

November 24, 2009



## Amtech Reports Fiscal 2009 Fourth Quarter and Year-End 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 fourth quarter and year ended September 30, 2009.

### Fourth Quarter and Fiscal Year Highlights:

- Fourth quarter bookings of \$13.1 million (\$8.6 million solar, \$4.5 million semiconductor); up 146% sequentially
- Fourth quarter book-to-bill of 1.1:1; solar and semiconductor book-to-bill of 1.0 and 1.6, respectively
- Total backlog at September 30, 2009 of \$32.4 million (\$27.9 million solar), compared to \$46.7 million (\$36.7 million solar) in prior year
- Cash balance at September 30, 2009 of \$42.3 million, up 13% compared to \$37.5 million a year ago
- Fourth quarter net revenue of \$11.7 million (\$8.9 million solar), compared to \$12.5 million sequentially (\$10.1 million solar), and \$26.8 million (\$17.0 million solar) in the prior year quarter
- Fourth quarter gross margin of 26%, compared to 29% sequentially, and 31% in the prior year quarter
- Fourth quarter net loss of \$201,000, or a loss of \$0.02 per share, compared to net loss of \$235,000, or a loss of \$0.03 per share sequentially, and net income of \$1.4 million, or \$0.16 per diluted share, in the prior year quarter
- Fiscal 2009 net revenue of \$53.0 million, compared to \$80.3 million in fiscal 2008
- Fiscal 2009 solar revenue of \$34.8 million, compared to \$50.1 million in fiscal 2008
- Fiscal 2009 net loss of \$1.6 million (including \$1.7 million (pre-tax) of impairment and restructuring charges), or a loss of \$0.18 per share, compared to net income of \$2.9 million, or \$0.32 per diluted share, in fiscal 2008

J.S. Whang, President and Chief Executive Officer of Amtech, commented: "Responding to the severe global recession, we promptly restructured our operations, which included a 28 percent reduction in our headcount in fiscal 2009. We continue to execute our multi-product solar growth strategy, and achieved a number of significant milestones in fiscal 2009 that position Amtech to emerge from the current down cycle as a stronger player in the solar equipment markets.

"During the year we strengthened our market leadership in solar diffusion by expanding our customer base and broadening our diffusion expertise. This was demonstrated by recent orders to two prominent solar research institutes in addition to the PANDA project partnership with one of our key customers, Yingli Green Energy Holding Company Limited (NYSE: YGE), and with The Energy Research Centre of The Netherlands. We recently

received a sizeable research grant from the Netherlands government which will also strengthen our diffusion expertise. With the introduction of our third solar production tool this year, we now offer three front-end process steps in solar cell manufacturing as a technology turnkey supplier to the diffusion, PSG, and PECVD markets, opening new customer opportunities that more than double the size of the potential markets we can serve.

"During the year, we significantly improved our operational organization and continue to manage toward greater efficiencies. Despite a difficult economic environment, we achieved our goal of being EBITDA positive in fiscal 2009, excluding impairment and restructuring charges. We have maintained a strong financial position and increased our cash position during the fourth quarter. We continue to be optimistic about the long-term growth opportunities in the solar market and our ability to capture our share of that growth."

Net revenue for the fourth quarter of fiscal 2009 totaled \$11.7 million, compared to net revenue of \$26.8 million for the fourth quarter of fiscal 2008 and \$12.5 million for the third quarter of 2009. For fiscal 2009, net revenue totaled \$53.0 million, compared to \$80.3 million for fiscal 2008, reflecting significantly lower shipments to both the solar and the semiconductor industries, caused primarily by over-supply in the solar market and the global economic downturn and credit crisis.

Total orders in the fiscal fourth quarter were \$13.1 million (\$8.6 million solar), up from total orders of \$5.3 million (\$2.9 million solar) in the preceding quarter. At September 30, 2009, the company's total order backlog was \$32.4 million, compared to backlog of \$29.7 million at June 30, 2009. Total backlog at September 30, 2009, includes \$27.9 million in solar orders, compared to solar backlog of \$27.1 million at June 30, 2009. The effect of foreign exchange on backlog was \$1.2 million in the fiscal fourth quarter and contributed to the sequential increase. Backlog includes deferred revenue and customer orders that are expected to ship within the next 12 months.

Gross margin in the fourth quarter of fiscal 2009 was 26%, compared to 31% in the fourth quarter of fiscal 2008 and 29% in the preceding quarter. Gross margin decreased primarily due to lower volumes resulting in underutilization of existing plant capacity.

Selling, general and administrative (SG&A) expenses in the fourth quarter of fiscal 2009 decreased \$2.2 million, or 38%, to \$3.4 million, compared to \$5.6 million in the fourth quarter of fiscal 2008. The decrease in SG&A expenses was due primarily to decreased commissions related to lower revenues generated in regions where third-party sales agents are utilized. Additionally, other SG&A costs decreased in fiscal 2009 due to decreased shipping volumes and reduced costs related to reductions in workforce, mainly at our Bruce Technologies operation.

Depreciation and amortization in the fourth quarter of fiscal 2009 was \$421,000, compared to \$244,000 in the fourth quarter of fiscal 2008. Included in the fourth quarter fiscal 2009 results is \$206,000 of stock option expense, compared to \$119,000 in the fourth quarter a year ago.

As a result of a pretax loss, an income tax benefit of \$320,000 was recorded in the fourth quarter of fiscal 2009 compared to a tax expense of \$750,000 in the fourth quarter of fiscal 2008.

Net loss for the fourth quarter of fiscal 2009 was \$201,000, or a loss of \$0.02 per share, compared to net income of \$1.4 million, or \$0.16 per diluted share, for the fourth quarter of fiscal 2008. For the fiscal 2009 year, net loss was \$1.6 million, or a loss of \$0.18 per share, compared to net income of \$2.9 million, or \$0.32 per diluted share, for fiscal 2008.

Total cash and cash equivalents at September 30, 2009 were \$42.3 million, an increase from \$39.9 million at June 30, 2009.

## Outlook

Amtech continues to have a positive outlook on the solar market and for fiscal 2010, expects full year revenues to be in the range of \$70-\$80 million, a 32% to 51% increase from fiscal 2009, with fiscal 2010 first quarter revenues in the range of \$12-\$14 million. The company expects gross margins and operating margins to improve in fiscal 2010 as volume increases during the year. As Amtech continues its investment in becoming a technology turnkey provider, spending on research and development projects with key research partners and customers is expected to increase in fiscal 2010 which may lower the rate at which Amtech's operating margins improve during the course of the year.

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 fourth quarter and year-end results. Those wishing to participate in the live call should dial (877) 941-8610 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 4186048 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).

## 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)

November 24, 2009

SELECTED INCOME STATEMENT DATA -  
CONSOLIDATED

(amounts in thousands, except per share  
data)

	QUARTERS ENDED		TWELVE MONTHS ENDED	
	September 30, (Unaudited)		September 30,	
	2009	2008	2009	2008
Net revenues	\$ 11,669	\$ 26,817	\$ 52,973	\$ 80,296
Cost of sales	8,675	18,621	37,954	57,335
Gross profit	2,994	8,196	15,019	22,961
Gross margin	26 %	31 %	28 %	29 %
Selling, general and administrative	3,448	5,606	14,766	17,709
Impairment and restructuring charges	-	-	1,682	356
Research and development	(18 )	408	509	1,094
Operating Income (Loss)	(436 )	2,182	(1,938 )	3,802
Interest and other income (expense), net	(85 )	(4 )	(71 )	745
Income (loss) before income taxes	(521 )	2,178	(2,009 )	4,547
Income tax provision (benefit)	\$ (320 )	\$ 750	\$ (420 )	\$ 1,690

Net Income (Loss)	\$ (201 )	\$ 1,428	\$ (1,589 )	\$ 2,857
Earnings (Loss) Per Share:				
Basic	\$ (0.02 )	\$ 0.16	\$ (0.18 )	\$ 0.33
Diluted	\$ (0.02 )	\$ 0.16	\$ (0.18 )	\$ 0.32
Weighted Average Shares Outstanding:				
Basic	8,960	9,094	9,019	8,719
Diluted	8,960	9,184	9,019	8,846

SELECTED BALANCE SHEET DATA - CONSOLIDATED

(in thousands)

	September 30	September 30
	2009	2008
Cash and cash equivalents	\$ 42,298	\$ 37,501
Restricted cash	1,496	2,005
Accounts receivable - net	13,565	23,015
Inventories	13,455	15,902
Deferred income taxes	2,290	4,500
Prepaid and other	841	1,511
Total Current Assets	73,945	84,434
Property, plant and equipment - net	8,477	8,409
Goodwill, intangible assets and other - net	8,964	9,512
Deferred income taxes - long term	1,140	-
Total Assets	\$ 92,526	\$ 102,355
Current liabilities	18,077	26,159
Long-term obligations	644	1,663
Total stockholders' equity	73,805	74,533
Total Liabilities and Stockholders' Equity	\$ 92,526	\$ 102,355

Source: Amtech Systems, Inc.

