

February 13, 2008



Amtech Reports Fiscal 2008 Q1 Financial Results - Record Backlog of Approximately \$50 Million

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 results for its fiscal 2008 first quarter ended December 31, 2007.

First Quarter Financial Highlights:

- Solar bookings of \$28.5 million during the quarter
- Quarter-end backlog of approximately \$49.9 million, up 174% from the prior year quarter
- Quarter-end solar backlog of \$42.2 million, compared to \$5.3 million in the prior year quarter
- Quarter-end book-to-bill of 3.4, compared to 1.4 a year ago
- Net revenue of \$11.7 million, up 24% from the prior year quarter
- Solar revenue of \$5.2 million, compared to \$2.5 million in the prior year quarter
- Net income of \$108,000, or \$0.01 per diluted share, compared to \$6,000, or \$0.00 per diluted share, in the prior year quarter

J.S. Whang, President and Chief Executive Officer of Amtech, commented: "We continue to generate strong order momentum with our growing worldwide base of customers and high quality business prospects in the solar industry, and we remain optimistic about the continued strength of our marketing pipeline. Our strong solar backlog reflects increasing success in further penetrating the Asian-Pacific market, and our recent orders with two major German solar cell manufacturers expand our foothold in the European market. Another significant achievement made in the quarter was our move into a new plant in The Netherlands where we are doubling our production capacity.

"We believe our strong momentum will benefit from continued growth of our existing products and future products that we expect to develop and introduce into the solar industry. Last month, we announced plans to develop an in-line diffusion furnace system targeted for introduction by calendar 2010, and our PECVD product is scheduled to launch in the next several months. We continue to anticipate that this new solar product will begin contributing to bookings in fiscal 2008 and to revenues in fiscal 2009."

At December 31, 2007, the Company's order backlog was \$49.9 million, a 174% increase over the December 31, 2006 backlog of \$18.2 million, and includes \$42.2 million in solar orders, representing an almost 700% increase over \$5.3 million of solar backlog at December 31, 2006. The \$42.2 million in solar backlog does not include an additional \$4.3 million in solar orders announced since December 31, 2007. Backlog includes deferred revenue and customer orders that are expected to ship within the next 6-12 months.

Net revenue for the first quarter of fiscal 2008 totaled \$11.7 million, up 24% compared to fiscal 2007 first quarter net revenue of \$9.5 million. The increase resulted from higher sales to the solar industry and recognition of deferred revenue, partially offset by lower shipments to the semiconductor industry. Revenue from the recent acquisition of R2D Automation contributed \$0.7 million to net revenue for the quarter ended December 31, 2007.

Gross margin in the first quarter was 30.3%, up from 25.3% in the first quarter of fiscal 2007, and was positively impacted by recognition of previously deferred profit. Improvements in gross margins were partially offset by lower margins on semiconductor equipment and polishing supplies due to lower sales volume as well as costs resulting from integration and ramp-up of the R2D acquisition.

Selling, general and administrative expenses were \$3.3 million in the first quarter of fiscal 2008, compared to \$2.2 million in first quarter of 2007. The increase in SG&A reflects higher personnel costs, SG&A expense at R2D (which was acquired in the first quarter of fiscal 2008), increased amortization of intangibles and increased selling and stock option expense. Amortization of intangibles was \$135,000 in the first quarter of fiscal 2008 compared to \$21,000 in the same period a year ago. Included in the first quarter fiscal 2008 results is \$102,000 of stock option expense, compared to \$33,000 in the first quarter of fiscal 2007.

Net income for the first quarter of fiscal 2008 was \$108,000, or \$0.01 per diluted share, compared to net income of \$6,000, or \$0.00 per diluted share, for the first quarter of fiscal 2007. Net income for the first quarter of fiscal 2008 benefited from a lower effective tax rate compared to the first quarter of fiscal 2007.

Outlook

For the second quarter of fiscal 2008, Amtech anticipates revenue to be in the range of \$16.6 to \$17.1 million, representing growth of approximately 58% to 63% over the fiscal 2007 second quarter, and 42% to 46% growth sequentially.

For the entire fiscal year 2008, Amtech anticipates revenue to be in the range of \$68 to \$75 million representing growth of 48% to 63% over fiscal 2007. Solar revenues are expected to be the primary growth driver while semiconductor revenues are expected to be lower, tracking fairly closely to semiconductor capital equipment industry trends. Although the industry is forecasting a drop in capital spending for calendar 2008, improved business conditions for semiconductor capital equipment manufacturers are expected in calendar 2009.

Operating results for the second quarter and remainder of fiscal 2008 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 2008 first quarter results. Those wishing to participate in the live call should dial (800) 218-0713 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 11107180 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 or at www.mkr-group.com (under featured events).

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.

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, 2007, and its Quarterly Report on Form 10-Q for the quarter ended December 31, 2007.

AMTECH SYSTEMS, INC.
(NASDAQ: ASYS)
February 13, 2008

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

	QUARTERS ENDED December 31, (Unaudited)	
	2007	2006
Net revenues	\$11,741	\$ 9,451
Cost of sales	8,181	7,059
Gross profit	3,560	2,392
Gross margin	30%	25%
Selling, general and administrative	3,302	2,219
Research and development	233	118
Operating Income	25	55
Interest and other income (expense), net	153	21
Income before income taxes	178	76
Income tax provision	70	70
Net Income	\$ 108	\$ 6
Earnings Per Share:		
Basic	\$ 0.01	\$ 0.00
Diluted	\$ 0.01	\$ 0.00
Weighted Average Shares Outstanding:		
Basic	7,636	3,476
Diluted	7,818	3,511

SELECTED BALANCE SHEET DATA - CONSOLIDATED
(in thousands)

	December 31, 2007 (Unaudited)	Sept. 30, 2007
Cash and cash equivalents	\$40,746	\$18,370
Restricted cash	1,248	443
Accounts receivable - net	12,319	13,079
Inventories	12,018	7,289
Deferred income taxes	2,194	1,690
Prepaid and other	1,684	1,339
Total Current Assets	70,209	42,210
Property, plant and equipment - net	7,648	6,245
Goodwill, intangible assets and other - net	8,024	2,211

Total Assets	----- \$85,881 =====	----- \$50,666 =====
Current liabilities	12,382	11,718
Long-term obligations and other	1,364	744
Total stockholders' equity	72,135	38,204
Total Liabilities and Stockholders' Equity	----- \$85,881 =====	----- \$50,666 =====

Source: Amtech Systems, Inc.