UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended: December 31, 2000

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from __________ to __________

Commission File Number: 0-11412

AMTECH SYSTEMS, INC.
(Exact name of registrant as specified in its charter)

Arizona	86-0411215
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

131 South Clark Drive, Tempe, Arizona	85281
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: 480-967-5146

Indicate by a check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. [X] Yes [ ] No

Shares of Common Stock outstanding as of December 31, 2000: 2,621,621

AMTECH SYSTEMS, INC.
AND SUBSIDIARIES

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AMTECH SYSTEMS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	December 31, 2000	September 30, 2000
	(Unaudited)	
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 5,830,215	$ 5,784,500
Accounts receivable - net	5,794,344	4,929,948
Inventories	5,039,814	4,229,546
Deferred income taxes	617,000	577,000
Prepaid expenses	89,042	79,476
Total current assets	17,370,415	15,600,470
PROPERTY, PLANT AND EQUIPMENT - net	1,298,735	1,093,707
GOODWILL AND OTHER ASSETS - net	769,701	789,083
TOTAL ASSETS	$ 19,438,851	$ 17,483,260
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 2,313,305	$ 2,083,792
Short Term Debt	442,552	60,405
Accrued compensation and related taxes	836,133	635,354
Accrued warranty expense	247,179	218,693
Accrued installation expense	184,039	266,101
Deferred revenue and deposits	703,750	245,663
Income taxes payable	549,000	670,000
Other accrued liabilities	390,284	486,779
Total current liabilities	5,666,242	4,666,787
LONG-TERM OBLIGATIONS	242,925	236,590
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY:		
Preferred stock; no specified terms; 100,000,000 shares authorized; none issued	--	--
Common stock; $0.01 par value; 100,000,000 shares authorized; 2,621,621 (2,571,808 in 2000) shares issued and outstanding	26,216	25,718
Additional paid-in capital	12,410,574	12,133,058
Accumulated other comprehensive loss - Cumulative foreign currency translation adjustment	(392,083)	(502,356)
Retained earnings	1,484,977	923,463
Total stockholders' equity	13,529,684	12,579,883
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 19,438,851	$ 17,483,260

The accompanying notes are an integral part of these consolidated balance statements.

AMTECH SYSTEMS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS For Three Months Ended December 31, 2000 and 1999

	Three Months Ended	
	2000	1999
	(Unaudited)	(Unaudited)
Net product sales	$6,881,731	$3,862,512
Cost of product sales	4,755,227	2,635,918

Gross margin	2,126,504	1,226,594
Selling, general and administrative	1,195,030	959,681
Research and development	106,622	53,246
Operating profit	824,852	213,667
Interest income - net	73,662	9,160
Income before income taxes	898,514	222,827
Income tax provision	337,000	92,000
NET INCOME	$ 561,514	$ 130,827
EARNINGS PER SHARE:		
Basic	$ .22	$ .06
Weighted average shares outstanding	2,604,964	2,108,679
Diluted	$ .20	$ .06
Weighted average shares outstanding	2,774,354	2,222,131

The accompanying notes are an integral part of these consolidated financial statements.

AMTECH SYSTEMS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
FOR THREE MONTHS ENDED DECEMBER 31, 2000 AND 1999

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	Common Stock Number of Shares	Common Stock Amount	Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings (Accumulated Deficit)	Total Stockholders' Equity
<S>	<C>	<C>	<C>	<C>	<C>	<C>
BALANCE AT SEPTEMBER 30, 1999	2,108,679	21,087	$ 7,400,152	$ (309,064)	$ (401,958)	6,710,217
Net income	--	--	--	--	130,827	130,827
Translation adjustment	--	--	--	(51,454)	--	(51,454)
Comprehensive Income	--	--	--	--	--	79,373
BALANCE AT DECEMBER 31, 1999	2,108,679	$ 21,087	$ 7,400,152	$ (360,518)	$ (271,131)	$ 6,789,590
BALANCE AT SEPTEMBER 30, 2000	2,571,808	$ 25,718	$ 12,133,058	$ (502,356)	$ 923,463	$ 12,579,883
Net income	--	--	--	--	561,514	561,514
Translation adjustment	--	--	--	110,273	--	110,273
Comprehensive income	--	--	--	--	--	671,787
Warrants and stock options exercised	49,813	498	277,516	--	--	278,014
BALANCE AT DECEMBER 31, 2000	2,621,621	$ 26,216	$ 12,410,574	$ (392,083)	$ 1,484,977	$ 13,529,684

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The accompanying notes are an integral part of these consolidated financial statements.

AMTECH SYSTEMS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THREE MONTHS ENDED DECEMBER 31, 2000 AND 1999

	2000	1999
	(Unaudited)	(Unaudited)
OPERATING ACTIVITIES:		
Net income	$ 561,514	$ 130,827
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation and amortization	86,295	73,057
Provision for writeoff of inventory and receivables	38,597	28,479
Loss on disposals of long-lived assets	--	432
Deferred income taxes	(40,000)	(61,000)
Increase in:		
Accounts receivable	(738,216)	(582,917)
Inventories, prepaid expenses and other assets	(729,958)	(27,289)
Increase (decrease) in:		
Accounts payable	506,137	120,613
Accrued liabilities and deposits	431,161	240,283
Income taxes payable	(121,000)	72,985
Net Cash Used In Operating Activities	(5,470)	(4,530)
INVESTING ACTIVITIES:		
Purchases of property, plant and equipment	(236,638)	(20,545)
Net Cash Used In Investing Activities	(236,638)	(20,545)
FINANCING ACTIVITIES:		
Proceeds from warrant and stock option exercises	278,014	--
Payments on mortgage loan	(2,389)	(2,855)
Net Cash Provided By (Used In) Financing Activities	275,625	(2,855)
EFFECT OF EXCHANGE RATE CHANGES ON CASH	12,198	29,035
CASH AND CASH EQUIVALENTS:		
Net increase	45,715	1,105
Beginning of year	5,784,500	1,124,685
END OF PERIOD CASH AND CASH EQUIVALENTS	$ 5,830,215	$ 1,125,790

SUPPLEMENTAL CASH FLOW INFORMATION:

Cash paid during the period for:		
Interest	$ 10,090	$ 3,530
Income taxes paid	498,150	--

The accompanying notes are an integral part of these consolidated financial statements.

AMTECH SYSTEMS, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
THREE MONTHS ENDED DECEMBER 31, 2000

1. BASIS OF PRESENTATION

The accompanying condensed consolidated financial statements include the accounts of Amtech Systems, Inc. and its wholly-owned subsidiaries, Tempress Systems, Inc., based in Heerde, The Netherlands, and P. R. Hoffman Machine Products, Inc. (collectively, the "Company"). All significant intercompany balances and transactions have been eliminated in consolidation.

The accompanying condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles, pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC"), and are unaudited. In the opinion of management, all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial position, results of operations, and cash flows for the periods presented have been made.

Certain information and footnote disclosures normally included in financial statements have been condensed or omitted pursuant to the rules and regulations of the SEC. These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2000, which are incorporated herein by reference.

The consolidated results of operations for the three months ended December 31, 2000, are not necessarily indicative of the results to be expected for the full year.

2. REVENUE RECOGNITION

Revenue is recognized on the accrual basis when the customer takes title to the product, generally upon shipment. On occasion, the Company will recognize revenue prior to shipment. When this occurs, the Company ensures that title has passed, the customer has committed to take delivery of the goods in a reasonable period of time, there is a legitimate business purpose requested by the customer to not ship the product, the product is complete and ready for shipment and is segregated from existing inventory and there are no material contingencies. Upon shipment, the Company recognizes all revenue and accrues the estimated costs of installation.

3. INVENTORIES

The components of inventories are as follows:

	December 31, 2000	September 30, 2000
Purchased parts and raw materials	$2,430,502	$1,931,524
Work-in-process	2,261,613	1,874,818
Finished goods	347,699	423,204
Totals	$5,039,814	$4,229,546

4. EARNINGS PER SHARE

	Three Months Ended December 31, 2000	Three Months Ended December 31, 1999
Net income	$ 561,514	$ 130,827
Pro forma after-tax amortization of contingent goodwill (2)	--	(4,033)
Income used in in the calculations	$ 561,514	$ 126,794
Weighted average Shares outstanding:		
Common shares	2,604,964	2,108,679
Common equivalents (1)	169,390	113,452
	2,774,354	2,222,131
Earnings Per Share:		
Basic	$ .22	$ .06
Diluted	$ .20	$ .06

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(1) Number of shares calculated using the treasury stock method and the average market price during the period. Options and warrants on 59,300 shares and 1,492,500 shares had an exercise price greater than the average market price during the three months ended December 31, 2000 and 1999, respectively, and therefore did not enter into the calculation.

(2) Pro forma contingent goodwill arises from the July 1, 1997, purchase of certain of the assets and operations of P. R. Hoffman Machine Products Corporation ("P. R. Hoffman"). This number also includes 31,000 shares that will be issued to the former owner of P.R. Hoffman Machine Products

Corporation as payment of the earnout for fiscal 2000. See footnote 3 to the financial statements included in the Company's report on Form 10-K for the year ended September 30, 2000.

5. RECENT ACCOUNTING PRONOUNCEMENTS

On October 1, 2000, the Company adopted Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities"("SFAS 133"). SFAS 133 requires the Company to recognize all derivatives on the balance sheet at fair value. Derivatives that are not hedges must be adjusted to fair value through income. If the derivative is a hedge, depending on the nature of the hedge, changes in the fair value of the derivative are either offset against the change in the fair value of assets, liabilities, or firm commitments through earnings (fair value hedges) or recognized in other comprehensive income until the hedged item is recognized in earnings (cash flow hedges). The ineffective portion of a derivative's change in fair value is immediately recognized in earnings. The adoption of SFAS 133 did not have a material impact on the Company's consolidated financial position or operating results.

In December 1999, the SEC issued Staff Accounting Bulletin ("SAB") No. 101, "Revenue Recognition," which sets forth the SEC Staff's views on selected revenue recognition issues. Based upon the prevailing interpretations of SAB No. 101, the Company may be required to delay recognition of at least a portion of its sales of semiconductor production systems until installation has been completed and customer acceptance has occurred. The Company's current policy is to recognize revenue at the time the customer takes title to the product, generally at the time of shipment, because the Company has routinely met its installation obligations and installation costs represent an insignificant percentage of total costs. The Company believes its current accounting policies on revenue recognition are consistent with those generally used in its industry and have been consistently applied since the inception of the Company. Therefore, if the Company is required to change its revenue recognition policies in order to comply with SAB No. 101, a significant cumulative charge related to a change in an accounting principle may be required. The guidance in SAB No. 101 must be adopted no later than the fourth quarter of the Company's fiscal year 2001, ending September 30, 2001, with a restatement of the first three quarters of that fiscal year. In October 2000, the SEC issued implementation guidance in the form of "Frequently Asked Questions." The Company is still in the process of assessing the impact that SAB No. 101 will have on its consolidated financial statements based on the SEC's most recently issued guidance.

6. BUSINESS SEGMENT INFORMATION

The Company classifies its products into two core business segments: (1) the semiconductor equipment segment which designs, manufactures and markets semiconductor wafer processing equipment used in the fabrication of integrated circuits, and (2) the polishing supplies segment, which designs, manufactures and markets carriers, templates and equipment used in the lapping and polishing of wafer thin materials, including silicon wafers used in the production of semiconductors. Information concerning the Company's business segments in fiscal years 2001 and 2000 is as follows:

	Three Months Ended December 31, 2000	Three Months Ended December 31, 1999
Revenues		
Semiconductor equipment	$4,712,688	$2,165,474
Polishing supplies	2,169,043	1,697,038
	$6,881,731	$3,862,512
Operating profit		
Semiconductor equipment	$ 532,373	$ 65,176
Polishing supplies	292,479	148,491
Total operating profit	824,852	213,667
Interest income - net	73,662	9,160
Income before income taxes	$ 898,514	$ 222,827

7. LEGAL PROCEEDINGS.

On or about August 31, 2000, a "P.R. Hoffman Machine Products" was one of 11 companies named in a legal action being brought by North Middleton Township in Carlisle, Pennsylvania, the owner of a landfill allegedly found to be contaminated. No detailed allegations have been filed as part of this legal action, which appears to have been filed to preserve the right to file claims for contribution to the clean-up of the landfill at a later date. The Company acquired the assets of P.R. Hoffman Machine Products

Corporation in an asset transaction consummated on July 1, 1997. The landfill was closed and has not been used by P.R. Hoffman since sometime prior to completion of the Company's acquisition. Therefore, the Company believes that the named company is the prior owner of the acquired assets. Under the terms of the Asset Purchase Agreement governing the acquisition, the prior owner, P.R. Hoffman Machine Products Corporation, is obligated to indemnify us for any breaches of its representations and warranties in the Asset Purchase Agreement, including representations relating to environmental matters. Based on information available to the Company as of the date of this report, management believes the costs, if any, to resolve this matter will not be material to the Company's results of operations or financial position.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

The following table sets forth certain operational data as a percentage of net revenue for the periods indicated:

	Three Months Ended December 31, 2000	Three Months Ended December 31, 1999
Net revenue	100.0%	100.0%
Cost of product sales	(69.1)	(68.2)
Gross profit	30.9	31.8
Selling, general and administrative expenses	(17.4)	(24.9)
Research and development	(1.5)	(1.4)
Operating profit (loss)	12.0%	5.5%

NET REVENUE. The Company's net revenue for the three months ended December 31, 2000 was $6,882,000, an increase of $3,019,000, or 78%, compared to net revenue of $3,863,000 for the first quarter of the previous fiscal year. Sales in the semiconductor equipment segment and polishing supplies segment increased by 118% and 28%, respectively, primarily due to shipments of systems to optical component manufacturers, a new market for the Company's products, and increased sales to the semiconductor industry, which the Company serves. The Company made its first system shipment to an optical component manufacturer in June 2000.

GROSS MARGIN. The Company's gross margin increased by approximately $900,000, or 73%, to $2,127,000 for the three months ended December 31, 2000, from $1,227,000 during the comparable period of the previous fiscal year. The majority of that increase resulted from the 78% increase in revenue discussed above. Gross margin as a percentage of sales declined to 31% from 32% in the prior fiscal year. In the polishing supplies segment, gross margin was 29% of revenues in both years. The gross margin of the semiconductor equipment segment was 32%, two percentage points less than in the comparable period of fiscal 2000, primarily due to the product mix that had relatively higher cost of materials, which were only partially offset by increased labor efficiencies and the spreading of overhead cost over the higher sales volume.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES. Selling, general and administrative expenses for the first quarter of fiscal 2001 increased by $235,000, or 24%, to $1,195,000, compared to $960,000 spent in the first quarter of fiscal 2000. The increase in these expenses was incurred almost exclusively by the semiconductor equipment segment, which was the fastest growing part of the Company's business. Higher selling and marketing expenses, including tradeshows, increased overhead costs associated with the expanded operations coupled with a slightly higher currency loss contributed to the growth in these expenses. These expenses were 17% of revenue in the first quarter of fiscal 2001, eight percentage points lower than in the same period of fiscal 2000, primarily due to increased revenues.

RESEARCH AND DEVELOPMENT. Research and development costs increased by $54,000, to $107,000, during the first quarter of fiscal 2001, as compared to $53,000 spent in the first quarter of fiscal 2000, due to increased efforts in this area.

OPERATING PROFIT. Operating profit for the first quarter of fiscal 2001 was $825,000, an increase of $611,000, or 286%, compared to an operating profit of $214,000 in the same period of fiscal 2000. The increase in operating profit is primarily attributable to the 78% increase in consolidated revenue. Operating profit for the polishing supplies segment increased by $144,000 to $292,000, compared to $148,000 in the first quarter of fiscal 2000, as a result of the 28% increase in sales volume. In the semiconductor equipment segment, operating profit increased by $467,000 to $532,000, compared to $65,000 in the first quarter of fiscal 2000. The increase in the first quarter operating profit of the semiconductor equipment segment is due to the 118% increase in sales. By controlling expenses, operating profits grew to 12% of revenue in the first quarter of fiscal 2001, compared to 3% of revenue in the first quarter of the prior fiscal year.

NET INTEREST INCOME. During the first quarter of fiscal 2001, net interest income increased $65,000 to $74,000, compared to $9,000 in the corresponding quarter of fiscal 2000, due to interest earned on the portion of the equity capital raised in the fourth quarter of fiscal 2000 that has not yet been deployed. As a result of the foregoing factors, income before income taxes for the first quarter of fiscal 2001 was $899,000, an increase of 303%, compared to $223,000 in the first quarter of fiscal 2000.

PROVISION FOR INCOME TAXES. Income tax expense of $337,000, recorded at an effective tax rate of 38%, resulted in net income for the first quarter of fiscal 2001 of $562,000. During the first quarter of fiscal 2000, the Company recorded income tax expense of $92,000, reflecting a 41% effective tax rate, resulting in net income of $131,000. The decrease in the effective tax rate in fiscal 2001 is primarily due to an increase in the proportion of taxable income arising in jurisdictions with lower tax rates.

NET INCOME. The resulting net income for the first three months of fiscal 2001 was $562,000, or $.20 per diluted share, an increase of $431,000, or 329%, compared to the net income of $131,000, or $.06 per share, in the first quarter of the previous fiscal year.

BACKLOG. At December 31, 2000, the order backlog was $11,978,000, a decrease of $2,521,000, or 17%, from the $14,499,000 backlog at September 30, 2000. While new orders nearly equaled shipments for the first quarter of fiscal 2001, cancellations of four system orders accounted for the reduction in the backlog. One of those cancellations was reported in the Company's report on Form 10-K, filed in December 2000. The other three system cancellations occurred recently, as a result of a customer's tentative agreement to higher prices on eight systems in return for being allowed to cancel three orders. While this agreement has not been finalized, those orders have been removed from the backlog. The effect of the expected price increase has not been recorded in the accompanying financial statements. The backlog as of December 31, 2000, was approximately $7,828,000 higher than at December 31, 1999, an increase of 189%.

Due to the possibility of customer changes in delivery schedules, cancellation of orders, potential delays in product shipments, delays in obtaining inventory parts from suppliers, failure to satisfy customer acceptance requirements and changes in product mix, our backlog as of any point in time may not be representative of actual sales and profitability in any future period. A reduction in backlog during any particular period could have a material adverse affect on our business prospects, financial condition and results of operations.

LIQUIDITY AND CAPITAL RESOURCES

At December 31, 2000, the Company had $5,830,000 of readily available liquidity in the form of cash and cash equivalents, compared to cash and equivalents of $5,785,000 at September 30, 2000, an increase of approximately $45,000. The Company's current cash position is primarily a result of the $4,616,000 of net cash proceeds from a private placement of the Company's Common Stock in September 2000. An additional $2 million line of credit secured in October 2000 further enhances the Company's liquidity position. The Company continues to believe that there is sufficient liquidity for existing operations and its expansion plans.

At December 31, 2000, working capital was $11,704,000, up $770,000 from $10,934,000 at September 30, 2000, primarily due to the $562,000 in income earned in the quarter then ended. While the Company's current ratio declined to 3.1:1 at the end of the first quarter of fiscal 2001 from 3.3:1 at the beginning of the 2001 fiscal year, the Company believes that its current ratio continues to indicate a strong financial condition. At the end of the first quarter of fiscal 2001, cash and cash equivalents comprised 30% of total assets and stockholders' equity accounted for 70% of total capitalization. The Company believes that it continues to possess the financial strength necessary to achieve continued growth.

RECENT ACCOUNTING PRONOUNCEMENTS

On October 1, 2000, the Company adopted Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities"("SFAS 133"). SFAS 133 requires the Company to recognize all derivatives on the balance sheet at fair value. Derivatives that are not hedges must be adjusted to fair value through income. If the derivative is a hedge, depending on the nature of the hedge, changes in the fair value of the derivative are either offset against the change in the fair value of assets, liabilities, or firm commitments through earnings (fair value hedges) or recognized in other comprehensive income until the hedged item is recognized in earnings (cash flow hedges). The ineffective portion of a derivative's change in fair value is immediately recognized in earnings. The adoption of SFAS 133 did not have a material impact on the Company's consolidated financial position or operating results.

In December 1999, the SEC issued Staff Accounting Bulletin ("SAB") No. 101, "Revenue Recognition," which sets forth the SEC Staff's views on selected revenue recognition issues. Based upon the prevailing interpretations of SAB No. 101, the Company may be required to delay recognition of at least a portion of its sales of semiconductor production systems until installation has been completed and customer acceptance has occurred. The Company's current policy is to recognize revenue at the time the customer takes title to the product, generally at the time of shipment, because the Company has routinely met its installation obligations and installation costs represent an insignificant percentage of total costs. The Company believes its current accounting policies on revenue recognition are consistent with those generally used in its industry and have been consistently applied since the inception of the Company. Therefore, if the Company is required to change its revenue recognition policies in order to comply with SAB No. 101, a significant cumulative charge related to a change in an accounting principle may be required. The guidance in SAB No. 101 must be adopted no later than the fourth quarter of the Company's fiscal year 2001, ending September 30, 2001, with a restatement of the first three quarters of that fiscal year. In October 2000, the SEC issued implementation guidance in the form of "Frequently Asked Questions." The Company is still in the process of assessing the impact that SAB No. 101 will have on its consolidated financial statements based on the SEC's most recently issued guidance.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

For financial market risks related to changes in interest rates and foreign currency exchange rates, refer to Part II, Item 7A, Quantitative and Qualitative Disclosures About Market Risk, in the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2000. There are no material changes in reported market risk from September 30, 2000.

FORWARD-LOOKING STATEMENTS

The statements contained in this report on Form 10-Q that are not historical fact are forward-looking statements (as such term is defined in the Private Securities Litigation Reform Act of 1995). These statements can be identified by the use of forward looking terminology such as "believes," "expects," "may," "will," "should," "anticipates," or "possible," or the negative thereof or other written variations thereof or comparable terminology. The forward-looking statements contained herein are based on current expectations that involve a number of risks and uncertainties. Among others, these forward-looking statements are based on assumptions that (a) the Company will not lose a significant customer or customers, (b) the Company will not experience significant reductions in demand or rescheduling or cancellation of customer purchase orders, (c) the Company's products will remain accepted within their respective markets and will not be significantly further replaced by newer technology equipment, (d) competitive conditions within the Company's markets will not materially deteriorate, (e) the Company's efforts to improve its products and maintain its competitiveness in the markets in which it competes will continue to progress and that the savings associated with these expenditures and/or the increased product demand resulting therefrom justifies such development costs, (f) the Company will be able to retain, and when needed, add key technical and management personnel, (g) business or product acquisitions, if any, will be successfully integrated and the results of operations therefrom will support the acquisition price, (h) the Company's forecasts will accurately anticipate market demand, (i) there will be no material adverse changes in the Company's existing operations, (j) the Company will be able to obtain sufficient equity or debt funding to increase its capital resources by the amount needed for new business or product acquisitions, if any, (k) the semiconductor equipment industry will not enter a period of slowdown during fiscal 2001, (l) the condition in the Asian markets will continue to improve, (m) the Company will be able to continue to control costs, (n) demand for the Company's products will not be adversely and significantly influenced by trends within the semiconductor industries, including consolidation of semiconductor manufacturing operations through mergers and the subcontracting out of the production of semiconductors to foundries, and (o) the effects of adopting SAB No. 101 will largely be offset by increased sales. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions, all of which are beyond the control of the Company. Although the Company believes that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate and, therefore, there can be no assurance that the results contemplated in forward-looking statements will be realized. In addition, the business and operations of the Company are subject to substantial risks, which increase the uncertainty inherent in such forward-looking statements. In light of the significant uncertainties inherent in the forward-looking information included herein, such information should not be regarded as a representation by the Company, or any other person, that the objectives or plans for the Company will be achieved.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

On or about August 31, 2000, a "P.R. Hoffman Machine Products" was one of 11 companies named in a legal action being brought by North Middleton Township in Carlisle, Pennsylvania, the owner of a landfill allegedly found to be contaminated. No detailed allegations have been filed as part of this legal action, which appears to have been filed to preserve the right to file claims for contribution to the clean-up of the landfill at a later date. The Company acquired the assets of P.R. Hoffman Machine Products Corporation in an asset transaction consummated on July 1, 1997. The landfill was closed and has not been used by P.R. Hoffman since sometime prior to completion of the Company's acquisition. Therefore, the Company believes that the named company is the prior owner of the acquired assets. Under the terms of the Asset Purchase Agreement governing the acquisition, the prior owner, P.R. Hoffman Machine Products Corporation, is obligated to indemnify us for any breaches of its representations and warranties in the Asset Purchase Agreement, including representations relating to environmental matters. Based on information available to the Company as of the date of this report, management believes the costs, if any, to resolve this matter will not be material to the Company's results of operations or financial position.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

None.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K.

(a) Exhibits

None.

(b) Reports on Form 8-K

None.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

AMTECH SYSTEMS, INC.

By /s/ Robert T. Hass   Dated: February 14, 2001

Robert T. Hass, Vice-President-Finance and
(Chief Financial and Accounting Officer)