

May 11, 2010



Amtech Reports Second Quarter Fiscal 2010 Financial Results; Reiterates Fiscal 2010 Revenue Guidance of \$100-\$105 Million

Q2 Net Revenue of \$16.1 Million; EPS of \$0.02

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 2010 second quarter ended March 31, 2010.

Second Quarter Financial Highlights:

- Second quarter bookings of \$34 million (\$27.6 million solar)
- Record quarter-end backlog of \$87.2 million (\$81.6 million solar), up 17% sequentially from \$74.4 million (\$69.7 million solar) at December 31, 2009
- Net revenue of \$16.1 million, up 4% sequentially from \$15.5 million
- Solar revenue of \$10.9 million, compared to \$11.9 million sequentially
- Gross margin of 29%, compared to 30% sequentially
- Consolidated workforce increased 57% from December 31, 2009 to support rapid growth and record backlog
- Operating income of \$422,000, compared to operating income of \$128,000 sequentially
- Net income of \$206,000, or \$0.02 per diluted share, compared to net income of \$80,000, or \$0.01 per diluted share, sequentially
- Second quarter book-to-bill of 2.2 (Solar 2.6, Semi 1.3)
- Ending cash balance of \$43.1 million at March 31, 2010, up from \$42.5 at December 31, 2009.

J.S. Whang, Chief Executive Officer of Amtech, commented: "We continue to make substantial progress with the ramp up of operations to profitably manage our rapid growth and record backlog. Therefore, our March productivity was better than originally anticipated, allowing us to produce more equipment for shipment in our fiscal third quarter. This productivity resulted in better-than-expected gross margins in the second quarter, improving our profitability. We remain on track to produce record volumes in the June and September quarters and to deliver on our revenue guidance of \$100-\$105 million for fiscal 2010, and our marketing pipeline continues to stay healthy."

Net revenue for the second quarter of fiscal 2010 totaled \$16.1 million, a 47% increase over net revenue of \$10.9 million for the second quarter of fiscal 2009 and up 4% sequentially from \$15.5 million for the preceding quarter. The sequential revenue increase was driven primarily by higher shipments to the solar industry partially offset by lower shipments to the semiconductor industry and a decrease in recognition of previously deferred revenue.

Total orders in the second quarter of fiscal 2010 were \$34 million (\$27.6 million solar), compared to total orders of \$59.4 million (\$55.3 million solar) in the preceding quarter. At March 31, 2010, the Company's total order backlog was a record \$87.2 million, up 17% from total backlog of \$74.4 million at December 31, 2009. Total backlog at March 31, 2010 includes \$81.6 million in solar orders, compared to solar backlog of \$69.7 million at December 31, 2009. The increase in backlog was partially offset by the effect of foreign exchange, which reduced backlog by approximately \$5.1 million. 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 2010 was 29%, compared to 30% sequentially and 22% in the second quarter of fiscal 2009. The increase in gross margin over the prior year primarily reflects more efficient capacity utilization from higher shipment volumes.

Selling, general and administrative (SG&A) expenses in the second quarter of fiscal 2010 were \$4.1 million, or 25% of revenue, compared to \$3.1 million, or 28% of revenue, in the second quarter of fiscal 2009, and \$4.0 million, or 26% of revenue, in the preceding quarter. The increase in SG&A expenses over the prior year period was due primarily to increased sales commissions on higher revenues and higher compensation expenses.

Depreciation and amortization in the second quarter of fiscal 2010 was \$420,000, compared to \$385,000 in the second quarter of fiscal 2009. Included in the second quarter fiscal 2010 results is \$193,000 of stock option expense, compared to \$167,000 in the fiscal second quarter a year ago.

Income taxes in the second quarter of fiscal 2010 were \$140,000, reflecting an effective tax rate of approximately 41%.

Net income for the second quarter of fiscal 2010 was \$206,000, or \$0.02 per diluted share, compared to a net loss of \$2.0 million, or a loss of \$0.22 per share, for the second quarter of fiscal 2009.

Total cash and cash equivalents at March 31, 2010 were \$43.1 million, up from \$42.5 million at December 31, 2009.

Outlook

Amtech is reiterating its previous guidance of revenue for fiscal 2010 to be in the range of \$100-\$105 million, representing an 88% to 98% increase from fiscal 2009, based on its strong solar backlog and continued success in ramping up operations. Based on this guidance, the Company expects revenue to be in the range of \$35-\$37 million in each of the next two fiscal quarters. Additionally, the Company expects GAAP operating margins to equal or exceed 10 percent in the second half of fiscal 2010.

Operating results 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.

A substantial portion of Amtech's revenues are denominated in Euros. The revenue outlook provided in this press release is based on an assumed exchange rate between the United States Dollar and the Euro. A significant decrease in the value of the Euro in relation to the

United States Dollar could cause actual revenues to be lower than anticipated.

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 2010 second quarter results. Those wishing to participate in the live call should dial (877) 941-2927 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 4284766 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, plasma and etch 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 and processing equipment and consumable products currently address the diffusion, oxidation, deposition, PECVD 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)

March 31, 2010

SELECTED INCOME STATEMENT DATA - CONSOLIDATED

(amounts in thousands, except per share data)

	QUARTERS ENDED		SIX MONTHS ENDED	
	March 31, (Unaudited)		March 31, (Unaudited)	
	2010	2009	2010	2009
Net revenues	\$ 16,077	\$ 10,904	\$ 31,534	\$ 28,776
Cost of sales	11,369	8,547	22,226	20,333
Gross profit	4,708	2,357	9,308	8,443
Gross margin	29 %	22 %	30 %	29 %
Selling, general and administrative	4,061	3,101	8,037	7,585
Impairment and restructuring charges	-	1,682	-	1,682
Research and development, net of grants earned	225	152	722	376
Operating Income (loss)	422	(2,578)	549	(1,200)
Interest and other income (expense), net	(76)	(14)	(74)	47
Income (loss) before income taxes	346	(2,592)	475	(1,153)
Income tax provision (benefit)	140	(580)	190	-
Net Income (loss)	\$ 206	\$ (2,012)	\$ 285	\$ (1,153)
Earnings (loss) Per Share:				
Basic	\$ 0.02	\$ (0.22)	\$ 0.03	\$ (0.13)
Diluted	\$ 0.02	\$ (0.22)	\$ 0.03	\$ (0.13)
Weighted Average Shares Outstanding:				
Basic	9,018	9,057	8,995	9,078
Diluted	9,239	9,057	9,156	9,078

SELECTED BALANCE SHEET DATA - CONSOLIDATED

(in thousands)

	March 31	September 30
	2010 (unaudited)	2009
Cash and cash equivalents	\$ 43,145	\$ 42,298

Restricted cash	5,126	1,496
Accounts receivable - net	14,961	13,565
Inventories	20,569	13,455
Deferred income taxes	2,650	2,290
Income tax receivable	120	-
Note receivable	1,009	-
Prepaid and other	2,661	841
Total Current Assets	90,241	73,945
Property, plant and equipment - net	9,251	8,477
Goodwill, intangible assets and other - net	8,176	8,964
Deferred Income Taxes - Long Term	740	1,140
Total Assets	\$ 108,408	\$ 92,526
Current liabilities	35,820	18,077
Long-term obligations	586	644
Total stockholders' equity	72,002	73,805
Total Liabilities and Stockholders' Equity	\$ 108,408	\$ 92,526

Source: Amtech Systems, Inc.