

FSI INTERNATIONAL, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF OPERATIONS

(in thousands, except per share data)

(unaudited)

	First Quarter Ended	
	Nov. 24, 2007	Nov. 25, 2006
Sales	\$ 22,439	\$ 37,707
Cost of goods sold	13,836	21,513
Gross margin	8,603	16,194
Selling, general and administrative expenses	6,735	8,725
Research and development expenses	4,286	5,998
Operating (loss) income	(2,418)	1,471
Interest and other income, net	299	299
(Loss) income before income taxes	(2,119)	1,770
Income tax	13	42
(Loss) income before equity in earnings of affiliate	(2,132)	1,728
Equity in earnings of affiliate	-	160
Net (loss) income	\$ (2,132)	\$ 1,888
Net (loss) income per share – basic	(\$ 0.07)	\$ 0.06
Net (loss) income per share – diluted	(\$ 0.07)	\$ 0.06
Weighted average common shares		
Basic	30,545	30,323
Diluted	30,545	30,717

-more-

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

	Nov. 24, 2007	Aug. 25, 2007
<u>Assets</u>		
Current assets		
Cash, restricted cash, cash equivalents and marketable securities	\$ 22,467	\$ 23,991
Receivables, net	20,760	17,609
Inventories	25,373	29,625
Other current assets	7,490	7,502
Total current assets	76,090	78,727
Property, plant and equipment, net	19,101	20,022
Restricted cash	500	500
Investment	460	460
Intangible assets, net	387	496
Other assets	1,199	1,199
Total assets	\$ 97,737	\$ 101,404
<u>Liabilities and Stockholders' Equity</u>		
Current liabilities		
Trade accounts payable	\$ 3,735	\$ 3,458
Current portion of long-term debt	574	561
Deferred profit*	3,500	3,332
Customer deposits	260	1,306
Accrued expenses	10,608	11,365
Total current liabilities	18,677	20,022
Long-term debt	467	616
Total stockholders' equity	78,593	80,766
Total liabilities and stockholders' equity	\$ 97,737	\$ 101,404

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

-more-

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

	First Quarter Ended	
	Nov. 24, 2007	Nov. 25, 2006
<u>Sales by Area</u>		
United States	15%	25%
International	85%	75%
<u>Cash Flow Statement</u>		
Capital expenditures	\$ 23	\$ 2,018 ⁽¹⁾
Depreciation	\$ 943	\$ 842
Amortization	\$ 109	\$ 134
<u>Miscellaneous Data</u>		
Total employees, including contract	407	572
Book value per share	\$ 2.57	\$ 3.16
Shares outstanding	30,545	30,346

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

###