

FSI INTERNATIONAL, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF OPERATIONS

(in thousands, except per share data)

(unaudited)

	First Quarter Ended	
	Nov. 25, 2006	Nov. 26, 2005
Sales	\$ 37,707	\$ 18,623
Cost of goods sold	21,513	8,711
Gross margin	16,194	9,912
Selling, general and administrative expenses	8,725	8,464
Research and development expenses	5,998	5,875
Operating income (loss)	1,471	(4,427)
Interest and other income, net	299	353
Income (loss) before income taxes	1,770	(4,074)
Income tax	42	13
Income (loss) before equity in earnings (losses) of affiliate	1,728	(4,087)
Equity in earnings (losses) of affiliate	160	(209)
Net income (loss)	\$ 1,888	\$ (4,296)
Net income (loss) per share – basic	\$ 0.06	\$ (0.14)
Net income (loss) per share – diluted	\$ 0.06	\$ (0.14)
Weighted average common shares		
Basic	30,323	29,882
Diluted	30,717	29,882

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

	Nov. 25, 2006	Aug. 26, 2006
<u>Assets</u>		
Current assets		
Cash, restricted cash, cash equivalents and marketable securities	\$ 24,838	\$ 26,916
Receivables, net	29,240	23,173
Inventories	36,708	35,682
Other current assets	12,140	11,340
Total current assets	102,926	97,111
Property, plant and equipment, net	21,568	20,395
Investment in affiliate	7,705	7,632
Intangible assets, net	1,112	1,246
Other assets	1,160	1,160
Total assets	\$ 134,471	\$ 127,544
<u>Liabilities and Stockholders Equity</u>		
Current liabilities		
Trade accounts payable	\$ 12,779	\$ 8,803
Current portion of long-term debt	648	—
Deferred profit*	6,400	4,148
Customer deposits	2,569	5,409
Accrued expenses	15,194	15,212
Total current liabilities	37,590	33,572
Long-term debt	916	—
Total stockholders' equity	95,965	93,972
Total liabilities and stockholders' equity	\$ 134,471	\$ 127,544

*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. 25, 2006	Nov. 26, 2005
<u>Sales by Area</u>		
United States	25%	32%
International	75%	68%
<u>Cash Flow Statement</u>		
Capital expenditures	\$ 2,018 ⁽¹⁾	\$ 486
Depreciation	\$ 850	\$ 813
Amortization	\$ 134	\$ 134
<u>Miscellaneous Data</u>		
Total employees, including contract	572	500
Book value per share	\$ 3.16	\$ 3.17
Shares outstanding	30,346	29,892

⁽¹⁾ Includes \$1.7 million of metrology equipment financed through a capital lease.

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