------|
| | Q1-Q4 | Q4 | Q3 | Q2 | Q1 | Q1-Q4 | Q4 | Q3 | Q2 | Q1 |
| Orders received | | | | | | | | | | |
| Wafer Processing | 203 | 29 | 67 | 58 | 49 | 179 | 78 | 27 | 31 | 43 |
| Assembly & Packaging (ESEC) | 234 | 27 | 28 | 91 | 87 | 200 | 81 | 44 | 33 | 42 |
| Display Technology | 129 | 21 | 3 | 21 | 84 | 183 | 140 | 33 | 8 | 2 |
| Total | 567 | 78 | 98 | 171 | 220 | 562 | 299 | 104 | 73 | 86 |

| In CHF million | 2004 | | | | | 2003 | | | | |
|-----------------------------|------------|------------|------------|------------|------------|------------|------------|------------|-----------|------------|
| | 12/31 | Q4 | Q3 | Q2 | Q1 | 12/31 | Q4 | Q3 | Q2 | Q1 |
| Orders on hand | | | | | | | | | | |
| Wafer Processing | 71 | 71 | 99 | 79 | 82 | 66 | 66 | 37 | 54 | 63 |
| Assembly & Packaging (ESEC) | 14 | 14 | 19 | 53 | 54 | 47 | 47 | 27 | 14 | 18 |
| Display Technology | 176 | 176 | 112 | 167 | 191 | 153 | 153 | 38 | 17 | 25 |
| Total | 261 | 261 | 230 | 299 | 327 | 267 | 267 | 102 | 84 | 106 |

| In CHF million | 2004 | | | | | 2003 | | | | |
|---------------------------------|------------|-----------|------------|------------|------------|------------|------------|-----------|-----------|------------|
| | Q1-Q4 | Q4 | Q3 | Q2 | Q1 | Q1-Q4 | Q4 | Q3 | Q2 | Q1 |
| Sales | | | | | | | | | | |
| Wafer Processing | 195 | 54 | 47 | 59 | 36 | 161 | 47 | 43 | 42 | 30 |
| Assembly & Packaging (ESEC) | 267 | 32 | 62 | 92 | 82 | 165 | 59 | 29 | 36 | 41 |
| Display Technology ² | 105 | -43 | 57 | 46 | 46 | 94 | 25 | 12 | 16 | 41 |
| Total | 568 | 42 | 166 | 196 | 163 | 420 | 131 | 85 | 94 | 111 |

² As a consequence of the revised risk assessment at the end of the year and estimated outstanding expected costs of fulfilling orders, the Display Technology division has corrected its reported sales according to the percentage of completion (POC) method. This has resulted in negative sales of CHF 43 million for the fourth quarter of 2004.