



Q1 Fiscal 2008 Financial Results Conference Call



**February 11, 2008
4:30 p.m. ET**





The First 100 Days

- Acting with a sense of urgency in translating Potential into Performance
 - Scoring Design-In wins; increasing collaboration with customers regarding new product development
- Planning efforts focusing on ways to simplify our structure and improve customer responsiveness – quickly!
- Restructuring of the Management Team enhancing accountability
- Identified specific areas to reduce breakeven
- We will reduce its global workforce by 5%, creating an annual savings of \$12mn to \$15mn by March 1st



2007 December Quarter

- The uncertainty level in our core markets is high
- Our “Extended Factory Strategy” gives us early exposure to demand shifts
- Late December delivery push-outs and order release delays impacted our Q1-FY08 results



Condensed Income Statement

	Q1 FY2008	Q4 FY2007	Q1 FY2007	Comments
Revenues	147,833	166,503	191,368	Revenue declines in difficult market conditions fall through to the bottom line before right sizing exercise is completed.
Gross Profit	38,449	39,987	59,682	
<i>Margin%</i>	26.0%	24.0%	31.2%	
Research & Development	12,432	12,530	13,090	Mix in automated systems group partially offsets the avoidance of warranty and inventory charges incurred in Q4 2007.
Selling, general & administrative expenses	<u>29,103</u>	<u>29,189</u>	<u>30,996</u>	
Operation loss profit before special charges	(3,086)	(1,732)	15,596	
Restructuring expenses	600	3,657	0	Research & development investment continues on significant projects.
Interest income, net	3,076	2,948	2,034	
Other income (expense), net	<u>(343)</u>	<u>664</u>	<u>(171)</u>	
Income before tax	(953)	(1,777)	17,459	SG&A continues to include significant expenses to wrap-up options related issues.
Income tax provision	670	(442)	644	
Minority & JV equity interests	204	42	164	
Net income from Continuing Operations	(1,419)	(1,293)	16,979	
DEPS	(\$0.02)	(\$0.02)	\$0.23	



Segment Summary

	Q1 FY2008	Q4 FY2007	Q1 FY2007
Revenues (in millions)			
Automated Systems Group	\$87,671	\$102,951	\$121,797
Critical Components Group	32,997	36,118	37,053
Global Customer Support	<u>27,165</u>	<u>27,434</u>	<u>32,518</u>
	\$147,833	\$166,503	\$191,368
Gross Profits (in millions)			
Automated Systems Group	\$22,080	\$21,005	\$38,423
Critical Components Group	11,788	12,620	13,314
Global Customer Support	<u>4,581</u>	<u>6,362</u>	<u>7,945</u>
	\$38,449	\$39,987	\$59,682



Cash Flows

	Q1 FY08	Comments
Net Income from Continuing Operations	(1,419)	} Positive cash earnings
Depreciation & Amortization	8,507	
Stock based compensation	2,009	
Other non-cash items	(517)	
Change in assets	<u>(14,711)</u>	Changes in assets during Q1 FY2008 included \$1.0 million litigation settlement and \$6.0 million of variable compensation payments
Cash flow from Continuing Operations	(6,131)	
Capital Expenditures	4,521	Capital expenditures include \$2.4 million associated with the Oracle ERP implementation
Stock Buyback	29,208	
Currency	223	
Other	<u>(75)</u>	
Net change in cash and marketable securities	(39,712)	



Share Repurchase Activity*

	Shares Purchased	Average Price	Cash
November 9 – December 31, 2007	2,258,168	\$12.93	\$29.2m
January 1 – February, 8, 2008	4,237,138	\$12.07	\$51.2m
Total	6,495,306	\$12.37	\$80.4m

* Brooks announced the Board had authorized a \$200m stock repurchase plan on November 9, 2007



2008 March Quarter Guidance

- Revenues could be in the range between \$135 million and \$150 million
- Earnings could be in the range between a loss of \$0.10 per share and Breakeven



Summary Points

- We are not pleased with our current performance
 - Discernable progress toward improvement is being made
 - The pace of change is good – we are moving with a sense of urgency

- We are simplifying both our organization and business processes so that we can enhance customer responsiveness and quickly improve financial performance

- We are focusing resources on initiatives that enable us to harness the potential from investments we have already made
 - Both in new products and in synergies yet to be realized from acquisitions

- Upon demonstrating an ability to deliver on these commitments, we will bring forward initiatives that expand the breadth & scope of Brooks