

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): October 19, 2004

MKS Instruments, Inc.
(Exact name of registrant as specified in its charter)

Massachusetts (State or other jurisdiction of incorporation)	0-23621 (Commission File Number)	04-2277512 (IRS Employer Identification No.)
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90 Industrial Way, Wilmington, Massachusetts (Address of principal executive offices)	01887 (Zip Code)
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Registrant's telephone number, including area code: (978) 284-4000

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e4(c))

ITEM 2.02. RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

On October 19, 2004, MKS Instruments, Inc. announced its financial results for the quarter ended September 30, 2004. The full text of the press release is attached as Exhibit 99.1 to this Current Report on Form 8-K.

The information in this Form 8-K and the Exhibit attached hereto shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act") or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, except as expressly set forth by specific reference in such a filing.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: October 19, 2004

MKS Instruments, Inc.

By: /s/ Ronald C. Weigner

Ronald C. Weigner,
Vice President & Chief Financial Officer

FOR IMMEDIATE RELEASE

Contact: Ron Weigner
Vice President and Chief Financial Officer
978.284.4446

MKS INSTRUMENTS REPORTS THIRD QUARTER 2004 RESULTS

Wilmington, Mass. -- October 19, 2004 -- MKS Instruments, Inc. (NASDAQ: MKSI), a leading worldwide provider of process control technologies for improving productivity in semiconductor and other advanced manufacturing processes, today reported third quarter 2004 financial results. Net sales were \$139.7 million, up 71 percent from \$81.6 million in the third quarter of 2003 and down 8 percent from \$151.6 million in the second quarter of 2004.

GAAP net earnings were \$12.2 million, or \$0.22 per diluted share, compared to a third quarter 2003 net loss of \$5.6 million, or \$0.11 per basic share, and second quarter 2004 net earnings of \$20.9 million, or \$0.38 per diluted share. Excluding amortization of acquired intangible assets and special items, non-GAAP net earnings were \$15.8 million, or \$0.29 per diluted share, compared to a third quarter 2003 net loss of \$1.7 million, or \$0.03 per basic share, and second quarter 2004 net earnings of \$20.3 million, or \$0.37 per diluted share.

For the nine months ended September 30, MKS reported sales of \$424.2 million in 2004 compared to \$235.5 million in 2003. GAAP net earnings were \$45.7 million, or \$0.83 per diluted share, in 2004 compared to a net loss of \$18.5 million, or \$0.36 per basic share, in 2003. For the same nine month period, non-GAAP net earnings, which exclude amortization of acquired intangible assets and special items, were \$53.0 million, or \$0.97 per diluted share, in 2004 compared to a net loss of \$6.9 million, or \$0.13 per basic share, in 2003.

John Bertucci, Chairman and Chief Executive Officer, said, "Our nine month sales growth of 80 percent reflects strong demand for our process control technologies and share gains in key markets. In semiconductor capital equipment and thin-film markets, our nine month sales growth rate of 98 percent was well above industry estimates of 61

percent growth for our served semiconductor front-end equipment market. To meet increased demand over the period, OEM customers filled their work-in-process pipelines as they raised their tool production rates.

"In the third quarter, we saw some softening in orders from semiconductor OEMs, along with stretched out delivery requests and order push outs. We believe these reduced orders for our products reflected a closer alignment of product demand to our customers' production rates.

"Our semiconductor OEM orders have softened further in a more cautious market environment. Although our short lead times limit our visibility, we currently expect that fourth quarter sales could range from \$115 to \$125 million, or a sequential decrease of 10 to 18 percent. GAAP net earnings could range from \$0.02 to \$0.09 per diluted share, and non-GAAP net earnings, which exclude amortization of acquired intangible assets of approximately \$3.7 million, could range from \$0.09 to \$0.16 per diluted share. With limited visibility, we are focused on increasing our profitability at all sales levels.

"Looking longer term, we believe that device manufacturers will need to add capacity and upgrade technology to stay competitive and support the growth of new and emerging electronic applications. With each technology upgrade, more process steps are required, and processes must be controlled more precisely. We are well positioned with technologies for improving manufacturing productivity, and we expect to continue to gain share as semiconductor process complexity continues to increase."

The financial results that exclude certain charges and special items are not in accordance with Accounting Principles Generally Accepted in the United States of America (GAAP). MKS has historically been acquisitive, and MKS' management believes the presentation of non-GAAP financial measures, which exclude the costs associated with acquisitions and other special items, is useful to investors for comparing prior periods and analyzing ongoing business trends and operating results.

Management will discuss third quarter financial results on a conference call today at 5:00 p.m. (Eastern Time). A web cast of the conference call will be available at www.mksinstruments.com in the "Investors" section. To hear a replay through October 26, 2004, dial 303-590-3000, passcode 11009618#.

MKS Instruments, Inc. is a leading worldwide provider of process control solutions for advanced manufacturing processes such as semiconductor device manufacturing; thin-film manufacturing for flat panel displays, data storage media, architectural glass and electro-optical products; and technology for medical imaging equipment. Our instruments, components and subsystems incorporate sophisticated technologies to power, measure, control, and monitor increasingly complex gas-related semiconductor manufacturing processes, thereby enhancing our customers' uptime, yield and throughput, and improving their productivity and return on invested capital.

This release contains projections or other forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 regarding MKS' future growth and the future financial performance of MKS. These projections or statements are only predictions. Actual events or results may differ materially from those in the projections or other forward-looking statements set forth herein. Among the important factors that could cause actual events to differ materially from those in the projections or other forward-looking statements are the fluctuations in capital spending in the semiconductor industry, fluctuations in net sales to MKS' major customers, potential fluctuations in quarterly results, the challenges, risks and costs involved with integrating the operations of MKS and any acquired companies, dependence on new product development, rapid technological and market change, acquisition strategy, manufacturing and sourcing risks, volatility of stock price, international operations, financial risk management, and future growth subject to risks. Readers are referred to MKS' filings with the Securities and Exchange Commission, including its most recent Quarterly Report on Form 10-Q, for a discussion of these and other important risk factors concerning MKS and its operations. MKS is under no obligation to, and expressly disclaims any obligation to, update or alter its forward-looking statements, whether as a result of new information, future events or otherwise.

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MKS INSTRUMENTS, INC.
 UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS
 (IN THOUSANDS, EXCEPT PER SHARE DATA)

	Three Months Ended		
	September 30, 2004	September 30, 2003	June 30, 2004
Net sales	\$ 139,651	\$ 81,568	\$ 151,585
Cost of sales	84,045	53,846	90,192
Gross profit	55,606	27,722	61,393
Research and development	14,201	12,034	14,620
Selling, general and administrative	22,971	17,090	22,661
Amortization of acquired intangible assets	3,689	3,612	3,691
Restructuring, asset impairment and other charges	--	330	--
Income (loss) from operations	14,745	(5,344)	20,421
Interest income, net	442	223	326
Other Income (NOTE 1)	--	--	5,402
Income (loss) before income taxes	15,187	(5,121)	26,149
Provision for income taxes	3,037	500	5,281
Net income (loss)	\$ 12,150	\$ (5,621)	\$ 20,868
Net income (loss) per share:			
Basic	\$ 0.23	\$ (0.11)	\$ 0.39
Diluted	\$ 0.22	\$ (0.11)	\$ 0.38
Weighted average shares outstanding:			
Basic	53,602	51,625	53,540
Diluted	54,302	51,625	54,967

THE FOLLOWING SUPPLEMENTAL NON-GAAP EARNINGS INFORMATION IS PRESENTED TO AID IN UNDERSTANDING THE MKS OPERATING RESULTS:

GAAP net Income (loss)	\$ 12,150	\$ (5,621)	\$ 20,868
Adjustments:			
Amortization of acquired intangible assets	3,689	3,612	3,691
Restructuring, asset impairment and other charges	--	330	--
Other income, net of tax (NOTE 1)	--	--	(4,272)
Non-GAAP net income (loss) (NOTE 2)	\$ 15,839	\$ (1,679)	\$ 20,287
Non-GAAP net income (loss) per share (NOTE 2)	\$ 0.29	\$ (0.03)	\$ 0.37
Weighted average shares outstanding (NOTE 3)	54,302	51,625	54,967

NOTE 1: The GAAP amount for the three months ended June 30, 2004, represents primarily the collection of a note receivable of \$5.0 million which had been written off in 2002. The Non-GAAP adjustment is net of applicable income taxes.

NOTE 2: The Non-GAAP net income (loss) and non-GAAP net income (loss) per share amounts exclude amortization of acquired intangible assets, acquisition and disposition related charges and special items, net of applicable income taxes.

NOTE 3: Due to the net loss for the quarter ended September 30, 2003, net loss per share is based on the basic number of weighted average shares outstanding. For the quarters ended September 30, 2004 and June 30, 2004, respectively, the

Company reported net income and therefore, used the diluted weighted average shares outstanding.

MKS INSTRUMENTS, INC.
 UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS
 (IN THOUSANDS, EXCEPT PER SHARE DATA)

	Nine Months Ended September 30,	
	2004	2003
Net sales	\$ 424,221	\$ 235,513
Cost of sales	252,993	154,940
Gross profit	171,228	80,573
Research and development	43,157	34,719
Selling, general and administrative	65,784	52,368
Amortization of acquired intangible assets	11,073	11,007
Restructuring, asset impairment and other charges	437	634
Income (loss) from operations	50,777	(18,155)
Interest income, net	1,040	785
Other income (NOTE 1)	5,402	--
Income (loss) before income taxes	57,219	(17,370)
Provision for income taxes	11,495	1,151
Net income (loss)	\$ 45,724	\$ (18,521)
Net income (loss) per share:		
Basic	\$ 0.86	\$ (0.36)
Diluted	\$ 0.83	\$ (0.36)
Weighted average shares outstanding:		
Basic	53,466	51,475
Diluted	54,785	51,475

THE FOLLOWING SUPPLEMENTAL NON-GAAP EARNINGS INFORMATION IS PRESENTED TO AID IN UNDERSTANDING THE MKS OPERATING RESULTS:

GAAP Net income (loss)	\$ 45,724	\$ (18,521)
Adjustments:		
Amortization of acquired intangible assets	11,073	11,007
Restructuring, asset impairment and other charges	437	634
Other income, net of tax (NOTE 1)	(4,272)	--
Non-GAAP net income (loss) (NOTE 2)	\$ 52,962	\$ (6,880)
Non-GAAP net income (loss) per share (NOTE 2)	\$ 0.97	\$ (0.13)
Weighted average shares outstanding (NOTE 3)	54,785	51,475

NOTE 1: The GAAP amount represents primarily the collection of a note receivable of \$5.0 million which had been written off in 2002. The Non-GAAP adjustment is net of applicable income taxes.

NOTE 2: The Non-GAAP net income (loss) and non-GAAP net income (loss) per share amounts exclude amortization of acquired intangible assets, acquisition and disposition related charges and special items, net of applicable income taxes.

NOTE 3: Due to the net loss for the nine months ended September 30, 2003, net loss per share is based on the basic number of weighted average shares outstanding. For the nine months ended September 30, 2004, the Company reported net income and therefore, used the diluted weighted average shares outstanding.

MKS INSTRUMENTS, INC.
 UNAUDITED CONSOLIDATED BALANCE SHEET
 (IN THOUSANDS)

	September 30, 2004	December 31, 2003
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ASSETS		
Cash and short-term investments	\$206,583	\$129,178
Trade accounts receivable	85,333	65,454
Inventories	104,337	82,013
Other current assets	11,106	5,631
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Total current assets	407,359	282,276
Property, plant and equipment, net	79,903	76,121
Long-term investments	10,469	13,625
Goodwill	259,784	259,924
Other acquired intangible assets	45,085	56,192
Other assets	3,751	4,724
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Total assets	\$806,351	\$692,862
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LIABILITIES AND STOCKHOLDERS' EQUITY		
Short-term debt	\$ 23,004	\$ 20,196
Accounts payable	25,673	25,302
Other accrued expenses	54,133	26,310
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Total current liabilities	102,810	71,808
Long-term debt	7,111	8,924
Other long-term liabilities	4,458	3,820
Stockholders' equity:		
Common stock	113	113
Additional paid-in capital	624,411	587,910
Retained earnings	57,962	12,238
Other stockholders' equity	9,486	8,049
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Total stockholders' equity	691,972	608,310
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Total liabilities and stockholders' equity	\$806,351	\$692,862
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