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Third quarter 2004: Cyclical downturn in semiconductor market and overcapacity in market for writeable data storage devices significantly impact Semiconductor Equipment and Data Storage Solutions segments – above-average sales growth in Coating Services, Vacuum Solutions and Components and Special Systems segments – 2004 full-year operating results from current operations expected to be slightly above those recorded in first half.

Pfäffikon SZ, October 21, 2004 – The Semiconductor Equipment and Data Storage Solutions segments suffered under a sharper-than-expected decline in demand in the semiconductor market and overcapacity in the market for writeable data storage devices. However, Unaxis recorded above-average third-quarter sales at its Coating Services, Vacuum Solutions, and Components and Special Systems segments.

For the first nine months of 2004, Unaxis saw its consolidated sales increase versus the prior-year period by 31 percent to CHF 1.504 billion (Q1-3 2003: CHF 1.148 billion), while the total amount of orders received rose by 28 percent to CHF 1.465 billion (Q1-3 2003: CHF 1.146 billion). Compared to the fine results achieved in the previous quarter, total sales decreased by 8 percent to CHF 496 million (Q2 2004: CHF 538 million) and orders received by 27 percent to CHF 375 million (Q2 2004: CHF 511 million).

Semiconductor Equipment segment

Although the course of business at the Wafer Processing division still developed in a gratifying manner, the cyclically related downturn had a stronger impact on the Assembly & Packaging (ESEC) division during the third quarter of 2004. Similarly, reduced investments by manufacturers of flat panel displays led to a decline in orders received by the Display Technology division. For the first nine months of 2004, sales at the Semiconductor Equipment segment advanced in comparison to the prior-year period by 82 percent to CHF 526 million (Q1-3 2003: CHF 289 million) and the amount of orders received rose by 86 percent to CHF 489 million (Q1-3 2003: CHF 263 million). Versus

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Page 2 the previous quarter, however, sales and orders received fell by 15 percent to CHF 166 million (Q2 2004: CHF 196 million) and 43 percent to CHF 98 million (Q2 2004: CHF 171 million), respectively.

While Wafer Processing managed to win more than 20 orders for its newly developed VERSALINE system, the new Tsunami Wire Bonder, despite its successful qualification at key customer facilities, has yet to achieve the necessary level of penetration in the high-volume market. At Display Technology, the third quarter of 2004 was marked by the introduction of the division's new Generation 6 and 7 systems, which have entailed unexpectedly high technological and production-specific expenditures. The focus during the third quarter was on delivering and installing the systems at customer plants, as well as on improving the cost basis.

Data Storage Solutions segment

In the third quarter, temporary overcapacity in the market for write-once and rewriteable data storage media led to harsher business conditions and a significant decline in demand. In comparison to the very good results achieved in the prior-year period, sales for the first nine months of 2004 decreased by 16 percent to CHF 179 million (Q1-3 2003: CHF 213 million) and orders received by 34 percent to CHF 152 million (Q1-3 2003: CHF 230 million). Versus the previous quarter, sales fell by 53 percent to CHF 36 million (Q2 2004: CHF 76 million) and orders received by 52 percent to CHF 28 million (Q2 2004: CHF 58 million).

Data Storage Solutions exploited the current market lull for the qualification of new system generations, as well as for new technological developments and the expansion of its strategic partnerships.

Coating Services segment

For the first nine months of 2004, the Coating Services (Balzers) segment recorded a 16 percent year-on-year increase in sales, thereby clearly outperforming the growth rates of its peer group. Cumulatively, sales rose to CHF 270 million (Q1-3 2003: CHF 234 million). However, in comparison to the previous quarter, that reading declined

Page 3 by 5 percent to CHF 89 million (Q2 2004: CHF 94 million) due to seasonally-related fluctuations.

During the third quarter of 2004, the Coating Services (Balzers) segment continued on its expansionary course by opening two new coating centers in Hungary and Japan. Its new mobile coating center in Hungary is based on a production concept that enables operations to commence in the shortest amount of time. By year's end, additional centers are scheduled to become operative in the USA, Canada, Argentina and Brazil. With its geographic presence now broadened to encompass 61 locations throughout the world, the segment has been able to benefit to an especially great extent from increasing demand for coating services particularly in Asia, Eastern Europe and Latin America, and as a result has managed to expand its market position even further.

Vacuum Solutions segment

During the third quarter of 2004, the Vacuum Solutions (Leybold Vacuum) segment exploited the persistently strong demand emanating from the Asian region. For the first nine months of 2004, sales rose by 14 percent to CHF 291 million (Q1-3 2003: CHF 257 million) and the amount of orders received increased by 3 percent to CHF 279 million (Q1-3 2003: CHF 271 million). In comparison to the previous quarter, sales advanced by 13 percent to CHF 107 million (Q2 2004: CHF 94 million), while orders received remained stable at CHF 93 million (Q2 2004: CHF 92 million).

The Vacuum Solutions (Leybold Vacuum) segment managed for the first time to close larger sales for its new "ScrewLine" fore-vacuum pump.

Components and Special Systems segment

The global market demand for components related to the area of projection displays continued through the third quarter of 2004. The Components and Special Systems segment was able to benefit from that demand and, on a cumulative yearly comparison basis, increased its sales by 61 percent to CHF 238 million (Q1-3 2003: CHF 148 million) and orders received by 95 percent to CHF 275 million (Q1-3 2003: CHF 141 million). Versus the previous quarter, sales rose by 27 percent to CHF 99 million (Q2 2004: CHF 77 million), whereas the CHF 67 million worth of

Page 4 orders received during the quarter represented a 30 percent decrease (Q2 2004: CHF 96 million).

Thanks to the customer proximity afforded by its Shanghai production plant, the Optics division was able to expand its business activities further. The Space Technology (Contraves Space) division recorded a significant increase in orders received despite the continuing delays in various space programs.

Outlook for the 2004 financial year

The weakness resulting from temporary overcapacity in the markets addressed by Semiconductor Equipment and Data Storage Solutions is likely to continue for the foreseeable future. The trend in sales at the Coating Services (Balzers), Vacuum Solutions (Leybold Vacuum) and Components and Special Systems segments should remain positive at levels above the market average. Owing to the high level of expenditures and ongoing price pressures at Display Technology, as well as the market downturn being witnessed by Assembly & Packaging (ESEC) and by Data Storage Solutions, Unaxis is going on the assumption that its 2004 full-year operating results from continuing operations will come in slightly above those recorded for the first half (CHF 37 million). Against this backdrop, high priority will continue to be given to pressing ahead with structural and operative measures aimed at achieving a sustainable improvement in margins.

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.

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Unaxis – a globally leading high-tech company

Unaxis (SWX: UNAX) is a globally leading provider of production systems, components and services for select growth segments of the information technology market as well as for sophisticated industrial applications. Unaxis' commercial activities are conducted via its five segments: Semiconductor Equipment (production systems for semiconductors and flat-panel displays); Data Storage Solutions (production systems for data storage devices); Coating Services (protective coatings for precision tools and components); Vacuum Solutions (vacuum technology); and Components and Special Systems (optical components and aerospace technology). Unaxis currently employs approximately 6,500 individuals and, in its 2003 financial year, achieved sales of CHF 1.610 billion. 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.

Page 6 **Key figures Q3 2004 – Consolidated total**

in CHF million	2004				2003				
	Q3 YTD	Q3	Q2	Q1	Q4	Q3 YTD	Q3	Q2	Q1
Orders received	1,465	375	511	579	642	1,146	383	389	374
Orders on hand	537	537	659	692	575	406	406	413	417
Sales	1,504	496	538	469	462	1,148	388	394	366

Key figures Q3 2004 – Semiconductor Equipment segment

in CHF million	2004				2003				
	Q3 YTD	Q3	Q2	Q1	Q4	Q3 YTD	Q3	Q2	Q1
Orders received									
Wafer Processing	174	67	58	49	78	101	27	31	43
Assembly & Packaging (ESEC)	207	28	91	87	81	119	44	33	42
Display Technology	108	2	21	84	140	43	33	8	2
Total	489	98	171	220	299	263	104	73	86

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

in CHF million	2004				2003				
	Q3 YTD	Q3	Q2	Q1	Q4	Q3 YTD	Q3	Q2	Q1
Sales									
Wafer Processing	141	47	59	36	47	114	43	42	30
Assembly & Packaging (ESEC)	236	62	92	82	59	106	29	36	41
Display Technology	149	57	46	46	25	69	12	16	41
Total	526	166	196	163	131	289	85	94	111

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Page 7 **Key figures Q3 2004 – Data Storage Solutions segment**

in CHF million	2004				2003				
	Q3 YTD	Q3	Q2	Q1	Q4	Q3 YTD	Q3	Q2	Q1
Orders received	152	28	58	66	64	230	58	98	74

in CHF million	2004				2003				
	Q3 YTD	Q3	Q2	Q1	Q4	Q3 YTD	Q3	Q2	Q1
Orders on hand	25	25	33	52	52	70	70	99	92

in CHF million	2004				2003				
	Q3 YTD	Q3	Q2	Q1	Q4	Q3 YTD	Q3	Q2	Q1
Sales	179	36	76	66	80	213	88	90	35

Key figures Q3 2004 – Coating Services (Balzers) segment

in CHF million	2004				2003				
	Q3 YTD	Q3	Q2	Q1	Q4	Q3 YTD	Q3	Q2	Q1
Sales	270	89	94	88	81	234	75	82	78

Key figures Q3 2004 – Vacuum Solutions segment (Leybold Vacuum)

in CHF million	2004				2003				
	Q3 YTD	Q3	Q2	Q1	Q4	Q3 YTD	Q3	Q2	Q1
Orders received	279	93	92	94	94	271	84	99	88

in CHF million	2004				2003				
	Q3 YTD	Q3	Q2	Q1	Q4	Q3 YTD	Q3	Q2	Q1
Orders on hand	38	38	52	55	51	47	47	51	37

in CHF million	2004				2003				
	Q3 YTD	Q3	Q2	Q1	Q4	Q3 YTD	Q3	Q2	Q1
Sales	291	107	94	91	89	257	88	86	83

Page 8 **Key figures Q3 2004 – Components and Special Systems segment**

in CHF million	2004				2003				
	Q3 YTD	Q3	Q2	Q1	Q4	Q3 YTD	Q3	Q2	Q1
Orders received									
Optics	191	36	85	70	62	98	43	27	28
Space Technology (Contraves Space)	84	31	11	43	40	43	17	9	17
Total	275	67	96	112	103	141	60	35	45

in CHF million	2004				2003				
	Q3 YTD	Q3	Q2	Q1	Q4	Q3 YTD	Q3	Q2	Q1
Orders on hand									
Optics	72	73	103	80	61	45	45	34	31
Space Technology (Contraves Space)	171	171	172	177	144	141	141	143	150
Total	243	243	275	258	205	185	185	177	181

in CHF million	2004				2003				
	Q3 YTD	Q3	Q2	Q1	Q4	Q3 YTD	Q3	Q2	Q1
Sales									
Optics	180	67	61	52	44	80	32	23	25
Space Technology (Contraves Space)	57	32	16	10	36	68	19	16	32
Total	238	99	77	62	80	148	51	39	57