

August 14, 2007



Amtech Reports Fiscal 2007 Third Quarter 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 semiconductors, solar cells and wafers, today reported results for its fiscal 2007 third quarter and nine months ended June 30, 2007.

Third Quarter and Fiscal YTD Highlights:

- Record net revenue of \$12.9 million for the third quarter, up 22% sequentially from the second quarter and up 24% from the prior year's third quarter
- Solar revenue totaled \$3.9 million in the third quarter, compared to \$0.8 million in the prior year's third quarter
- Fiscal year-to-date solar revenue of \$8.1 million, up more than 250% compared to same prior year period
- Quarter-end total backlog of \$20.7 million, up 53% compared to prior year
- Solar backlog of \$11.5 million at June 30, 2007
- Fiscal year-to-date book-to-bill of 1.2 compared to 0.9 in prior year
- Net income of \$1,010,000, or \$0.15 per diluted share, for the third quarter

"Our strong solar backlog includes both new and follow-on orders and reflects continued strong interest in our solar products with current and potential customers," said J.S. Whang, President and Chief Executive Officer of Amtech. "We remain focused on our strategic plan to more fully participate in the rapidly growing solar market by increasing the products that we offer to our customers and becoming a multi-product provider to solar cell manufacturers. During the quarter, we entered into a licensing agreement with PST to market their proven PECVD technology. This agreement provides entry into a significant segment of the solar market that will double the total available market we currently serve and is expected to start contributing to our revenue in fiscal 2008. Going forward, we believe we are well positioned to continue the strong market momentum we are generating and capitalize on the growth opportunities ahead."

At June 30, 2007, the Company's order backlog was \$20.7 million, a 53% increase over the June 30, 2006 backlog, and includes approximately \$11.5 million in solar orders, representing a 271% increase over \$3.1 million of solar backlog at June 30, 2006. Backlog includes deferred revenue and customer orders that are expected to ship within the next 6-

12 months.

Net revenue for the third quarter of fiscal 2007 totaled \$12.9 million, up 22% sequentially and up 24% compared to prior year third quarter net revenue of \$10.4 million. The increase was driven by higher solar revenues.

Gross margin in the third quarter was 27%, up from 26% in the third quarter of fiscal 2006. The Company's contracts typically include holdbacks of 10-20% of revenue, which are recognized at the time of customer acceptance. During the third quarter of fiscal 2007, the amount of profit deferred (representing the net of deferred revenue and deferred costs) to future periods increased \$0.7 million compared to a decrease of \$0.2 million in the third quarter of fiscal 2006.

Selling, general and administrative expenses were \$2.7 million in the third quarter of fiscal 2007, compared to \$2.2 million in third quarter of 2006. The increase in SG&A resulted mainly from commissions on shipments to regions where third-party sales representatives are utilized and from additional personnel and consulting resources to improve financial and manufacturing operations. Included in the third quarter fiscal 2007 results is approximately \$117,000 of stock option expense compared \$26,000 in the third quarter of fiscal 2006.

Net income for the third quarter of fiscal 2007 was \$1,010,000, or \$0.15 per diluted share, compared to net income of \$168,000, or \$0.05 per diluted share, for the third quarter of fiscal 2006. Net income was positively impacted in the quarter by the recording of a tax benefit of approximately \$550,000 resulting from a reduction in the valuation allowance on deferred tax assets.

For the nine months ended June 30, 2007, net revenue totaled \$32.9 million, a 13% increase over \$29.2 million for the same period in fiscal 2006. Net income was \$1,278,000, or \$0.25 per diluted share, compared to \$822,000, or \$0.24 per diluted share, for the same period in fiscal 2006.

Fourth Quarter and Fiscal 2007 Outlook

For the fourth quarter of fiscal 2007, the Company anticipates revenue to be in the range of \$12.0 to \$13.5 million, representing growth of approximately 6% to 19% over the fourth quarter of fiscal 2006.

For fiscal 2007, the Company anticipates revenue to be in the range of \$44.9 to \$46.4 million, representing growth of approximately 11% to 15% over fiscal 2006.

Operating results for the fourth quarter of fiscal 2007 will continue to be impacted by the net effect of additional revenue deferral on shipments made in the quarter and recognition of revenue based on customer acceptances, the timing of which can have a significant effect on operating income.

Due to the nature of the capital equipment markets that Amtech serves and the holdbacks typically required under its customer contracts, revenues, gross margins and operating results have historically fluctuated significantly on a quarterly basis.

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 2007 third quarter results. Those wishing to participate in the live call should dial (800) 218-8862 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 11093967 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 semiconductor processing equipment and related consumables used in fabricating semiconductor devices and solar cells. 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 computers, telecommunications devices, automotive products, consumer goods, and industrial automation and control systems. The Company's semiconductor handling, thermal processing and consumable products currently address the diffusion, oxidation and deposition steps used in the fabrication of semiconductors, solar cells, 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 risk that this offering does not close and 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, 2006, as amended, and its Quarterly Report on Form 10-Q for the quarter ended June 30, 2007.

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

QUARTERS ENDED
June 30 (Unaudited)

NINE MONTHS ENDED
June (Unaudited)

	2007	2006	2007	2006
Net revenues	\$ 12,874	\$ 10,351	\$ 32,864	\$ 29,157
Cost of sales	9,450	7,708	24,180	21,240
Gross profit	3,424	2,643	8,684	7,917
Gross margin	27%	26%	26%	27%
Selling, general and administrative	2,700	2,238	7,336	6,299
Restructuring charge	-	140	-	140
Research and development	117	65	376	372
Operating Income	607	200	972	1,106
Interest and other income (expense), net	170	(29)	313	(4)
Income before income taxes	777	171	1,285	1,102
Income tax provision (benefit)	\$ (233)	\$ 3	\$ 7	\$ 280
Net Income	\$ 1,010	\$ 168	\$ 1,278	\$ 822

Earnings Per Share:

Basic	\$.16	\$.05	\$.25	\$.25
Diluted	\$.15	\$.05	\$.25	\$.24

Weighted Average Shares Outstanding:

Basic	6,498,100	3,436,629	5,049,517	2,980,020
Diluted	6,575,110	3,521,173	5,103,775	3,445,112

SELECTED BALANCE SHEET DATA - CONSOLIDATED
(in thousands)

	June 30 2007	September 30 2006
Cash and Equivalents	\$ 17,872	\$ 6,433
Accounts Receivable - Net	12,515	7,394
Inventories	6,814	4,979
Deferred Income Taxes	1,029	-
Prepaid and Other	1,030	414
Total Current Assets	39,260	19,220
Property, Plant and Equipment - Net	5,533	2,382

Goodwill and Other Intangible Assets - Net	2,200	1,961
	-----	-----
Total Assets	\$ 46,993	\$ 23,563
	=====	=====
Current Liabilities	9,539	7,337
Long-Term Obligations	774	617
Total Stockholders' Equity	36,680	15,609
	-----	-----
	\$ 46,993	\$ 23,563
	=====	=====

Source: Amtech Systems, Inc.