

Media release

Fourth quarter 2005: Unaxis EBIT increases versus previous quarter by 155 percent to CHF 56 million – All business units recorded positive operating results on a 21 percent quarter-on-quarter rise in sales

Pfäffikon SZ, February 10, 2006 - In the fourth quarter of 2005, Unaxis more than doubled its operating earnings (EBIT) on a quarterly basis to CHF 56 million (Q3 2005: CHF 22 million) and enjoyed a 21 percent increase in sales to CHF 495 million (Q3 2005: CHF 409 million). Adjusted to reflect the closure of the company's Display Technology unit, orders received rose by 8.5 percent to CHF 394 million (Q3 2005: CHF 363 million). Excluding those adjustments, orders received eased slightly to CHF 368 million (Q3 2005: CHF 373 million).

While the Coating Services, Vacuum Solutions, Components and Special Systems and Semiconductor Equipment business units continued their growth trends in comparison to the previous quarter, the business volume at Data Storage Solutions declined modestly. All business units recorded positive operating results (EBIT) for the fourth quarter and sustainably returned to profitability.

Strategic orientation focused on profitability

For the 2006 financial year, Unaxis plans for sales to increase significantly more than 5 percent above the prior-year level, and expects to earn an EBIT margin in excess of 10 percent. Thomas Limberger, CEO of Unaxis, noted in this regard, "In all areas of our business activities, we want to be number one or at least number two in terms of profitability. Our fourth quarter results demonstrate the favorable trend in Unaxis' corporate development for the 2006 financial year."

Accordingly, Unaxis is expanding its business units by means of organic growth as well as through the acquisition of companies, portions of companies and technologies. However, following an initial examination of a potential acquisition of A-Tec Industries, management has ruled out any acquisition or merger of that company.



Page 2 Coating Services: Furtherance of strategic orientation toward service business

Coating Services significantly increased its fourth quarter 2005 sales by 21 percent to CHF 110 million (Q3 2005: CHF 91 million). Through the takeover in October of two Italian production plants previously owned by Samputensili, the business unit expanded its in-house coating capacity at customer facilities. The acquisition was part of Coating Services' intention to progressively present itself in the future as a full-range provider of services. The measures introduced at mid-year with the aim of optimizing the unit's operating processes, as well as its new pricing strategy, showed results in the fourth quarter of 2005, and crystallized in the form of significantly higher profitability.

Vacuum Solutions: Noticeably improved earnings situation

The Vacuum Solutions business unit witnessed increasing demand in the fourth quarter of 2005. Versus the previous quarter, sales rose by 7 percent to CHF 102 million (Q3 2005: CHF 95 million), while orders received recorded a 15 percent increase to CHF 106 million (Q3 2005: CHF 92 million). The measures for reducing costs and optimizing the service network started to gain traction during the fourth quarter. Consequently, Vacuum Solutions has returned to profitability for the first time in quite some while.

Data Storage Solutions: Back to profitability despite decrease in sales

Fourth quarter 2005 sales for Data Storage Solutions stood at CHF 28 million, a decline of 20 percent versus the previous quarter (Q3 2005: CHF 35 million). Orders received fell by 46 percent to CHF 15 million (Q3 2005: CHF 28 million). This market situation is characterized by the restraint among customers because a decision has yet to be reached on a new storage format - HD DVD or Blu Ray. With an eye toward enhancing its operating efficiency, Data Storage Solutions has restructured its sales and service organization. Thanks to these measures, the business unit managed to return to profitability during the fourth quarter of 2005.



Page 3 Components and Special Systems: Profitability maintained despite difficult market environment

In the fourth quarter of 2005, Components and Special Systems recorded sales of CHF 65 million, an 18 percent rise over the previous quarter (Q3 2005: CHF 55 million). Orders received of CHF 48 million came in slightly lower on a quarterly basis (Q3 2005: CHF 50 million).

Optics achieved a modest increase in fourth quarter 2005 sales to a total of CHF 30 million (Q3 2005: CHF 29 million). During the second half of 2005, the business unit pursued measures aimed at boosting sales and reducing operating and G&A costs. As a result, Optics was able to return its profitability to the high levels of the previous year.

Space Technology enjoyed significantly higher sales of CHF 35 million during the fourth quarter, representing a 35 percent gain over the previous quarter (Q3 2005: CHF 26 million). In late December 2005, Space Technology signed a contract to manufacture the structural subsystems for the European space transporter ATV (Automated Transfer Vehicle). Starting in 2007, this unmanned module will regularly transport supplies to the International Space Station (ISS).

Solar / Display Technology: First KAI 1200 solar unit in operation

In early December, Unaxis Solar successfully commenced operation of the first KAI 1200 coating unit for the mass production of solar cells at the facilities of a customer, thereby affording the new Unaxis Solar business unit a very favorable outlook in a growing market.

Solar / Display Technology recorded fourth quarter 2005 sales of CHF 10 million (Q3 2005: CHF 45 million). Orders received were negative at CHF -26 million (Q3 2004: CHF 10 million) because previously booked orders amounting to roughly CHF 30 million had to be canceled in conjunction with the exit from the flat panel display market.



Page 4 Semiconductor Equipment: Sales double versus the previous quarter

The Semiconductor Equipment business unit (excluding Display Technology) saw its sales more than double during the fourth quarter to a total of CHF 179 million (Q3 2005: CHF 88 million). Orders received rose by 14 percent to CHF 115 million (Q3 2005: CHF 101 million).

Wafer Processing enjoyed a marked increase both in sales and orders received during the fourth quarter of 2005. In comparison to the previous quarter, sales tripled to almost CHF 99 million (Q3 2005: CHF 35 million) and orders received rose by 8 percent to CHF 41 million (Q3 2005: CHF 38 million). Apart from the general recovery in the market, this was primarily attributable to the success of the new VERSALINE and CLUSTERLINE 200 II systems. As a result of its boost in sales and strict cost controls, Wafer Processing managed to return to profitability last quarter.

Assembly & Packaging benefited in the fourth quarter of 2005 from a much more vibrant course of business. In comparison to the previous quarter, sales rose to CHF 80 million (Q3 2005: CHF 53 million). In particular, the new Wire Bonder WB 3100 continues to meet with strong demand, and Assembly & Packaging pressed ahead with the related deliveries during the fourth quarter. Thanks to the combined effects of sales growth, restructuring and the increased ability to deliver, Assembly & Packaging has managed a successful turnaround and once again achieved a high level of profitability in the fourth quarter of 2005.

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 comprehensive and detailed information on the company's annual financial results at its media and analysts conference scheduled for Tuesday, March 28, 2006, at the SWX Swiss Exchange in Zurich.



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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 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 6,800 individuals and, in its 2004 financial year, achieved sales of CHF 1,850 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 approximately 80 subsidiaries in 24 countries.



Page 6 Key figures Q4 2005: Consolidated Total

			2005					2004				
in CHF million	Q1-Q4	Q4	Q3	Q2	Q1	Q1-Q4	Q4	Q3	Q2	Q1		
Orders received	1,455	368	373	284	330	1,778	313	375	510	580		
Orders on hand	355	355	482	518	491	494	494	537	659	692		
Sales	1,605	495	409	364	338	1,850	347	496	538	469		

Key figures Q4 2005: Coating Services (Balzers)

in CHF million			2005					2004						
	Q1-Q4	Q4	Q3	Q2	Q1	Q1-Q4	Q4	Q3	Q2	Q1				
Sales	392	110	91	100	91	367	96	89	94	88				

Key figures Q4 2005: Vacuum Solutions (Leybold Vacuum)

			2005					2004		
in CHF million	Q1-Q4	Q4	Q3	Q2	Q1	Q1-Q4	Q4	Q3	Q2	Q1
Orders received	390	106	92	95	97	365	87	93	92	94
Orders on hand	45	45	41	44	40	36	36	38	52	55
Sales	383	102	95	91	94	379	88	107	94	91

Key figures Q4 2005: Data Storage Solutions

			2005				2004				
in CHF million	Q1-Q4	Q4	Q3	Q2	Q1	Q1-Q4	Q4	Q3	Q2	Q1	
Orders received	122	15	28	51	28	170	18	28	58	66	
Orders on hand	11	11	24	31	21	12	12	25	33	52	
Sales	124	28	35	42	19	208	30	36	76	66	



$^{\text{Page }7}$ Key figures Q4 2005: Components and Special Systems

· OUE · III			2005					2004	2004				
in CHF million	Q1-Q4	Q4	Q3	Q2	Q1	Q1-Q4	Q4	Q3	Q2	Q1			
Orders received													
Optics	114	29	31	27	27	207	16	36	85	70			
Space Technology (Contraves Space)	95	19	19	20	37	102	18	31	11	43			
Total	209	48	50	47	64	309	34	67	96	112			

			2005					2004		
in CHF million	Q1-Q4	Q4	Q3	Q2	Q1	Q1-Q4	Q4	Q3	Q2	Q1
Orders on hand										
Optics	28	28	29	27	28	35	35	73	103	80
Space Technology (Contraves Space)	151	151	167	173	173	149	149	171	172	177
Total	179	179	196	200	201	184	184	243	275	258

			2005					2004		
in CHF million	Q1-Q4	Q4	Q3	Q2	Q1	Q1-Q4	Q4	Q3	Q2	Q1
Sales										
Optics	124	30	29	29	35	231	50	67	61	52
Space Technology (Contraves Space)	93	35	26	19	13	98	40	32	16	10
Total	217	65	55	48	48	328	91	99	77	62



Page 8 Key figures Q4 2005: Semiconductor Equipment

			2005					2004		
in CHF million	Q1-Q4	Q4	Q3	Q2	Q1	Q1-Q4	Q4	Q3	Q2	Q1
Orders received										
Wafer Processing	173	41	38	45	50	203	29	67	58	49
Assembly & Packaging (ESEC)	206	75	62	37	32	234	27	28	91	88
Display Technology	-37	-26	10	10	-31	129	21	3	21	84
Total incl. Display Technology	342	89	111	91	50	567	78	98	171	220
Total excl. Display Technology	379	115	101	82	81	437	57	95	149	137

			2005					2004		
in CHF million	Q1-Q4	Q4	Q3	Q2	Q1	Q1-Q4	Q4	Q3	Q2	Q1
Orders on hand										
Wafer Processing	63	63	122	118	93	71	71	99	79	82
Assembly & Packaging (ESEC)	29	29	35	25	18	14	14	19	53	54
Display Technology	28	28	64	99	119	176	176	112	167	191
Total incl. Display Technology	120	120	221	242	229	261	261	230	299	327
Total excl. Display Technology	92	92	157	144	111	85	85	118	132	136

			2005					2004		
in CHF million	Q1-Q4	Q4	Q3	Q2	Q1	Q1-Q4	Q4	Q3	Q2	Q1
Sales										
Wafer Processing	186	99	35	22	30	195	54	47	59	36
Assembly & Packaging (ESEC)	192	80	53	30	28	267	32	62	92	82
Display Technology	111	10	45	30	27	105	-43	57	46	46
Total incl. Display Technology	489	189	133	82	85	568	42	166	196	163
Total excl. Display Technology	378	179	88	52	58	462	85	109	151	117