

---

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):

July 20, 2011

MKS Instruments, Inc.

(Exact name of registrant as specified in its charter)

Massachusetts

000-23621

04-2277512

(State or other jurisdiction  
of incorporation)

(Commission  
File Number)

(I.R.S. Employer  
Identification No.)

2 Tech Drive, Suite 201, Andover, Massachusetts

01810

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code:

978-645-5500

Not Applicable

Former name or former address, if changed since last report

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- 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 240.13e-4(c))
-

**Item 2.02 Results of Operations and Financial Condition.**

On July 20, 2011 MKS Instruments, Inc. announced its financial results for the quarter ended June 30, 2011. The full text of the press release is attached as Exhibit 99.1 to this Current Report of 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 of the Exchange Act, except as expressly set forth by specific reference in such a filing.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits

99.1 Press Release dated July 20, 2011

---

SIGNATURES

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.

MKS Instruments, Inc.

July 20, 2011

By: */s/ Seth H. Bagshaw*

---

*Name: Seth H. Bagshaw*

*Title: Vice President, Chief Financial Officer & Treasurer*

---

Exhibit Index

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release dated July 20, 2011

Contact: Seth H. Bagshaw  
Vice President, Chief Financial Officer & Treasurer  
Telephone: 978.645.5578

## **MKS Instruments Reports Q2 2011 Financial Results**

### ***Record Non-GAAP net earnings of \$38.8 million; up 16% from Q2 of 2010***

Andover, Mass., July 20, 2011 — MKS Instruments, Inc. (NASDAQ: MKSI), a global provider of technologies that enable advanced processes and improve productivity; today reports second quarter 2011 financial results.

#### **Second Quarter Financial Results**

Sales were \$224.5 million, up 2% from \$220.6 million in the second quarter of 2010 and down 3% from a record \$231.9 million in the first quarter of 2011.

Second quarter net income was \$38.6 million, or \$0.73 per diluted share, compared to net income of \$38.8 million, or \$0.76 per diluted share, in the second quarter of 2010 and \$38.0 million, or \$0.73 per diluted share, in the first quarter of 2011.

Record Non-GAAP net earnings were \$38.8 million, or \$0.73 per diluted share, compared to \$33.4 million, or \$0.66 per diluted share, in the second quarter of 2010 and \$38.2 million, or \$0.73 per diluted share, in the first quarter of 2011.

Also in the second quarter, the board of directors authorized a quarterly cash dividend of \$0.15 per share which was paid on June 17th. Cash and investments, net of short-term borrowings, were \$500.9 million at the end of the quarter, while stockholders' equity, net of intangible assets and goodwill, was \$807.7 million at quarter end.

Leo Berlinghieri, Chief Executive Officer and President, said, "We are pleased to report another strong quarter for MKS, with continued strength in the semiconductor market being somewhat offset by a decline in solar business following our record shipments in Q1. Our operating leverage further improved with favorable product mix coupled with effective cost controls. After a robust first half of the year, we are seeing some softening in the semiconductor market as the record shipments of the last few quarters are assimilated and brought on line. We expect that the solar market will remain slightly depressed in the third quarter, but we anticipate that sales to our other markets should continue to remain strong. Based upon these patterns and general business outlook, we estimate that our third quarter sales may range from \$180 to \$210 million and at this volume, our non-GAAP net earnings could range from \$0.40 to \$0.60 per share."

#### **Conference Call Details**

A conference call with management will be held on Thursday, July 21, 2011 at 8:30 a.m. (Eastern Time). To participate in the conference call, please dial (877) 666-7169 for domestic callers and (817) 382-5829 for international callers, and an operator will connect you. Participants will need to provide the operator with the Conference ID of 82212141, which has been reserved for this call. A live and archived webcast of the call will also be available on the company's website at [www.mksinst.com](http://www.mksinst.com). Following the webcast, a telephone replay will be available for 7 days. To access the replay, please dial (800) 642-1687 or (706) 645-9291 which will require the conference ID noted above.

#### **Use of Non-GAAP Financial Results**

Non-GAAP net earnings and Non-GAAP net earnings per share amounts which exclude discontinued operations, amortization of acquired intangible assets, costs associated with acquisitions and disposition related charges, are not in accordance with Accounting Principles Generally Accepted in the United States of America (GAAP). MKS' management believes the presentation of these non-GAAP financial measures, which exclude discontinued operations, amortization of acquired intangible assets, costs associated with acquisitions and disposition related charges, is useful to investors for comparing prior periods and analyzing ongoing business trends and operating results.

#### **About MKS Instruments**

MKS Instruments, Inc. is a global provider of instruments, subsystems and process control solutions that measure, control, power, monitor and analyze critical parameters of advanced manufacturing processes to improve process performance and productivity. Our products are derived from our core competencies in pressure measurement and control, materials delivery, gas composition analysis, control and information technology, power and reactive gas generation, and vacuum technology. Our primary served markets are manufacturers of capital equipment for semiconductor devices, and for other thin film applications including flat panel displays, solar cells, light emitting diodes, data storage media, and other advanced coatings. We also leverage our technology in other markets with advanced manufacturing applications including medical equipment, pharmaceutical manufacturing, energy generation, and environmental monitoring.

#### **Forward-Looking Statements**

This release contains projections or other forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27 of the Securities Act, and Section 21E of the Securities Exchange Act 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 Annual Report on Form 10-K and Quarterly Reports 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.

###

**MKS Instruments, Inc.**  
**Unaudited Consolidated Statements of Operations**  
(In thousands, except per share data)

	Three Months Ended (Note 1)		
	June 30, 2011	June 30, 2010	March 31, 2011
Net revenues	\$224,487	\$220,647	\$231,851
Cost of revenues	119,499	123,328	125,490
Gross profit	104,988	97,319	106,361
Research and development	15,582	16,154	16,896
Selling, general and administrative	31,851	30,902	32,707
Amortization of intangible assets	250	314	250
Income from operations	57,305	49,949	56,508
Interest income, net	309	254	271
Income from continuing operations before income taxes	57,614	50,203	56,779
Provision for income taxes	19,013	17,059	18,736
Income from continuing operations	38,601	33,144	38,043
Income from discontinued operations, net of taxes	—	5,633	—
Net income	<u>\$ 38,601</u>	<u>\$ 38,777</u>	<u>\$ 38,043</u>
Basic income per share:			
Continuing operations	\$ 0.74	\$ 0.66	\$ 0.74
Discontinued operations	—	0.11	—
Net income	<u>\$ 0.74</u>	<u>\$ 0.77</u>	<u>\$ 0.74</u>
Diluted income per share:			
Continuing operations	\$ 0.73	\$ 0.65	\$ 0.73
Discontinued operations	—	0.11	—
Net income	<u>\$ 0.73</u>	<u>\$ 0.76</u>	<u>\$ 0.73</u>
Cash dividends per common share	\$ 0.15	\$ —	\$ 0.15
Weighted average shares outstanding:			
Basic	52,346	50,067	51,407
Diluted	52,906	50,870	52,386
<b>The following supplemental Non-GAAP earnings information is presented to aid in understanding MKS' operating results:</b>			
Income from continuing operations	\$ 38,601	\$ 33,144	\$ 38,043
Adjustments (net of tax, if applicable):			
Amortization of acquired intangible assets	250	314	250
Proforma tax adjustments	(65)	(90)	(65)
Non-GAAP net earnings (Note 2)	<u>\$ 38,786</u>	<u>\$ 33,368</u>	<u>\$ 38,228</u>
Non-GAAP net earnings per share (Note 2)	<u>\$ 0.73</u>	<u>\$ 0.66</u>	<u>\$ 0.73</u>
Weighted average shares outstanding	52,906	50,870	52,386

Note 1: During 2010, the Company sold two product lines that no longer met the Company's long-term strategic objectives. The results of operations of the two product lines have been classified as discontinued operations in the consolidated statements of operations for all periods presented.

Note 2: The Non-GAAP net earnings and Non-GAAP net earnings per share amounts exclude results of discontinued operations, amortization of acquired intangible assets, acquisition and disposition related charges, net of applicable income taxes.

**MKS Instruments, Inc.**  
**Unaudited Consolidated Statements of Operations**  
(In thousands, except per share data)

	Six Months Ended	
	June 30, (Note 1)	
	2011	2010
Net revenues	\$456,338	\$412,813

Cost of revenues	244,989	229,999
Gross profit	211,349	182,814
Research and development	32,478	31,829
Selling, general and administrative	64,558	58,714
Amortization of intangible assets	500	783
Gain on sale of asset	—	(682)
Income from operations	113,813	92,170
Interest income, net	580	579
Income from continuing operations before income taxes	114,393	92,749
Provision for income taxes	37,749	30,607
Income from continuing operations	76,644	62,142
Income from discontinued operations, net of taxes	—	5,860
Net income	<u>\$ 76,644</u>	<u>\$ 68,002</u>
Basic income per share:		
Continuing operations	\$ 1.48	\$ 1.24
Discontinued operations	—	0.12
Net income	<u>\$ 1.48</u>	<u>\$ 1.36</u>
Diluted income per share:		
Continuing operations	\$ 1.46	\$ 1.22
Discontinued operations	—	0.12
Net income	<u>\$ 1.46</u>	<u>\$ 1.34</u>
Cash dividends per common share	\$ 0.30	\$ —
Weighted average shares outstanding:		
Basic	51,877	49,834
Diluted	52,646	50,735

**The following supplemental Non-GAAP earnings information is presented to aid in understanding MKS' operating results:**

Income from continuing operations	\$ 76,644	\$ 62,142
Adjustments (net of tax, if applicable):		
Amortization of acquired intangible assets	500	783
Gain on sale of asset (Note 2)	—	(682)
Proforma tax adjustments	(130)	18
Non-GAAP net earnings (Note 3)	<u>\$ 77,014</u>	<u>\$ 62,261</u>
Non-GAAP net earnings per share (Note 3)	<u>\$ 1.46</u>	<u>\$ 1.23</u>
Weighted average shares outstanding	52,646	50,735

Note 1: During 2010, the Company sold two product lines that no longer met the Company's long-term strategic objectives. The results of operations of the two product lines have been classified as discontinued operations in the consolidated statements of operations for all periods presented.

Note 2: The six month period ended June 30, 2010 includes a \$682 gain on the sale of a vacated facility.

Note 3: The Non-GAAP net earnings and Non-GAAP net earnings per share amounts exclude results of discontinued operations, amortization of acquired intangible assets, acquisition and disposition related charges, net of applicable income taxes.

**MKS Instruments, Inc.**  
**Unaudited Consolidated Balance Sheet**  
**(In thousands)**

	June 30, 2011	December 31, 2010
<b>ASSETS</b>		
Cash and short-term investments	\$ 496,287	\$431,933
Trade accounts receivable, net	150,980	138,181
Inventories	164,450	156,429
Other current assets	37,992	26,352
Total current assets	<u>849,709</u>	<u>752,895</u>
Property, plant and equipment, net	69,653	68,976
Goodwill	140,020	140,020
Intangible assets, net	1,243	1,743
Long-term marketable securities	5,277	—
Other assets	14,713	18,779
Total assets	<u>\$1,080,615</u>	<u>\$982,413</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Short-term borrowings	\$ 619	\$ —
Accounts payable	33,754	36,427
Accrued expenses and other liabilities	67,610	73,259
Total current liabilities	<u>101,983</u>	<u>109,686</u>
Other liabilities	29,666	25,688
Stockholders' equity:		
Common stock	113	113
Additional paid-in capital	699,458	663,792
Retained earnings	232,372	171,356
Other stockholders' equity	17,023	11,778
Total stockholders' equity	<u>948,966</u>	<u>847,039</u>

Total liabilities and stockholders' equity

\$1,080,615

\$982,413