

May 15, 2007



# Amtech Systems Reports Fiscal 2007 Second Quarter Financial Results

TEMPE, Ariz., May 15 /PRNewswire-FirstCall/ -- Amtech Systems, Inc. (Nasdaq: ASYS), a global supplier of production and automation systems and related supplies for the manufacture of semiconductors, solar cells and wafers, today reported results for its fiscal 2007 second quarter and six months ended March 31, 2007.

## Second Quarter and Fiscal YTD Highlights:

- \* Net revenue of \$10.5 million for the second quarter, up 11% sequentially from the first quarter of fiscal 2007.
- \* Second quarter solar revenue totaled \$1.7 million, compared to \$0.5 million in the prior year quarter.
- \* Fiscal year-to-date solar revenue of \$4.2 million, up over 180% compared to same period a year ago.
- \* Quarter-end backlog of \$16.2 million, up 22% from the backlog a year ago.
- \* Solar backlog of \$7.4 million at March 31, 2007.
- \* Fiscal year-to-date book-to-bill of 1.1, versus 0.9 in prior year.
- \* Net income of \$262,000, or \$0.05 per diluted share, for the second quarter.
- \* Completed public offering of common stock, raising net proceeds of approximately \$19.4 million.
- \* New manufacturing plant acquired; increases solar and vertical furnace capacity.

"During the quarter, we continued to generate strong revenue momentum and made significant progress with our strategic efforts to expand our presence in the growing solar market," said J.S. Whang, President and Chief Executive Officer of Amtech. "Our strong solar order backlog reflects increasing customer demand and the success of our accelerated sales and marketing efforts, and we are optimistic about our ability to generate additional orders in fiscal 2007. To address capacity constraints, we purchased a new operating plant in Europe that will significantly improve our solar and vertical furnace manufacturing capacity. More recently, we announced two significant new marketing agreements that further expand our product offering and create new opportunities to leverage the worldwide markets we serve. Our strong balance sheet reflects proceeds from our successful public offering completed during the second quarter and enables us to further pursue our solar growth strategy from a position of strength."

At March 31, 2007, the Company's order backlog was \$16.2 million, a 22% increase over the

prior year period, and includes approximately \$7.4 million in solar orders, representing a 311% increase over \$1.8 million of solar backlog at March 31, 2006. Backlog includes deferred revenue and customer orders that are expected to ship within the next 6-12 months.

Net revenue for the second quarter of fiscal 2007 totaled \$10.5 million, up 11% sequentially. This compares to net revenue of \$10.9 million in the second quarter of fiscal 2006, which included \$4.2 million of revenue related to a multi-furnace order to one semiconductor customer.

Gross margin in the second quarter was 27%, up from 25% in the second quarter of fiscal 2006.

Revenues from the Polishing Supplies segment, which carry a higher gross margin, constituted 22% of total revenues for the quarter ended March 31, 2007, compared to 17% of total revenues in the same period a year ago. In addition, gross margin for the quarter ended March 31, 2007 benefited from increased recognition of deferred profit.

Net income for the second quarter of fiscal 2007 was \$262,000, or \$0.05 per diluted share, compared to net income of \$182,000, or \$0.05 per diluted share, for the second quarter of fiscal 2006.

For the six months ended March 31, 2007, net revenue totaled \$20.0 million, a 6% increase over \$18.8 million for the same period in fiscal 2006. Net income was \$268,000, or \$0.06 per diluted share, compared to \$653,000, or \$0.19 per diluted share, for the same period in fiscal 2006.

### Third Quarter Outlook

For the third quarter of fiscal 2007, the Company anticipates revenue to be in the range of \$11.5 to \$13.0 million, representing growth of approximately 11% to 25% over the third quarter of fiscal 2006. Operating results for the third quarter of fiscal 2007 will be impacted by the net effect of additional revenue deferral on shipments made in the quarter and recognition of revenue based on customer acceptances, the timing of which can have a significant effect on operating income.

Due to the nature of the capital equipment markets that Amtech serves, revenues, gross margins and operating results have historically fluctuated significantly on a quarterly basis. The Company's contracts typically include holdbacks of 10-20% of revenue, which are recognized at the time of customer acceptance.

### Conference Call

Amtech Systems will host a conference call and webcast today at 2:00 p.m. Pacific Time (5:00 p.m. ET) to discuss its fiscal 2007 second quarter results. Those wishing to participate in the live call should dial (800) 240-6709 and request the "Amtech" call. A replay of the call will be available for one week beginning approximately one hour after the call's conclusion by dialing (800) 405-2236 and entering 11089706 followed by the "#" key when prompted for a code. A live and archived web cast of the conference call can be accessed from the investors section of Amtech's website at [www.amtechsystems.com](http://www.amtechsystems.com) or at [www.mkr-](http://www.mkr-)

[group.com](http://group.com) (under featured events).

## About Amtech Systems, Inc.

Amtech manufactures capital equipment, including silicon wafer handling automation, thermal semiconductor processing equipment and related consumables used in fabricating semiconductor devices and solar cells. Semiconductors, or semiconductor chips, are fabricated on silicon wafer substrates, sliced from ingots, and are part of the circuitry, or electronic components, of many products including computers, telecommunications devices, automotive products, consumer goods, and industrial automation and control systems. Amtech's semiconductor handling, thermal processing and consumable products currently address the polishing of newly sliced silicon wafers and reclaimed test wafers and the oxidation and deposition steps used in the fabrication of semiconductors, MEMS and solar cells.

Statements contained in this press release that are not historical facts may be forward-looking statements within the meaning of the Private Litigation Reform Act. Such statements may use words such as "proposed," "anticipate," "believe," "estimate," "expect," "intend," "predict," "project" and similar expressions as they relate to Amtech Systems, Inc. or our management. When we make forward-looking statements, we are basing them on our management's beliefs and assumptions, using information currently available to us. Although we believe that the expectations reflected in the forward-looking statements are reasonable, these forward-looking statements are subject to risks, uncertainties and assumptions including the risk that this offering does not close and the risks discussed in our filings with the Securities and Exchange Commission. If one or more of these risks materialize, or if our underlying assumptions prove to be incorrect, actual results may vary materially from what we projected. Any forward-looking statements contained in this press release reflect our current views with respect to future events and are subject to these and other risks, uncertainties and assumptions relating to our operations, results of operations, growth strategy and liquidity. We have no intention, and disclaim any obligation, to update or revise any forward-looking statements, whether as a result of new information, future results or otherwise.

This earnings release should be read in conjunction with the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2006, as amended, and its Quarterly Report on Form 10-Q for the quarter ended March 31, 2007.

- Tables to follow -

SELECTED INCOME STATEMENT DATA -  
CONSOLIDATED  
(amounts in thousands, except  
per share data)

	QUARTERS ENDED		SIX MONTHS ENDED	
	March 31 (Unaudited) 2007	March 31 (Unaudited) 2006	March 31 (Unaudited) 2007	March 31 (Unaudited) 2006
Net revenues	\$10,539	\$10,892	\$19,990	\$18,807
Cost of sales	7,671	8,155	14,730	13,533

Gross profit	2,868	2,737	5,260	5,274
Gross margin	27%	25%	26%	28%
Selling, general and administrative	2,417	2,172	4,636	4,061
Research and development	141	138	259	308
Operating Income	310	427	365	905
Interest and other income (expense), net	122	(19)	143	25
Income before income taxes	432	408	508	930
Income tax provision	\$170	\$226	\$240	\$277
Net Income	\$262	\$182	\$268	\$653
Earnings Per Share:				
Basic	\$.05	\$.05	\$.06	\$.20
Diluted	\$.05	\$.05	\$.06	\$.19
Weighted Average Shares Outstanding:				
Basic	5,193,279	2,880,858	4,325,225	2,793,668
Diluted	5,255,099	3,480,616	4,371,446	3,437,855

SELECTED BALANCE SHEET DATA -  
CONSOLIDATED  
(in thousands)

	March 31 2007	September 30 2006
Cash and Equivalents	\$21,193	\$6,433
Accounts Receivable - Net	8,742	7,394
Inventories	7,748	4,979
Deferred Income Taxes	560	--
Prepaid and Other	726	414
Total Current Assets	38,969	19,220
Property, Plant and Equipment - Net	5,427	2,382
Goodwill and Other Intangible Assets - Net	1,920	1,961
Total Assets	\$46,316	\$23,563
Current Liabilities	10,000	7,337
Long-Term Obligations	825	617
Total Stockholders' Equity	35,491	15,609
	\$46,316	\$23,563

SOURCE Amtech Systems, Inc.