May 11, 2009

Amtech Reports Fiscal 2009 Second Quarter Financial Results

Launch of Solar PSG Etch System in Q3 Will Add Third Solar Product

(Diffusion + PSG Etch + PECVD)

TEMPE, Ariz.--(BUSINESS WIRE)-- Amtech Systems, Inc. (NASDAQ:ASYS), a global supplier of production and automation systems and related supplies for the manufacture of solar cells, semiconductors, and silicon wafers, today reported financial results for its fiscal 2009 second quarter ended March 31, 2009.

Second Quarter Financial Highlights:

- Net revenue of $10.9 million, compared to $17.6 million in the prior year quarter: approximately $3 million of shipments scheduled for Q2 were pushed into Q3 and Q4, due primarily to delays in readiness of customer facilities
- Solar revenue of $4.6 million, compared to $11.4 million in the prior year quarter
- Gross margin of 22%, compared to 23% in the prior year quarter
- Impairment and restructuring charges of $1.7 million relating to Bruce Technologies, an Amtech subsidiary dependent on the semiconductor industry
- Operating loss of $2.6 million, compared to an operating loss of $82,000 in the prior year quarter
- Net loss of $2.0 million, or a loss of $0.22 per share, compared to net income of $161,000, or $0.02 per diluted share, in the prior year quarter
- Quarter-end backlog of $34.7 million (solar $32.6 million)
- Repurchased approximately 144,000 shares of Amtech common stock during the quarter
- Ending cash balance of $37.2 million at March 31, 2009, compared to $38.4 million at December 31, 2008
- Cost reduction actions:
  - Consolidated workforce has been reduced 22% since its peak at September 30, 2008
  - Amtech executive officers and outside directors have taken a reduction in salary and board meeting fees, respectively, starting April 1, 2009
  - Bruce Technologies subsidiary has been restructured

J.S. Whang, President and Chief Executive Officer of Amtech, commented: "As we previously announced, fiscal second quarter revenue reflects the push-out of approximately $3 million in shipments into subsequent quarters. To date we have not had any order cancellations of significance. We continue to be proactive in managing our operations to achieve our goal of positive EBITDA in fiscal 2009 (excluding restructuring and non-cash impairment charges), as evidenced by the 22% reduction in our workforce and the restructuring of one of our subsidiaries. Our financial position remains solid, with essentially

no debt and a strong cash balance.

"We remain focused on executing our multi-product solar growth plan, including the introduction of our new solar etch product, which we expect to launch within the current fiscal third quarter. With this launch, we will begin offering three solar products, Diffusion + PSG Etch + PECVD (continuous sequential processing steps), which will further increase the size of our served available market. We are determined to emerge as a stronger player through the current down cycle, and continue to be optimistic about the long-term growth opportunities in the solar market as all fundamentals remain intact."

Net revenue for the second quarter of fiscal 2009 totaled $10.9 million, compared to net revenue of $17.6 million for the second quarter of fiscal 2008, and reflects lower shipments to the solar industry partially offset by increased shipments to the MEMS (microelectromechanical systems) segment of the semiconductor industry and recognition of previously deferred revenue.

Total orders for the quarter ended March 31, 2009 were $5.8 million ($3.0 million solar) before foreign exchange effect on backlog. At March 31, 2009, the Company's total order backlog was $34.7 million, compared to backlog of $42.4 million at December 31, 2008. Total backlog includes $32.6 million in solar orders, compared to solar backlog of $52.6 million at March 31, 2008. The effect of foreign exchange on backlog was $2.6 million in the March quarter and contributed to the decline in the backlog. Backlog includes deferred revenue and customer orders that are expected to ship within the next 12 months.

Gross margin in the second quarter of fiscal 2009 was 22%, compared to 23% in the second quarter of fiscal 2008, primarily reflecting lower shipment volumes and the related reduction in efficiencies and plant utilization. Amtech recognized $0.5 million of previously deferred profit for the quarter ended March 31, 2009, net of deferrals, compared to a net deferral of $0.7 million for the quarter ended March 31, 2008.

Selling, general and administrative (SG&A) expenses in the second quarter of fiscal 2009 decreased $0.9 million, or 22%, to $3.1 million, compared to $4.0 million in the second quarter of fiscal 2008. The decrease in expense is primarily due to decreased sales commissions on lower revenue generated in regions where third party sales agents are utilized.

In the second quarter of fiscal 2009, Amtech's Bruce Technologies semiconductor operations were restructured due to the continued slowdown in the semiconductor industry. As a result of the restructuring, Amtech recorded $0.6 million in restructuring charges and $1.1 million in non-cash goodwill and intangible asset impairment charges in the second quarter.

Depreciation and amortization in the second quarter of fiscal 2009 was $385,000, compared to $386,000 in the second quarter of fiscal 2008. Included in the second quarter fiscal 2009 results is $167,000 of stock option expense, compared to $128,000 in the second quarter a year ago.

As a result of a pretax loss, an income tax benefit of $580,000 was recorded in the second quarter of fiscal 2009 compared to a tax expense of $105,000 in the second quarter of fiscal 2008. The tax benefit was lower than our historical effective tax rate due primarily to an

increase to the valuation allowance and permanent differences between financial income and taxable income.

The net loss for the second quarter of fiscal 2009 was $2.0 million, or a loss of $0.22 per share, compared to net income of $161,000, or $0.02 per diluted share, for the second quarter of fiscal 2008.

Total cash and cash equivalents at March 31, 2009 were $37.2 million, compared with $38.4 million at December 31, 2008.

In December 2008, Amtech's Board of Directors approved a stock repurchase program authorizing the repurchase of up to $4 million of its common stock. During the second quarter of fiscal 2009, Amtech repurchased approximately 144,000 shares of its common stock for $0.4 million in cash and at an average cost of $3.09 per share.

Outlook

While the current global economic and credit crisis has negatively impacted growth in the solar market in the near-term and prolonged the downturn in the semiconductor market, Amtech continues to have a long-term positive outlook on both industries. With a strong balance sheet and cash position, Amtech plans to emerge from this down cycle even stronger with its multi-product solar offerings.

While there appears to be some signs of increased activity in both the solar and semiconductor markets, visibility in second half of fiscal 2009 is currently unclear as the continuing global economic downturn has caused solar cell manufacturers, Amtech's principal solar customer base, to slow or push out their capacity expansion plans. Despite the anticipated downturn in revenues, Amtech expects to generate positive EBITDA (excluding impairment and restructuring charges) in fiscal 2009.

Operating results for future periods could be impacted by the timing of system shipments, the net impact of revenue deferral on those shipments, and recognition of revenue based on customer acceptances, all of which can have a significant effect on operating results.

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 2009 second quarter results. Those wishing to participate in the live call should dial (877) 941-8631 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) 406-7325 and entering 4068582 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.

About Amtech Systems, Inc.

Amtech Systems, Inc. manufactures capital equipment, including silicon wafer handling automation, thermal processing equipment and related consumables used in fabricating solar cells and semiconductor devices. 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 solar cells, computers,

telecommunications devices, automotive products, consumer goods, and industrial automation and control systems. The Company's wafer handling, thermal processing and consumable products currently address the diffusion, oxidation and deposition steps used in the fabrication of solar cells, semiconductors, MEMS and the polishing of newly sliced silicon wafers.

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 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.

AMTECH SYSTEMS, INC.

(NASDAQ: ASYS)

March 31, 2009

SELECTED INCOME STATEMENT DATA - CONSOLIDATED

(amounts in thousands, except per share data)

	QUARTERS ENDED		SIX MONTHS ENDED	
	March 31, (Unaudited)		March 31, (Unaudited)	
	2009	2008	2009	2008
Net revenues	$ 10,904	$ 17,591	$ 28,776	$ 29,332
Cost of sales	8,547	13,464	20,333	21,645
Gross profit	2,357	4,127	8,443	7,687
Gross margin	22 %	23 %	29 %	26 %
Selling, general and administrative	3,101	3,966	7,585	7,268
Restructuring charge	1,682	-	1,682	-
Research and development	152	243	376	476
Operating Income	(2,578)	(82)	(1,200)	(57)

Interest and other income (expense), net	(14)	348	47	501
Income before income taxes	(2,592)	266	(1,153)	444
Income tax provision (benefit)	$ (580)	$ 105	$ -	$ 175
Net Income	$ (2,012)	$ 161	$ (1,153)	$ 269
Earnings Per Share:				
Basic	$ (0.22)	$ 0.02	$ (0.13)	$ 0.03
Diluted	$ (0.22)	$ 0.02	$ (0.13)	$ 0.03
Weighted Average Shares Outstanding:				
Basic	9,057	9,072	9,078	8,350
Diluted	9,057	9,185	9,078	8,501

SELECTED BALANCE SHEET DATA - CONSOLIDATED

(in thousands)

	March 31, 2009	September 30, 2008
Cash and cash equivalents	$ 37,173	$ 37,501
Restricted cash	37	970
Accounts receivable - net	15,007	23,015
Inventories	15,018	15,902
Deferred income taxes	4,689	4,500
Prepaid and other	1,694	1,511
Total Current Assets	73,618	83,399
Property, plant and equipment - net	8,103	8,409
Goodwill, intangible assets and other - net	8,484	10,547
Total Assets	$ 90,205	$ 102,355
Current liabilities	18,428	26,159
Long-term obligations	1,239	1,663
Total stockholders' equity	70,538	74,533
Total Liabilities and Stockholders' Equity	$ 90,205	$ 102,355

Source: Amtech Systems, Inc.