



## Ultratech Stepper Announces Fourth Quarter and Year End 2001 Results

For the fourth quarter of fiscal 2001 Ultratech reported net sales of \$21.5 million compared to \$41.0 million during the fourth quarter of 2000. Ultratech's net loss for the fourth quarter of 2001, before approximately \$367,000 in special charges, was \$2.1 million or \$0.09 per share (diluted) compared to net income of \$5.5 million or \$0.25 per share for the same quarter last year. Including the charges, the net loss for the fourth quarter of 2001 was \$2.4 million or \$0.11 per share (diluted).

Ultratech's net sales for the year ended December 31, 2001 were \$130.7 million compared to net sales of \$146.7 million for fiscal 2000. Excluding the special charges Ultratech incurred in 2001, Ultratech posted net income of \$5.5 million or \$0.24 per share (diluted) for the full year 2001. This compares to net income of \$5.9 million or \$0.27 per share (diluted) for the full year 2000, excluding special charges for the shutdown of operations, the cumulative effect of the implementation of SAB 101, and the gain on a sale of land (net of tax).

Including the charges, for the full year 2001 Ultratech posted a net loss of \$17.8 million or \$0.81 per share (diluted) compared to a net loss of \$9.2 million or \$0.43 per share (diluted) for the full year 2000.

Arthur W. Zafiropoulo, Chairman and Chief Executive Officer, stated, "Ultratech remains focused on prudent financial and operational management in this continued industry downturn, while also providing our customers with market leading solutions that offer the best in both technology and cost-efficiency in our served markets. Our Model 1600DSA stepper was awarded the Semiconductor International (SI) Magazine's Editors' Choice Best Product Award in early November, reaffirming our commitment to supplying our customers with advanced, yet cost-effective, technology solutions for next-generation nanotechnology applications."

"In line with our continued commitment to our investment program for long term growth, Ultratech announced in the fourth quarter of 2001 that it is a founding member of the Advanced Packaging and Interconnect Alliance (APiA)," Zafiropoulo continued. "Immediate plans include the establishment of 300 mm pilot lines in the United States and Asia to facilitate process development and customer demos."

"Ultratech has invested heavily in its advanced product program, recognizing the need to create a product portfolio that offers a balance between capacity driven and technology driven demands. We believe the industry turnaround forecasted for the second half of 2002 will be technology driven, and that Ultratech is well positioned to capitalize on this opportunity once the industry recovers," Zafiropoulo concluded.

At December 31, 2001, Ultratech Stepper had \$169.2 million in cash, cash equivalents and short-term investments and a current ratio of 4.4:1. Working capital was \$162.8 million and stockholders' equity was \$8.70 per share based on 22,451,137 total shares outstanding on December 31, 2001.

### Conference Call Information

The conference call will be broadcast live over the Internet beginning at 11:00 a.m. Eastern Time/8:00 a.m. Pacific Time, today Thursday, January 31, 2002. To listen to the call over the Internet or to obtain telephone dial-in information for the call, please go to Ultratech's web site at [www.ultratech.com](http://www.ultratech.com).

If you are unable to attend the live conference call, a replay will be available on Ultratech's web site. If you do not have Internet access a replay of the call will be available by dialing 1-800-633-8284 and entering access code 20200473.

### Profile

Founded in 1979, Ultratech Stepper, Inc. designs, manufactures and markets photolithography equipment used worldwide in the fabrication of semiconductor and nanotechnology devices. The company produces products that substantially reduce the cost of ownership for manufacturers in the electronics industry. The company's home page on the World Wide Web is located at [www.ultratech.com](http://www.ultratech.com).

Certain of the statements contained herein may be considered forward-looking statements such as those related to the Company's future financial results, the condition of the semiconductor industry, the worldwide economy and the benefits of the Company's products. These statements involve risks and uncertainties, such as the cyclical nature of the semiconductor and nanotechnology markets, delays, deferrals and cancellations of orders by customers, pricing pressures, competition, lengthy sales cycles for the Company's systems, ability to volume produce systems and meet customer requirements, the mix of

products sold, dependence on new product introductions and commercial success of any new products, integration and development of the Verdant operation, manufacturing inefficiencies and absorption levels, risks associated with introducing new technologies, inventory obsolescence, economic and political conditions in Asia, delays in collecting accounts receivable, extended payment terms, changes in technologies, the effects of the California power shortage, and any adverse affects of the recent terrorist attacks in the United States on the economy in general or our business in particular. Such risk and uncertainties are described in the Company's SEC reports including the Company's Annual Report on Form 10-K, filed as of December 31, 2000 and Form 10-Q, filed as of September 30, 2001.

ULTRATECH STEPPER, INC.  
CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands)	Dec. 31, 2001 -----	Dec. 31, 2000/a -----
ASSETS	(Unaudited)	
Current assets:		
Cash, cash equivalents, and short-term investments	\$169,154	\$163,681
Accounts receivable	13,802	23,942
Inventories	26,047	30,262
Prepaid expenses and other current assets	1,786	3,129
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Total current assets	210,789	221,014
Equipment and leasehold improvements, net	24,619	28,833
Intangible assets, net	1,239	6,880
Demonstration inventories, net	3,684	6,542
Other assets	3,088	800
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Total assets	\$243,419	\$264,069
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Notes payable	\$ --	\$1,152
Accounts payable	9,093	12,228
Deferred product and services income	3,568	6,728
Deferred license income	13,707	22,369
Other current liabilities	21,595	27,103
	-----	-----
Total current liabilities	47,963	69,580
Other liabilities	175	232
Stockholders' equity	195,281	194,257
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Total liabilities and stockholders' equity	\$243,419	\$264,069
	=====	=====

Notes:

/a The Balance Sheet as of Dec. 31, 2000 has been derived from the audited financial statements at that date.

ULTRATECH STEPPER, INC.  
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
(UNAUDITED)

(In thousands, except per share amounts)	Three Months Ended		Year Ended	
	Dec. 31, 2001 -----	Dec. 31, 2000 -----	Dec. 31, 2001 -----	Dec. 31, 2000 -----
Net sales	\$21,507	\$41,011	\$130,680	\$146,655
Cost of sales	12,909	22,060	74,829	88,988
Cost of discontinued products	77	--	11,070	--
	-----	-----	-----	-----
Gross profit	8,521	18,951	44,781	57,667
Operating expenses:				

Research, development, and engineering	6,013	7,011	25,759	26,833
Amortization of goodwill	96	497	1,508	2,061
Selling, general, and administrative	6,208	8,000	29,701	30,274
Restructure of operations	290	--	12,278	--
Shut-down of operations	--	--	--	9,670
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Operating income (loss)	(4,086)	3,443	(24,465)	(11,171)
Gain on sale of land	--	--	--	15,983
Interest and other income, net	1,788	2,057	7,659	7,347
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Income (loss) before tax and cumulative effect of a change in accounting principle	(2,298)	5,500	(16,806)	12,159
Income taxes	120	--	1,038	2,433
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Income (loss) before cumulative effect of a change in accounting principle	(2,418)	5,500	(17,844)	9,726
Cumulative effect on prior years of the application of SAB 101 "Revenue Recognition in Financial Statements"	--	--	--	(18,883)
	-----	-----	-----	-----
Net income (loss)	(\$2,418)	\$5,500	(\$17,844)	(\$9,157)
	=====	=====	=====	=====
Earnings per share -- basic:				
Income (loss) before cumulative effect of a change in accounting principle	(\$0.11)	\$0.26	(\$0.81)	\$0.46
Cumulative effect on prior years of the application of SAB 101 "Revenue Recognition in Financial Statements"	--	--	--	(\$0.89)
Net income (loss)	(\$0.11)	\$0.26	(\$0.81)	(\$0.43)
Number of shares used in per share calculations -- basic	22,443	21,233	22,143	21,236
Earnings per share -- diluted:				
Income (loss) before cumulative effect of a change in accounting principle	(\$0.11)	\$0.25	(\$0.81)	\$0.46
Cumulative effect on prior years of the application of SAB 101 "Revenue Recognition in Financial Statements"	--	--	--	(\$0.89)

Net income (loss)	(\$0.11)	\$0.25	(\$0.81)	(\$0.43)
Number of shares used in per share calculations				
-- diluted	22,443	22,056	22,143	21,236
	=====	=====	=====	=====
Supplemental disclosure results excluding the gain on sale of land (net of tax) and special charges for the restructure of operations, shut-down of operations, cost of discontinued products and the cumulative effect of the application of SAB 101:				
Net income (loss)	(\$2,051)	\$5,500	\$5,504	\$5,846
Net income (loss)				
-- basic	(\$0.09)	\$0.26	\$0.25	\$0.28
Number of shares used in per share calculations				
-- basic	22,443	21,233	22,143	21,236
Net income (loss)				
-- diluted	(\$0.09)	\$0.25	\$0.24	\$0.27
Number of shares used in per share calculations				
-- diluted	22,443	22,056	22,826	21,741
	=====	=====	=====	=====

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