



Q3 Fiscal 2008 Financial Results Conference Call



**August 7, 2008
4:30 p.m. ET**





Earnings In Line with Guidance

*** June Quarter Guidance: Loss before Special Charges \$0.00 – (\$0.12)**

	Q3 FY08 \$000's	Q3 FY08 DEPS	YTD FY08 \$000's	YTD FY08 DEPS
Reported Loss from Continuing Operations	(\$10,326)	(\$0.17)	(\$20,409)	(\$0.31)
Add: Restructuring Expense	2,571	\$0.04	5,677	\$0.09
Add: Loss on Investment	-	-	2,931	\$0.04
Loss before Special Charges from Cont Ops	(\$7,755)	*(\$0.12)	(\$11,801)	(\$0.18)

Intangibles Amortization was \$0.06 in Q2; \$0.07 in Q3; and \$0.18 YTD



Cost Reductions Offset Flow through from Revenue Declines

\$000's	Q2 <u>FY08</u>	Q3 <u>FY08</u>	<u>Change</u>
Revenues	<u>\$147,647</u>	<u>\$124,016</u>	<u>\$(23,631)</u>
Gross profit	36,439	28,857	(7,582)
Research & development	11,553	10,270	1,283
SG&A	29,896	25,636	4,260
Restructuring charges	2,506	2,571	(65)
Operating Income	(\$7,516)	(\$9,620)	(\$2,104)



Bridging Sequential Operating Performance

	<u>\$ millions</u>
2 nd Quarter Operating Loss	(7.5)
Lost contribution on revenue decline	(12.0)
Increase in royalty revenues	1.1
Restructuring benefits and cost containment	5.1
Reduction in legal costs incurred on equity incentive matters	2.4
Non-recurrence of exceptional 2 nd quarter costs	1.4
Cost increases net of other items	(0.1)
3 rd Quarter Operating Loss	<hr style="width: 100%; border: 0.5px solid black; margin-bottom: 5px;"/> (9.6)



Increased Operating Loss & Unfavorable Foreign Currency Result Impact Net Loss

\$000's	Q2 <u>FY08</u>	Q3 <u>FY08</u>	YTD <u>FY08</u>	<u>Comments on Sequential Trends</u>
Operating loss	(\$7,516)	(\$9,620)	(\$20,822)	Fixed cost absorption impacting gross profit
Interest income, net	1,496	1,144	5,716	Impact of lower cash holdings & lower rates
Loss on investment	(2,931)	0	(2,931)	Permanent impairment charge
Other income (expense)	1,161	(1,244)	(426)	Unfavorable foreign currency impacts
Income tax provision	(885)	(843)	(2,398)	
Minorities & joint ventures	11	237	452	
Net loss, Continuing Ops	(\$8,664)	(\$10,326)	(\$20,409)	



Critical Components Segment

\$000's	Q2 <u>FY08</u>	Q3 <u>FY08</u>	YTD <u>FY08</u>	<u>Comments on Sequential Trends</u>
Revenues	\$35,136	\$28,341	\$98,173	Decline in cryogenic vacuum pump revenues
Gross profit	13,286	10,241	36,370	Flow through of lost variable contribution
<i>Gross margin%</i>	37.8%	36.1%	37.0%	
Operating expenses	9,604	8,810	27,109	Allocation of cost reductions
Segment Operating Income	\$3,682	\$1,431	\$9,261	



Automation Systems Segment

\$000's	Q2 <u>FY08</u>	Q3 <u>FY08</u>	YTD <u>FY08</u>	<u>Comments on Sequential Trends</u>
Revenues	\$81,527	\$58,873	\$223,740	Tool automation systems and Extended Factory most impacted
Gross profit	16,997	9,733	46,509	Flow through of lost variable contribution
<i>Gross margin %</i>	20.8%	16.5%	20.8%	
Operating expenses	24,091	19,746	68,480	Completion of some R&D programs; restructuring benefits
Segment Operating Loss	(\$7,094)	(\$10,013)	(\$21,971)	



Global Customer Support Segment

\$000's	Q2 <u>FY08</u>	Q3 <u>FY08</u>	YTD <u>FY08</u>	<u>Comments on Sequential Trends</u>
Revenues	\$30,984	\$36,802	\$97,853	Legacy hardware revenue increases
Gross profit	6,156	8,883	20,866	Volume fall through to gross margin on legacy products
<i>Gross margin %</i>	19.9%	24.1%	21.3%	
Operating expenses	5,967	5,564	18,042	Cost control
Segment Operating Income	\$189	\$3,319	\$2,824	



Q3 FY08 Cash Flows

Net Income from Continuing Operations	(\$10,326)
Depreciation & Amortization	8,835
Stock based compensation	1,069
Other non-cash items	286
Change in assets	<u>1,563</u>
Cash flow from Continuing Operations	1,427
Capital Expenditures	(6,489)
Stock repurchases	0
Currency	(699)
Other	<u>1,077</u>
Net change in cash and marketable securities	(\$4,684)

*Adjusted EBITDA of \$1.8 million

Oracle ERP Capital
Expenditure of \$4.3 million

*Net Loss for Q3 FY08 was \$10.3 million.

A reconciliation of Adjusted EBITDA to Brooks' Net Loss is included in the earnings release issued on August 7, 2008



2008 September Quarter Guidance

- Revenues could be in the range between \$110 million and \$125 million
- Loss from Continuing Operations before special Charges could be in the range of \$0.15 to \$0.05