

Amtech Reports First Quarter Fiscal 2010 Financial Results
Record bookings of \$59 million; Quarter-end backlog of \$74 million

TEMPE, Arizona – February 9, 2010 – 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 first quarter ended December 31, 2009.

First Quarter Financial Highlights:

- First quarter record bookings of \$59.4 million (\$55.3 million solar)
- Record quarter-end backlog of \$74.4 million (\$69.7 million solar), up 130% sequentially from \$32.4 million (\$27.9 million solar) at September 30, 2009
- Net revenue of \$15.5 million, up 32% sequentially from \$11.7 million
- Solar revenue of \$11.9 million, compared to \$8.9 million sequentially
- Gross margin of 30%, compared to 26% sequentially
- Operating income of \$128,000, compared to operating loss of (\$436,000) sequentially
- Net income of \$80,000, or \$0.01 per diluted share, compared to net loss of (\$201,000), or (\$0.02) per share, sequentially
- First quarter book-to-bill of 4.2 (solar 5.3)
- Ending cash balance of \$42.5 million at December 31, 2009, up \$177,000 from September 30, 2009

J.S. Whang, President and Chief Executive Officer of Amtech, commented: “We are very pleased with the tremendous order momentum in our fiscal first quarter and the announced orders so far in our second quarter. The high level of orders we have received fiscal year-to-date reflect the growing number of top-tier solar cell manufacturers that are recognizing the high quality and reliability of our diffusion technology and our capability to support their pursuit of higher efficiency solar cells. These orders include significant follow-on orders from existing customers and six new customer wins. We continue to see good quotation activity and believe the intense race within the solar industry to increase cell efficiency will continue to drive demand for our diffusion technology and related products.”

Net revenue for the first quarter of fiscal 2010 totaled \$15.5 million, compared to net revenue of \$17.9 million for the first quarter of fiscal 2009 and up 32% from \$11.7 million for the preceding quarter. The sequential revenue increase was driven primarily by higher sales to the solar industry and higher levels of deferred revenue recognized in the quarter.

Total orders in the fiscal first quarter were a record \$59.4 million (\$55.3 million solar), up 352% from total orders of \$13.1 million (\$8.6 million solar) in the preceding quarter. At December 31, 2009, the Company’s total order backlog was a record \$74.4 million, up 130% from total backlog of \$32.4 million at September 30, 2009. Total backlog at December 31, 2009 includes \$69.7 million in solar orders, compared to solar backlog of \$27.9 million at September 30, 2009. The increase in backlog was partially offset by the effect of foreign exchange, which had a negative impact of \$1.9 million. Backlog includes deferred revenue and customer orders that are expected to ship within the next 12 months.

Gross margin in the first quarter of fiscal 2010 was 30%, compared to 26% sequentially and

34% in the first quarter of fiscal 2009. The sequential increase in gross margin primarily reflects improved production efficiencies from higher shipment volumes and higher margin product mix.

Selling, general and administrative (SG&A) expenses in the first quarter of fiscal 2010 was \$4.0 million, or 26% of revenue, compared to \$4.5 million, or 25% of revenue, in the first quarter of fiscal 2009, and \$3.4 million, or 30% of revenue, in the preceding quarter. The sequential increase in SG&A expenses was due primarily to increased sales commissions on higher revenues and higher non-cash stock option expense.

Depreciation and amortization in the first quarter of fiscal 2010 was \$424,000, compared to \$363,000 in the first quarter of fiscal 2009. Included in the first quarter fiscal 2010 results is \$377,000 of stock option expense, compared to \$166,000 in the first quarter a year ago.

Income taxes in the first quarter of fiscal 2010 were \$50,000, reflecting an effective tax rate of approximately 38%, compared to 40% in the first quarter of fiscal 2009.

Net income for the first quarter of fiscal 2010 was \$80,000, or \$0.01 per diluted share, compared to net income of \$860,000, or \$0.09 per diluted share, for the first quarter of fiscal 2009.

Total cash and cash equivalents at December 31, 2009 were \$42.5 million, an increase from \$42.3 million at September 30, 2009.

Outlook

As a result of the recent surge in orders from its solar business, Amtech anticipates revenues in fiscal 2010 to be in the range of \$100-\$105 million, an 88% to 98% increase from fiscal 2009, with the bulk of the increase occurring in the third and fourth quarters of fiscal 2010. The Company is making a substantial investment in labor, research and development, and facilities to support the growth. These investments will have a short-term negative impact on operating results in the second quarter. Amtech anticipates fiscal 2010 second quarter revenues in the range of \$17-\$19 million and an operating margin of breakeven to slightly negative due to the build up of production capacity.

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.

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 first quarter results. Those wishing to participate in the live

call should dial (877) 941-1465 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 4207585 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.

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Tables to follow

AMTECH SYSTEMS, INC.		
(NASDAQ: ASYS)		
February 9, 2009		
SELECTED INCOME STATEMENT DATA - CONSOLIDATED		
(amounts in thousands, except per share data)		
	QUARTERS ENDED	
	December 31, (Unaudited)	
	2009	2008
Net revenues	\$15,457	\$17,872
Cost of sales	10,857	11,786
Gross profit	4,600	6,086
Gross margin	30%	34%
Selling, general and administrative	3,975	4,483
Research and development	497	224
Operating Income	128	1,379
Interest and other income (expense), net	2	61
Income before income taxes	130	1,440
Income tax provision	50	580
Net Income	\$80	\$860
<u>Earnings Per Share:</u>		
Basic	\$0.01	\$0.09
Diluted	\$0.01	\$0.09
<u>Weighted Average Shares Outstanding:</u>		
Basic	8,972	9,098
Diluted	9,059	9,109
SELECTED BALANCE SHEET DATA - CONSOLIDATED		
(in thousands)		
	December 31	September 30
	2009	2009
	(unaudited)	
Cash and cash equivalents	\$42,475	\$42,298
Restricted cash	2,314	1,496
Accounts receivable - net	12,333	13,565
Inventories	12,310	13,455
Deferred income taxes	2,190	2,290
Prepaid and other	1,688	841
Total Current Assets	73,310	73,945
Property, plant and equipment - net	8,394	8,477
Goodwill, intangible assets and other - net	8,735	8,964

Deferred Income Taxes - Long Term	1,260		1,140
Total Assets	<u>\$91,699</u>		<u>\$92,526</u>
Current liabilities	17,425		18,077
Long-term obligations	622		644
Total stockholders' equity	<u>73,652</u>		<u>73,805</u>
Total Liabilities and Stockholders' Equity	<u>\$91,699</u>		<u>\$92,526</u>