

August 6, 2009



Amtech Reports Third Quarter Fiscal 2009 Financial Results

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 third quarter ended June 30, 2009.

Third Quarter Financial Highlights:

- Net revenue of \$12.5 million, compared to \$10.9 million sequentially, and \$24.1 million in the prior year quarter
- Solar revenue of \$10.1 million, compared to \$4.6 million sequentially, and \$16.6 million in the prior year quarter
- Gross margin of 29%, compared to 22% sequentially, and 29% in the prior year quarter
- Operating loss of \$302,000, compared to operating loss of \$2.6 million sequentially, and operating income of \$1.7 million in the prior year quarter
- Net loss of \$235,000, or a loss of \$0.03 per share, compared to net loss of \$2.0 million, or a loss of \$0.22 per share sequentially, and net income of \$1.2 million, or \$0.13 per diluted share, in the prior year quarter
- Quarter-end backlog of \$29.7 million (solar \$27.1 million)
- Consolidated workforce has been reduced 28% since its peak at September 30, 2008
- Ending cash balance of \$39.9 million at June 30, 2009, an increase from \$37.2 million at March 31, 2009

J.S. Whang, President and Chief Executive Officer of Amtech, commented: "We continue to execute our multi-product solar growth strategy and have further expanded our product line with the recent introduction of our new solar etch system. We now offer three continuous sequential process steps in the manufacturing of solar cells, and are able to supply these products individually and together as a technology turnkey product. This opens new customer opportunities and more than doubles the size of the markets we can serve compared to only the solar diffusion market.

"Net revenue in the third quarter was up 15 percent sequentially, and the strong operational organization we have built and our continued focus on managing for efficiencies enabled us to grow our cash balance during the quarter despite a difficult economic environment. We were EBITDA positive for the quarter and reiterate our goal of achieving positive EBITDA in fiscal 2009 (excluding restructuring and non-cash impairment charges). With our new products, expanded market opportunities and strong balance sheet, we are well positioned to emerge from the current down cycle as an even stronger player in the solar equipment space."

Net revenue for the third quarter of fiscal 2009 totaled \$12.5 million, compared to net

revenue of \$24.1 million for the third quarter of fiscal 2008, and reflects lower shipments to the solar and semiconductor industries partially offset by recognition of previously deferred revenue.

Total orders for the quarter ended June 30, 2009 were \$5.3 million (\$2.9 million solar). At June 30, 2009, the Company's total order backlog was \$29.7 million, compared to backlog of \$34.7 million at March 31, 2009. Total backlog includes \$27.1 million in solar orders, compared to solar backlog of \$44.3 million at June 30, 2008. The effect of foreign exchange on backlog was \$2.1 million in the fiscal third quarter and partially offset 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 third quarter of fiscal 2009 was 29%, compared to 29% in the third quarter of fiscal 2008. Amtech recognized \$630,000 of previously deferred profit for the quarter ended June 30, 2009, net of deferrals, compared to a net deferral of \$1.8 million for the quarter ended June 30, 2008.

Selling, general and administrative (SG&A) expenses in the third quarter of fiscal 2009 decreased \$1.1 million, or 23%, to \$3.7 million, compared to \$4.8 million in the third quarter of fiscal 2008. The decrease in SG&A expenses was due primarily to a \$720,000 decrease in selling expense, primarily commissions, related to lower revenues generated in regions where third party sales agents are utilized. General and administrative expenses decreased \$390,000 due primarily to lower accruals for incentive compensation, partially offset by the increase in stock-based compensation expense.

Depreciation and amortization in the third quarter of fiscal 2009 was \$391,000, compared to \$395,000 in the third quarter of fiscal 2008. Included in the third quarter fiscal 2009 results is \$165,000 of stock option expense, compared to \$125,000 in the third quarter a year ago.

As a result of a pretax loss, an income tax benefit of \$100,000 was recorded in the third quarter of fiscal 2009 compared to a tax expense of \$765,000 in the third quarter of fiscal 2008.

Net loss for the third quarter of fiscal 2009 was \$235,000, or a loss of \$0.03 per share, compared to net income of \$1.2 million, or \$0.13 per diluted share, for the third quarter of fiscal 2008.

Total cash and cash equivalents at June 30, 2009 were \$39.9 million, an increase from \$37.2 million at March 31, 2009.

For the nine months ended June 30, 2009, net revenue totaled \$41.3 million, compared to \$53.5 million for the same period in fiscal 2008. Net loss was \$1.4 million, or a loss of \$0.15 per share, compared to net income of \$1.4 million, or \$0.16 per diluted share, for the same period in fiscal 2008.

Outlook

While both the solar and semiconductor markets have started to show signs of recovery, the timing, sustainability and magnitude of any recovery will be highly dependent on the effectiveness of the various worldwide government stimulus programs and consumer

sentiment. Amtech continues to have a long-term positive outlook on both industries and with a strong balance sheet and cash position, the Company plans to emerge from this down cycle even stronger with its multi-product solar offerings. Despite the downturn in both industries this fiscal year, 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 third quarter fiscal 2009 results. Those wishing to participate in the live call should dial (800) 762-8795 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 4117821 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, deposition, and PSG removal 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," "goal", "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)

June 30, 2009

SELECTED INCOME STATEMENT DATA -
CONSOLIDATED

(amounts in thousands, except per share
data)

	QUARTERS ENDED		NINE MONTHS ENDED	
	June 30, (Unaudited)		June 30, (Unaudited)	
	2009	2008	2009	2008
Net revenues	\$ 12,528	\$ 24,147	\$ 41,304	\$ 53,479
Cost of sales	8,946	17,069	29,279	38,714
Gross profit	3,582	7,078	12,025	14,765
Gross margin	29 %	29 %	29 %	28 %
Selling, general and administrative	3,733	4,847	11,318	12,115
Restructuring charge	-	344	1,682	344
Research and development	151	210	527	686
Operating Income (loss)	(302)	1,677	(1,502)	1,620
Interest and other income (expense), net	(33)	248	14	749
Income (loss) before income taxes	(335)	1,925	(1,488)	2,369
Income tax provision (benefit)	\$ (100)	\$ 765	\$ (100)	\$ 940
Net Income (loss)	\$ (235)	\$ 1,160	\$ (1,388)	\$ 1,429
Earnings (loss) Per Share:				
Basic	\$ (0.03)	\$ 0.13	\$ (0.15)	\$ 0.17
Diluted	\$ (0.03)	\$ 0.13	\$ (0.15)	\$ 0.16
Weighted Average Shares Outstanding:				
Basic	8,960	9,081	9,038	8,593
Diluted	8,960	9,197	9,038	8,732

SELECTED BALANCE SHEET DATA -
CONSOLIDATED

(in thousands)

	June 30, 2009	September 30, 2008
Cash and cash equivalents	\$ 39,905	\$ 37,501
Restricted cash	448	2,005
Accounts receivable - net	15,312	23,015
Inventories	12,436	15,902
Deferred income taxes	2,500	4,500
Prepaid and other	1,963	1,511
Total Current Assets	72,564	84,434
Property, plant and equipment - net	8,421	8,409
Goodwill, intangible assets and other - net	8,807	9,512
Total Assets	\$ 89,792	\$ 102,355
Current liabilities	16,198	26,159
Long-term obligations	1,121	1,663
Total stockholders' equity	72,473	74,533
Total Liabilities and Stockholders' Equity	\$ 89,792	\$ 102,355

Source: Amtech Systems, Inc.