

FSI INTERNATIONAL, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF OPERATIONS

(in thousands, except per share data)

(unaudited)

| | Fourth Quarter Ended | | Year Ended | |
|---|----------------------|------------------|------------------|------------------|
| | Aug. 26, 2006 | Aug. 27, 2005 | Aug. 26, 2006 | Aug. 27, 2005 |
| Sales | \$ 40,373 | \$ 23,702 | \$ 113,241 | \$ 86,370 |
| Cost of goods | 22,569 | 12,838 | 60,391 | 46,376 |
| Gross margin | 17,804 | 10,864 | 52,850 | 39,994 |
| Selling, general and administrative expenses | 8,911 | 8,782 | 36,218 | 35,291 |
| Research and development expenses | 5,942 | 5,678 | 24,321 | 22,078 |
| Gain on sale of facility | — | — | — | 7,015 |
| Operating income (loss) | 2,951 | (3,596) | (7,689) | (10,360) |
| Interest and other income, net | 344 | 332 | 726 | 850 |
| Gain on marketable securities | — | 1,598 | — | 5,808 |
| Income (loss) before income taxes | 3,295 | (1,666) | (6,963) | (3,702) |
| Income tax expense | 12 | 12 | 50 | 50 |
| Income (loss) before equity in (losses) earnings of affiliate | 3,283 | (1,678) | (7,013) | (3,752) |
| Equity in (losses) earnings of affiliate | (119) | (217) | (274) | 450 |
| Net income (loss) | \$ 3,164 | (\$ 1,895) | (\$ 7,287) | (\$ 3,302) |
| Income (loss) per share – basic | \$ 0.10 | (\$ 0.06) | (\$ 0.24) | (\$ 0.11) |
| Income (loss) per share – diluted | \$ 0.10 | (\$ 0.06) | (\$ 0.24) | (\$ 0.11) |
| Weighted average common shares | | | | |
| Basic | 30,234 | 29,826 | 30,042 | 29,928 |
| Diluted | 30,631 | 29,826 | 30,042 | 29,928 |

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FSI INTERNATIONAL, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

(in thousands)

(unaudited)

| | Aug. 26, 2006 | Aug. 27, 2005 |
|--|-------------------|-------------------|
| <u>Assets</u> | | |
| Current assets | | |
| Cash, restricted cash, cash equivalents and marketable securities | \$ 26,916 | \$ 31,879 |
| Receivables, net | 22,832 | 24,897 |
| Inventories | 35,682 | 24,717 |
| Other current assets | 7,874 | 6,924 |
| <u>Total current assets</u> | <u>93,304</u> | <u>88,417</u> |
| Property, plant and equipment, net | 20,395 | 21,556 |
| Investment in affiliate | 7,632 | 8,484 |
| Intangible assets, net | 1,246 | 1,784 |
| Other assets | 1,160 | 1,698 |
| <u>Total assets</u> | <u>\$ 123,737</u> | <u>\$ 121,939</u> |
| <u>Liabilities and Stockholders' Equity</u> | | |
| Current liabilities | | |
| Trade accounts payable | \$ 8,803 | \$ 5,203 |
| Deferred profit* | 4,148 | 5,220 |
| Customer deposits | 5,409 | 1,220 |
| Accrued expenses | 11,405 | 11,160 |
| <u>Total current liabilities</u> | <u>29,765</u> | <u>22,803</u> |
| <u>Total stockholders' equity</u> | <u>93,972</u> | <u>99,136</u> |
| <u>Total liabilities and stockholders' equity</u> | <u>\$ 123,737</u> | <u>\$ 121,939</u> |

*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)

| | Aug. 26, 2006 | Aug. 27, 2005 |
|-------------------------------------|------------------|------------------|
| <u>Sales by Area</u> | | |
| United States | 38% | 36% |
| International | 62% | 64% |
| <u>Cash Flow Statement</u> | | |
| Capital expenditures | \$ 2,229 | \$ 1,755 |
| Depreciation | 3,389 | 3,630 |
| Amortization | 538 | 783 |
| <u>Miscellaneous Data</u> | | |
| Total employees, including contract | 562 | 486 |
| Book value per share | \$ 3.10 | \$ 3.32 |
| Shares outstanding | 30,309 | 29,874 |

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