

FSI INTERNATIONAL, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF OPERATIONS

(in thousands, except per share data)

(unaudited)

	First Quarter Ended	
	Nov. 26, 2005	Nov. 27, 2004
Sales	\$ 18,623	\$ 19,445
Cost of goods sold	8,711	9,037
Gross margin	9,912	10,408
Selling, general and administrative expenses	8,464	8,466
Research and development expenses	5,875	5,422
Operating loss	(4,427)	(3,480)
Interest and other income, net	353	152
Loss before income taxes	(4,074)	(3,328)
Income tax	13	6
Loss before equity in (losses) earnings of affiliate	(4,087)	(3,334)
Equity in (losses) earnings of affiliate	(209)	58
Net loss	\$ (4,296)	\$ (3,276)
Net loss per share – basic	\$ (0.14)	\$ (0.11)
Net loss per share – diluted	\$ (0.14)	\$ (0.11)
Weighted average common shares		
Basic	29,882	29,943
Diluted	29,882	29,943

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FSI INTERNATIONAL, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
(in thousands)
(unaudited)

	Nov. 26, 2005	Aug. 27, 2005
<u>Assets</u>		
Current assets		
Cash, restricted cash, cash equivalents and marketable securities	\$ 28,499	\$ 31,879
Receivables, net	24,462	24,897
Inventories	24,641	24,717
Other current assets	7,244	6,924
Total current assets	84,846	88,417
Property, plant and equipment, net	21,229	21,556
Investment in affiliate	7,913	8,484
Intangible assets, net	1,649	1,784
Other assets	1,698	1,698
Total assets	\$ 117,335	\$ 121,939
<u>Liabilities and Stockholders Equity</u>		
Current liabilities		
Trade accounts payable	\$ 5,616	\$ 5,203
Deferred profit*	5,274	4,788
Customer deposits	670	1,220
Accrued expenses	10,935	11,592
Total current liabilities	22,495	22,803
Total stockholders' equity	94,840	99,136
Total liabilities and stockholders' equity	\$ 117,335	\$ 121,939

*Deferred profit reflects deferred revenue less manufacturing and other related costs.

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FSI INTERNATIONAL, INC. AND SUBSIDIARIES
 MISCELLANEOUS FINANCIAL INFORMATION
 (in thousands, except percentages, per share and total employee data)
 (unaudited)

	First Quarter Ended	
	Nov. 26, 2005	Nov. 27, 2004
<u>Sales by Area</u>		
United States	32%	32%
International	68%	68%
<u>Cash Flow Statement</u>		
Capital expenditures	\$ 486	\$ 596
Depreciation	\$ 813	\$ 982
Amortization	\$ 134	\$ 380
<u>Miscellaneous Data</u>		
Total employees, including contract	500	515
Book value per share	\$ 3.17	\$ 3.59
Shares outstanding	29,892	29,945

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