SECURITIES AND EXCHANGE COMMISSION

FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

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

FORM 10-Q

(Mark One)

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended December 31, 2008

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: 000-22430

ASYST TECHNOLOGIES, INC.

(Exact name of Registrant, as specified in its charter)

California	**94-2942251**
(State or other jurisdiction of incorporation or organization)	(IRS Employer identification Number)

46897 Bayside Parkway, Fremont, California 94538
(Address of principal executive offices, including zip code)

(510) 661-5000
(Registrant' s telephone number, including area code)

Indicate by 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. YES ☑ NO ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐	Accelerated filer ☑	Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES ☐ NO ☑

The number of shares of the Registrant' s Common Stock, no par value, outstanding as of January 30, 2009 was 50,667,669.

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Part I − FINANCIAL INFORMATION

ITEM 1 − FINANCIAL STATEMENTS

ASYST TECHNOLOGIES, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited; in thousands, except share data)

	December 31, 2008	March 31, 2008 (1)
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 76,551	$ 95,669
Accounts receivable, net	92,056	119,717
Inventories	33,654	39,407
Deferred income taxes	3,171	2,663
Prepaid expenses and other current assets	13,933	16,320
Total current assets	219,365	273,776
Property and equipment, net	30,648	29,452
Goodwill	3,397	98,777
Intangible assets, net	23,118	29,271
Other assets	19,254	14,377
Total assets	$ 295,782	$ 445,653
LIABILITIES, MINORITY INTEREST AND SHAREHOLDERS' (DEFICIT) EQUITY		
CURRENT LIABILITIES:		
Short-term loans and notes payable	$ 75,277	$ 36,167
Current portion of long-term debt and capital leases (2)	81,820	7,011
Accounts payable	82,132	94,666
Accrued and other liabilities	70,712	77,303
Deferred margin	5,423	5,844
Total current liabilities	315,364	220,991
LONG-TERM LIABILITIES:		
Long-term debt and capital leases, net of current portion (2)	1,897	112,667
Deferred tax liability	826	2,833
Other long-term liabilities	19,799	21,428
Total long-term liabilities	22,522	136,928
COMMITMENTS AND CONTINGENCIES (see Note 17)		
MINORITY INTEREST	117	134
SHAREHOLDERS' (DEFICIT) EQUITY:		
Common stock, no par value:		
Authorized shares − 300,000,000; Issued and Outstanding shares − 50,667,669 and 50,045,235 shares at December 31, 2008 and March 31, 2008, respectively	494,672	490,283
Accumulated deficit	(518,358)	(400,496)
Accumulated other comprehensive loss	(18,535)	(2,187)
Total shareholders' (deficit) equity	(42,221)	87,600
Total liabilities, minority interest and shareholders' (deficit) equity	$ 295,782	$ 445,653

(1) The year-end condensed balance sheet data was derived from audited financial statements, but does not include all disclosures required by accounting principles generally accepted in the United States of America.

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(2) In accordance with EITF No. 86-30, "*Classification of Obligations When a Violation is Waived by a Creditor*," we reclassified the long-term portion of our KeyBank National Association credit facility as current. However, this reclassification did not change or accelerate the repayment schedule or maturity of the credit facility (which currently matures July 2012). See Note 14, "Debt," for further details.

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

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ASYST TECHNOLOGIES, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)
(Unaudited)

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2008	2007	2008	2007
Net sales	$82,983	$106,475	$278,442	$362,931
Cost of sales	56,867	73,914	202,641	251,344
Gross profit	26,116	32,561	75,801	111,587
Operating expenses:				
Research and development	8,615	10,526	29,383	27,900
Selling, general and administrative	18,321	20,873	57,906	66,026
Amortization of acquired intangible assets	1,299	2,970	7,550	13,898
Goodwill impairment charge	–	–	89,431	–
Restructuring and other charges	2,165	38	2,969	1,019
Total operating expenses	30,400	34,407	187,239	108,843
(Loss) income from operations	(4,284)	(1,846)	(111,438)	2,744
Interest and other income (expense), net:				
Interest income	105	708	548	1,769
Interest expense	(2,653)	(2,134)	(7,784)	(7,029)
Write-off of fees related to early extinguishment of debt and early redemption of convertible securities	–	–	–	(3,135)
Other income (expense), net	(2,783)	1,855	(8,021)	3,679
Interest and other income (expense), net	(5,331)	429	(15,257)	(4,716)
Loss before income taxes and minority interest	(9,615)	(1,417)	(126,695)	(1,972)
Benefit from income taxes	2,314	562	8,845	1,203
Minority interest	(6)	(12)	(12)	(25)
Net loss	$(7,307)	$(867)	$(117,862)	$(794)
Basic net loss per share	$(0.14)	$(0.02)	$(2.33)	$(0.02)
Diluted net loss per share	$(0.14)	$(0.02)	$(2.33)	$(0.02)
Shares used in computing basic net loss per share	50,669	49,750	50,516	49,622
Shares used in computing diluted net loss per share	50,669	49,750	50,516	49,622

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

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ASYST TECHNOLOGIES, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Nine Months Ended December 31,	
	2008	**2007**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$(117,862)	$(794)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:		
Depreciation and amortization	13,598	19,335
Amortization of deferred financing costs	836	990
Goodwill impairment charge	89,431	–
Allowance for doubtful accounts	(880)	(1,995)
Unrealized foreign exchange transaction losses	4,363	739
Minority interest in net income in consolidated subsidiary	12	25
(Gain) loss on disposal of fixed assets	(26)	81
Write-off of fees related to early extinguishment of debt	–	2,431
Write-off of fees related to the amendment of a credit facility	954	–
Share-based compensation expense	4,438	5,177
Non-cash restructuring charges	101	106
Amortization of lease incentive payments	(468)	(468)
Deferred taxes, net	(7,936)	(5,924)
Changes in assets and liabilities:		
Accounts receivable	28,702	1,250
Inventories	7,458	20,633
Prepaid expenses and other assets	2,990	8,362
Accounts payable, accrued and other liabilities and deferred margin	(28,308)	(41,239)
Net cash (used in) provided by operating activities	(2,597)	8,709
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment, net of sales	(6,489)	(6,214)
Net cash used in investing activities	(6,489)	(6,214)
CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from lines of credit, net	30,917	25,241
Principal payments on debt and capital leases	(45,607)	(170,336)
Proceeds from long-term debt	2,833	122,954
Payment of financing fees	(1,189)	(3,824)
Proceeds from issuance of common stock	528	1,508
Repurchase of common stock on net settlement of stock awards	(458)	(185)
Net cash used in financing activities	(12,976)	(24,642)
Effect of exchange rate changes on cash and cash equivalents	2,944	490
DECREASE IN CASH AND CASH EQUIVALENTS	(19,118)	(21,657)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	95,669	99,701
CASH AND CASH EQUIVALENTS, END OF PERIOD	$76,551	$78,044

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

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ASYST TECHNOLOGIES, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(In thousands, except share and per share data)
(Unaudited)

1. BASIS OF PRESENTATION

The accompanying unaudited Condensed Consolidated Financial Statements of Asyst Technologies, Inc. and its subsidiaries (“Asyst” or the “Company”) as of December 31, 2008, and for the three and nine months ended December 31, 2008, have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information along with the instructions to Form 10-Q and Article 10 of Securities and Exchange Commission (“SEC”) Regulation S-X. Accordingly, they do not include all of the information and notes required by generally accepted accounting principles (“GAAP”) for annual financial statements. In the opinion of management, we have included all adjustments consisting of normal and recurring entries during the three and nine months ended December 31, 2008 considered necessary for a fair statement of the financial position and operating results for the interim periods presented. We have eliminated all significant inter-company accounts and transactions. Minority interest represents the minority shareholders’ proportionate share of the net assets and results of operations of our majority-owned subsidiary, Asyst Technologies Japan Holdings Co., Inc. (“ATJH,” formerly Asyst Japan, Inc. or “AJI”). The preparation of these financial statements requires us to make estimates and judgments that affect our consolidated financial statements. On an on-going basis, we evaluate our estimates and judgments, including those related to revenue recognition, valuation of long-lived assets, asset impairments, restructuring charges, impairment of goodwill and other intangible assets, income taxes, and commitments and contingencies. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. The results of operations for the three and nine months ended December 31, 2008 are not necessarily indicative of the results for the entire fiscal year ending March 31, 2009 or for any other period. These unaudited Condensed Consolidated Financial Statements should be read in conjunction with the Consolidated Financial Statements and related notes, together with management’ s discussion and analysis of financial position and results of operations contained in our Annual Report on Form 10-K for the fiscal year ended March 31, 2008.

In September 2007, we changed the name of Asyst Shinko, Inc. to Asyst Technologies Japan, Inc. (“ATJ”). All references to ATJ in the accompanying consolidated financial statements are to our majority-owned subsidiary Asyst Technologies Japan, Inc.

In October 2002, we purchased a 51.0 percent interest in ATJ in conjunction with a joint venture we formed with Shinko Electric, Co. Ltd. (“Shinko”) of Japan. On July 14, 2006, we purchased an additional 44.1 percent of the outstanding capital stock and, as a result, now own 95.1 percent of ATJ. At any time, we have an option to purchase, or could be required to purchase, the remaining 4.9 percent equity of ATJ. In accordance with Emerging Issues Task Force (“EITF”) No. 00-4, “*Majority Owner’ s Accounting for a Transaction in the Shares of a Consolidated Subsidiary and a Derivative Indexed to the Minority Interest in That Subsidiary*,” on July 14, 2006, we accounted for the purchase options on a combined basis with the minority interest as a financing of the purchase of the minority interest, and as a result treated the transaction as an acquisition of the full remaining 49 percent interest of ATJ. Accordingly, we recorded a liability, equivalent to the net present value of both the 1.3 billion Japanese Yen fixed payment for the 4.9 percent remaining interest and a fixed annual dividend payment of 65 million Japanese Yen and accreted the discount recorded to interest expense over the next twelve months until the first potential exercise date. The $14.4 million liability has been classified within “Accrued and other liabilities” in our Condensed Consolidated Balance Sheets. During the third quarter ended December 31, 2008, Shinko triggered the above mentioned purchase obligation. On January 26, 2009, we purchased the remaining 4.9 percent equity of ATJ for cash of 1.3 billion Yen, or approximately $14.6 million at then-current exchange rates. The letter of credit that supported our purchase obligation in favor of Shinko was cancelled in conjunction with the purchase.

Our subsidiaries located in Japan operate using the Japanese Yen as their functional currency. Accordingly, all assets and liabilities of these subsidiaries are translated using exchange rates in effect at the end of the period, and revenues and costs are translated using average exchange rates for the period. The resulting translation adjustments are presented as a separate component of “Accumulated other comprehensive income (loss).” In addition, the subsidiaries of one subsidiary located in Japan operate using their respective local currency as their functional currency.

All other foreign subsidiaries use the U.S. dollar as their functional currency. Accordingly, assets and liabilities of those subsidiaries are re-measured using exchange rates in effect at the end of the period, except for non-monetary assets, such as inventories and property and equipment that are re-measured using historical exchange rates. Revenues and costs are re-measured

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using average exchange rates for the period, except for costs related to those balance sheet items that are re-measured translated using historical exchange rates. The resulting re-measurement gains and losses are included in our consolidated statements of operations as incurred.

2. RECENT ACCOUNTING PRONOUNCEMENTS

In December 2007, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 160, "*Noncontrolling Interests in Consolidated Financial Statements-an amendment of ARB No. 51*" ("SFAS No. 160"). The objective of this statement is to improve the relevance, comparability, and transparency of the financial information that a company provides in its consolidated financial statements. SFAS No. 160 requires companies to clearly identify and present ownership interests in subsidiaries held by parties other than the company in the consolidated financials statements within the equity section but separate from the company' s equity. It also requires that the amount of consolidated net income attributable to the parent and to the noncontrolling interest be clearly identified and presented on the face of the consolidated statement of income; changes in ownership interest be accounted for similarly, as equity transactions; and when a subsidiary is deconsolidated, any retained noncontrolling equity investment in the former subsidiary and the gain or loss on the deconsolidation of the subsidiary be measured at fair value. SFAS No. 160 is effective for us beginning in the first quarter of our fiscal year 2010. We are currently evaluating the impact that SFAS No. 160 will have on our consolidated financial statements.

In December 2007, FASB issued SFAS No. 141 (Revised 2007), "*Business Combinations*" ("SFAS No. 141R"). The objective of SFAS No. 141R is to improve the relevance, representational faithfulness, and comparability of the information that a company provides in its financial reports about a business combination and its effects. Under SFAS No. 141R, a company is required to recognize the assets acquired, liabilities assumed, contractual contingencies, contingent consideration measured at their fair value at the acquisition date. It further requires that research and development assets acquired in a business combination that have no alternative future use be measured at their acquisition-date fair value and then immediately charged to expense, and that acquisition-related costs be recognized separately from the acquisition and expensed as incurred. Among other changes, this statement also requires that "negative goodwill" be recognized in earnings as a gain attributable to the acquisition, and any deferred tax benefits resulted in a business combination be recognized in income from continuing operations in the period of the business combination. SFAS No. 141R is effective for business combinations for which the acquisition date is on or after the first quarter of our fiscal year 2010. We currently believe the adoption of that SFAS No. 141R will have no effect on our consolidated financial statements.

In February 2008, the FASB issued Staff Position No. 157-2, "*Effective Date of FASB Statement No. 157*," which delays the effective date of SFAS No. 157 for non-financial assets and liabilities, except for items that are recognized or disclosed at fair value on a recurring basis, until the first quarter of our fiscal year 2010. Our partial adoption of SFAS No. 157 for financial assets and liabilities did not have a material impact on our consolidated results of operations, financial condition or cash flows. We are currently evaluating the impact, if any, for non-financial assets and liabilities that SFAS No. 157 will have on our consolidated financial statements. See Note 15, "Fair Value Measurements," below for our adoption of SFAS No. 157 for financial assets and liabilities.

In March 2008, the FASB issued SFAS No. 161, "*Disclosures about Derivative Instruments and Hedging Activities*" ("SFAS No. 161"). SFAS No. 161 requires companies with derivative instruments to disclose information that should enable financial-statement users to understand how and why a company uses derivative instruments, how derivative instruments and related hedged items are accounted for under SFAS No. 133, *"Accounting for Derivative Instruments and Hedging Activities,"* and how derivative instruments and related hedged items affect a company' s financial position, financial performance and cash flows. SFAS No. 161 is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008. We are currently evaluating the impact, if any, that SFAS No. 161 will have on our consolidated financial statements.

In April 2008, the FASB issued Staff Position No. 142-3, "*Determination of the Useful Life of Intangible Assets*" ("FSP No. 142-3"). FSP No. 142-3 amends the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of a recognized intangible asset under SFAS No. 142. FSP No. 142-3 is effective for financial statements issued for fiscal years and interim periods beginning after December 15, 2008. Early adoption is prohibited. We are currently evaluating the impact, if any, that FSP No. 142-3 will have on our consolidated financial statements.

In May 2008, the FASB issued SFAS No. 162, "*The Hierarchy of Generally Accepted Accounting Principles*" ("SFAS No. 162"). SFAS No. 162 is intended to improve financial reporting by identifying a consistent framework, or hierarchy, for selecting accounting principles to be used in preparing financial statements that are presented in conformity with GAAP for nongovernmental entities. SFAS No. 162 is effective 60 days following the SEC' s approval of the Public Company Accounting Oversight Board amendments to

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AU Section 411, *"The Meaning of Present Fairly in Conformity with Generally Accepted Accounting Principles."* We do not expect the adoption of SFAS No. 162 will have a material impact on our consolidated financial statements.

In June 2008, the FASB issued EITF No. 08-3, "*Accounting by Lessees for Nonrefundable Maintenance Deposits*" ("EITF 08-3"). EITF 08-3 requires that nonrefundable maintenance deposits paid by a lessee under an arrangement accounted for as a lease be accounted for as a deposit asset until the underlying maintenance is performed. When the underlying maintenance is performed, the deposit may be expensed or capitalized in accordance with the lessee' s maintenance accounting policy. Upon adoption, entities must recognize the effect of the change as a change in accounting principal. EITF 08-3 is effective for us beginning in the first quarter of our fiscal year 2010. We are currently evaluating the impact that EITF 08-3 will have on our consolidated financial statements.

In November 2008, the FASB ratified the consensus reached on EITF No. 08-6, "*Accounting for Equity Method Investment Considerations*" ("EITF 08-6"). EITF 08-6 addresses questions about the potential effect of SFAS No. 141R and SFAS No. 160 on equity-method accounting. The primary issues include how the initial carrying value of an equity method investment should be determined, how to account for any subsequent purchases and sales of additional ownership interests, and whether the investor must separately assess its underlying share of the investee' s indefinite-lived intangible assets for impairment. Early adoption is not permitted for entities that previously adopted an alternate accounting policy. The effective date of EITF 08-6 coincides with that of SFAS No. 141R and SFAS No. 160 and is to be applied on a prospective basis beginning in the first quarter of our fiscal year 2010. We are currently evaluating the impact, if any, that EITF 08-6 will have on our consolidated financial statements.

In November 2008, the FASB ratified the consensus reached on EITF No. 08-7, "*Accounting for Defensive Intangible Assets*" ("EITF 08-7"). Defensive intangible assets are assets acquired in a business combination that the acquirer (a) does not intend to use or (b) intends to use in a way other than the assets' highest and best use as determined by an evaluation of market participant assumptions. While defensive intangible assets are not being actively used, they are likely contributing to an increase in the value of other assets owned by the acquiring entity. EITF 08-7 will require defensive intangible assets to be accounted for as separate units of accounting at the time of acquisition and the useful life of such assets would be based on the period over which the assets will directly or indirectly affect the entity' s cash flows. This Issue would be applied prospectively for defensive intangible assets acquired on or after the first quarter of our fiscal year 2010. We currently believe the adoption of EITF 08-7 will have no effect on our consolidated financial statements.

In December 2008, the FASB issued Staff Position No. 132(R)-1, "*Employer' s Disclosures about Postretirement Benefit Plan Assets*" ("FSP No. 132(R)-1"). FSP No. 132(R)-1 provides guidance on an employer' s disclosures about plan assets of a defined benefit pension or other postretirement plan. FSP No. 132(R)-1 is effective for us beginning in the first quarter of our fiscal year 2010. We are currently evaluating the impact that FSP No. 132(R)-1 will have on our consolidated financial statements.

3. LIQUIDITY

Since inception, we have incurred aggregate consolidated net losses of approximately $518.4 million, and have incurred net losses during each of the last six fiscal years. In prior years, we funded our operations through operating cash flows and bank borrowings. In the current fiscal year, however, we funded our operations primarily through bank borrowings. Cash and cash equivalents aggregated a total of $76.6 million at December 31, 2008. We believe that our current cash will be sufficient to meet our expected operating cash requirements for at least the next 12 months. However, we have a significant amount of outstanding indebtedness.

On July 27, 2007, we entered into a credit agreement with KeyBank acting as lead manager and administrative agent for a five-year $137.5 million multi-currency senior secured credit facility. As of December 31, 2008, we had borrowings outstanding of approximately $80.4 million under the credit facility (with $14.9 million in available borrowing used to support two standby letters of credit issued under the credit facilities). We were fully drawn under the KeyBank facility at December 31, 2008. As a condition of a recent amendment, we currently are not able to draw on additional availability under the facility.

We have additional lines of credit and term loans available through our subsidiaries in Japan for working capital purposes. The principal amount of our outstanding borrowings as of December 31, 2008 was 6.9 billion Japanese Yen (approximately U.S. $76.6 million at the exchange rate as of that date). The lines of credit are generally available to us under one-year agreements that renew at various times over the next 12 months. If any of these credit lines were not renewed, or were renewed for a smaller amount, we would be required to repay some or all of the outstanding amounts under the line immediately, which could put a strain on our liquidity. There can be no assurance that these credit lines will continue to be available to us or that, if renewed or replaced, the terms of these or replacement lines of credit would be favorable to the company.

The current industry downturn' s negative impact on our financial results has caused us to be out of compliance with financial covenants under our principal credit facility. Over the past several months, we have negotiated three amendments to this facility in order to maintain compliance. We were in compliance with all of our debt covenants, as amended, as of December 31, 2008. However, we believe it is probable that we will need a further amendment or waiver of certain covenants as of March 31, 2009. As a result, we reclassified the long-term portion of our KeyBank National Association credit facility as current in accordance with EITF No. 86-30, "*Classification of Obligations When a Violation is Waived by a Creditor*" ("EITF 86-30"). However, this reclassification did not change or accelerate the repayment schedule or maturity of the credit facility (which currently matures July 2012).

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We have initiated discussions with our banks for additional waiver or amendment of covenants under the facility. As a condition of any such amendment or waiver, we could be required to reduce further the principal amount of available or outstanding borrowings under the facilities, and incur additional amendment fees and other associated costs and expenses. In addition, a requirement to reduce significantly the principal amount of available and outstanding borrowings could reduce our cash balances and could have a material and continuing impact on our ability to fund our operations over the next several quarters. We believe that our bank relationships are good and that the banks will work with us to establish a covenant structure that provides us with sufficient liquidity and operating flexibility. However, there can be no assurance that we will be able to obtain further waiver or amendment of covenants or that such waiver or amendment will be on favorable terms. Under these circumstances, we could be forced to repay some or all of our debt. We do not have sufficient cash to repay all of our debt. We may need to seek additional financing, which could be expensive or dilutive, or entail covenants that are more restrictive than our current structure. There can be no assurance that financing would be available to us.

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See Note 14, “Debt,” below for additional detail describing this credit agreement.

Due to the cyclical and uncertain nature of cash flows and collections from our customers, our borrowing to fund operations or working capital could exceed the permitted total leverage or liquidity ratios under the credit agreement. In addition, our covenants under the credit agreement require us to maintain minimum EBITDA levels in order to permit current borrowing; further deterioration in our results of operations, whether through protracted cyclical declines in demand, losses in market share, unexpected costs or the inability to contain or reduce costs, or other factors could cause our EBITDA to fall below required levels. Under any such scenario, we may be required to pay down the outstanding borrowings or raise capital to maintain compliance with our financial covenants. This could materially impair the availability of additional financing via our existing lines of credit and/or require us to use available cash to pay down outstanding borrowings in order to bring us within covenant requirements. In addition, a requirement to reduce significantly the principal amount of available and outstanding borrowings could reduce our cash balances and could have a material and continuing impact on our ability to fund our operations over the next several quarters. If we are unable to meet any such covenants, we cannot assure the required lenders will grant waivers and/or amend the covenants, or that the required lenders will not terminate the credit agreement, preclude further borrowings or require us to repay immediately in full any outstanding borrowings.

The cyclical nature of the semiconductor industry makes it very difficult for us to predict future liquidity requirements with certainty. Any upturn in the semiconductor industry may result in short-term uses of cash in operations as cash may be used to finance additional working capital requirements such as accounts receivable and inventories. Alternatively, continued or further softening of demand for our products may cause us to incur additional losses in the future. At some point in the future, we may require additional funds to support our working capital and operating expense requirements or for other purposes. We may seek to raise these additional funds through public or private debt or equity financings, or the sale of assets. These financing options may not be available to us on a timely basis, if at all, or, if available, on terms acceptable to us or not dilutive to our shareholders. If we fail to obtain acceptable additional financing, we may be required to reduce planned expenditures or forego investments, which could reduce our revenues, increase our losses and harm our business.

4. SIGNIFICANT ACCOUNTING POLICIES

Intangible Assets, net

During the current fiscal quarter, we performed an assessment on the recoverability of our acquisition-related intangible assets due to the worsening economic conditions in the semiconductor industry environment. Upon review of various industry publications, we concluded that our acquisition-related developed technology may be utilized for a period longer than originally estimated since the anticipated reduced spending in the semiconductor industry could delay the development of new technologies, which could potentially replace or cause obsolescence of our existing developed technology and the customer relationships associated with it.

We previously amortized acquisition-related developed technology on a straight-line basis over an estimated useful life of 5 years. Through the assessment performed during the third quarter of fiscal year 2009, we concluded that the estimated useful life of this intangible asset should be adjusted from 5 to 7 years. The change in the estimated useful life resulted from our ongoing analysis of all relevant factors, including, but not limited to, actual and forecasted demand for our products derived from our developed technology, potential obsolescence of this technology, and the competitive environment within our markets.

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We previously amortized acquisition-related customer relationships on a straight-line basis over an estimated useful life of 3 years. Through the assessment performed during the third quarter of fiscal year 2009, we concluded that the estimated useful life of this intangible asset should be adjusted from 3 to 7 years. The change in the estimated useful life resulted from our ongoing analysis of all relevant factors, including, but not limited to, actual customer attrition data, demand for our products, and the competitive environment within our markets. The relevant factors have been influenced by management' s ongoing customer retention programs, as well as tactical and strategic initiatives to improve customer satisfaction, and the credit worthiness of our customer base.

In accordance with FASB Statement No. 154, "*Accounting Changes and Error Corrections*" ("FASB No. 154"), the change in estimated useful life of intangible assets is accounted for prospectively. The change in estimated useful lives for developed technology and customer relationships is effective from October 1, 2008. The effect of the change in estimated useful lives for these intangible assets decreased our loss from continuing operations by approximately $1.9 million and our net loss by approximately $1.1 million for the three and nine months ended December 31, 2008 and decreased basic and diluted loss per share by $0.02 for the three and nine months ended December 31, 2008. Amortization of intangible assets was $1.4 million and $3.1 million for the three months ended December 31, 2008 and 2007, respectively. Amortization of intangible assets was $7.8 million and $14.1 million for the nine months ended December 31, 2008 and 2007, respectively.

We evaluate the recoverability of our long-lived tangible assets in accordance with SFAS No. 144, "*Accounting for the Impairment of Long-Lived Assets to be Disposed of*" ("SFAS No. 144"). Long-lived assets to be held and used are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Determination of recoverability is based on an estimate of undiscounted future cash flows from the use of the assets and its eventual disposition. Measurement of an impairment loss for long-lived assets is based on the fair value of the assets. Long-lived assets to be disposed of are reported at the lower of carrying amount or fair value less estimated costs to sell.

5. COMPREHENSIVE INCOME (LOSS)

Comprehensive income (loss) represents the change in equity from transactions and other events and circumstances, excluding transactions resulting from investments by owners and distributions to owners, related to unrealized gains and losses that have historically been excluded from net income and net loss and reflected instead in equity. The following table presents the changes in the components of comprehensive income (loss) for the periods presented:

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2008	2007	2008	2007
Net loss, as reported	$(7,307)	$(867)	$(117,862)	$(794)
Net change in foreign currency translation adjustment	(14,247)	(168)	(16,393)	(39)
Net change in unrealized losses on investments	(11)	–	(30)	(15)
Net change in actuarial losses and prior service cost of defined benefit plans	26	–	75	–
Comprehensive loss	$(21,539)	$(1,035)	$(134,210)	$(848)

6. NET INCOME (LOSS) PER SHARE

Basic net income (loss) per share is computed using the weighted average number of common shares outstanding, while diluted net income (loss) per share is computed using the sum of the weighted average number of common and common equivalent shares outstanding. Common equivalent shares used in the computation of diluted

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net income (loss) per share result from the assumed exercise of stock options and restricted stock awards using the treasury stock method. For periods for which there is a net loss, the number of shares used in the computation of diluted net loss per share is the same as that used for the computation of basic net loss per share since the inclusion of dilutive securities would have been anti-dilutive. The following table sets forth the computation of basic and diluted net loss per share:

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2008	2007	2008	2007
Numerator:				
Net loss	$(7,307)	$(867)	$(117,862)	$(794)
Denominator:				
Weighted average common shares outstanding, excluding unvested restricted stock units	50,669	49,750	50,516	49,622
Denominator for basic net loss per share	50,669	49,750	50,516	49,622
Effect of dilutive employee stock options and restricted stock units	–	–	–	–
Denominator for diluted net loss per share	50,669	49,750	50,516	49,622
Net loss per share − basic	$(0.14)	$(0.02)	$(2.33)	$(0.02)
Net loss per share − diluted	$(0.14)	$(0.02)	$(2.33)	$(0.02)

The following table summarizes securities outstanding which were not included in the calculation of diluted net loss per share because to do so would have been anti-dilutive:

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2008	2007	2008	2007
Restricted stock awards and stock units	3,428	2,547	3,428	2,547
Stock options	4,233	5,048	4,233	5,048
ESPP	–	105	–	105
Total	7,661	7,700	7,661	7,700

7. DERIVATIVE FINANCIAL INSTRUMENTS

We use derivative instruments to manage our exposure to fluctuations in foreign currency exchange rates, which exist as part of our ongoing business operations. Our general practice is to use forward and option contracts to reduce the effects of fluctuations of transaction exposures denominated in Japanese yen. We do not enter into any foreign exchange derivative instruments for trading or speculative purposes.

We utilize foreign currency forward contracts to reduce the exchange rate impact on a portion of the net revenue or operating expense of certain anticipated transactions. None of these contracts were designated as foreign currency cash flow hedges under SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities*, as amended ("SFAS No. 133"). Contracts that are not designated as foreign currency cash flow hedges are marked to market at the end of each reporting period and all realized and unrealized gains and losses are included in Other income in our condensed consolidated statements of operations.

We did not have any outstanding foreign currency forward contracts as of December 31, 2008 and as of March 31, 2008.

8. BALANCE SHEET COMPONENTS

Cash and Cash Equivalents

We consider all highly liquid investments with an original or remaining maturity of three months or less to be cash equivalents. As of December 31, 2008 and March 31, 2008, the carrying value of cash equivalents approximated their respective current fair market values. See Note 15, "Fair Value Measurements," below for additional information regarding our assessment of the fair value of our cash and cash equivalents in light of the current economic conditions.

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Accounts Receivable, net of allowance for doubtful accounts

Accounts receivable, net of allowance for doubtful accounts, consisted of the following:

	December 31, 2008	March 31, 2008
Trade receivables	$ 29,986	$74,488
Trade receivables-related party	18	26
Unbilled receivables	63,252	47,403
Less: Allowance for doubtful accounts	(1,200)	(2,200)
Total	$ 92,056	$119,717

We estimate our allowance for doubtful accounts through a specific and non-specific reserve assessment. The specific reserve is a facts-and-circumstances assessment of accounts receivables outstanding past a certain date, generally 60 days from the payment term due date, and varies from 0 percent to 100 percent of the specific receivable, depending on the facts and circumstances of the particular case. The non-specific reserve is quantitatively measured through application of a reserve percentage based on the historic accounts receivable write-offs during the immediately preceding five years. Changes in circumstances (such as an unexpected material adverse change in a major customer' s ability to meet its financial obligations to us or its payment trends) may require us to further adjust our estimates of the recoverability of amounts due to us.

We do not record interest on outstanding and overdue account receivables. All of our unbilled receivables are assets of ATJ. Payments related to unbilled receivables are expected to be received within one year from December 31, 2008 and March 31, 2008, respectively, and are therefore classified within current assets in our Condensed Consolidated Balance Sheets. We offer both open accounts and letters of credit to our customer base. Our standard open account terms range from net 30 days to net 90 days; however, customary local industry practices may differ and prevail in certain countries.

Our subsidiaries in Japan, ATJH and ATJ, have agreements with certain Japanese financial institutions to sell certain trade receivables. For the three months ended December 31, 2008 and 2007, we sold approximately $26.1 million and $50.7 million, respectively, of accounts receivable without recourse, and $0.7 million and $2.5 million, respectively, with recourse. For the nine months ended December 31, 2008 and 2007, we sold approximately $71.5 million and $102.8 million, respectively, of accounts receivable without recourse, and $2.6 million and $5.0 million, respectively, with recourse. At December 31, 2008, we had approximately $1.9 million of accounts receivables with recourse secured by accounts receivable balances which did not meet the true sale criteria and were classified as "Short-term loans and notes payable" in our Condensed Consolidated Balance Sheets.

Inventories

Inventories consisted of the following:

	December 31, 2008	March 31, 2008
Raw materials	$ 12,328	$12,938
Work-in-process	20,478	23,765
Finished goods	848	2,704
Total	$ 33,654	$39,407

At December 31, 2008 and March 31, 2008, we had a reserve of $11.3 million and $11.5 million, respectively, for estimated excess and obsolete inventory.

We outsource, through a long-term agreement, all of our Fab Automation Product manufacturing to Flextronics International Ltd. ("Flextronics"), which acquired our original long-term contract partner Solectron Corporation in October 2007. Flextronics purchases inventory for us which may later result in our being obligated to re-purchase inventory purchased by them for our benefit if the

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inventory is not used over certain specified periods of time per the terms of this agreement. We did not record any revenue for any inventory transaction between us and Flextronics and we have fully reserved for any inventory buyback in excess of our demand forecast. At December 31, 2008 and March 31, 2008, total inventory that Flextronics held for us was $7.0 million and $9.3 million, respectively, of which $2.5 million and $2.8 million, respectively, were Asyst-owned and included in the inventory totals above. During the three months ended December 31, 2008 and 2007, we repurchased $0.8 million and $0.7 million of this inventory, respectively, that was not used by Flextronics in manufacturing our products. During the nine months ended December 31, 2008 and 2007, we repurchased $2.0 million and $2.9 million of this inventory, respectively, that was not used by Flextronics in manufacturing our products. During the nine months ended December 31, 2008, we also accrued a $2.2 million charge resulting from higher charges associated with reductions in our purchase volumes with Flextronics.

Goodwill

Goodwill balances and the changes in the carrying amount of goodwill during the nine months ended December 31, 2008 were as follows:

	Fab Automation	AMHS	Total
Balances at March 31, 2008	$ 3,397	$95,380	$98,777
Foreign currency translation	−	(5,949)	(5,949)
Goodwill impairment charge	−	(89,431)	(89,431)
Balances at December 31, 2008	$ 3,397	$−	$3,397

SFAS No. 142, “*Goodwill and Other Intangible Assets*,” requires that goodwill be tested for impairment at a reporting unit level. We test goodwill for impairment annually and whenever events or circumstances make it more likely than not that an impairment may have occurred. Goodwill is tested for impairment using a two-step process. In the first step, the fair value of a reporting unit is compared to its carrying value. If the fair value of a reporting unit exceeds the carrying value of the net assets assigned to a reporting unit, goodwill is considered not impaired and no further testing is required. If the carrying value of the net assets assigned to a reporting unit exceeds the fair value of a reporting unit, a second step of the impairment test is performed in order to determine the implied fair value of a reporting unit’ s goodwill. Determining the implied fair value of goodwill requires valuation of a reporting unit’ s tangible and intangible assets and liabilities in a manner similar to the allocation of purchase price in a business combination. If the carrying value of a reporting unit’ s goodwill exceeds its implied fair value, goodwill is deemed impaired and is written down to the extent of the difference.

During and after the second quarter of our fiscal year 2009, we experienced certain events and circumstances which appeared to make it more likely than not that an impairment of our goodwill may have occurred. We experienced a sustained, significant decline in our stock price during and after the end of the second quarter of fiscal year 2009, thus reducing our market capitalization. On October 9, 2008, we also experienced the termination of our discussions with Aquest Systems Corp. regarding their expression of an interest to acquire all of our outstanding common stock for a price of $6.50 per share. In addition, our updated long-term financial forecast indicated lower estimated short-term and long-term profitability. Our updated long-term financial forecast represents the best estimate that our management has at this time and we believe that its underlying assumptions are reasonable. However, actual performance in the short-term and long-term could be materially different from these forecasts, which could impact future estimates of fair value of our reporting units and may result in further impairment of goodwill. Due to these events and circumstances, we performed an interim goodwill impairment assessment during the second quarter of our fiscal year 2009.

Based on the results of our impairment assessment of goodwill, we determined that the carrying value of our AMHS reporting unit exceeded its estimated fair value. Therefore, we performed a second step of the impairment test to determine the implied fair value of goodwill. Specifically, we hypothetically allocated the estimated fair value of our AMHS reporting unit as determined in the first step to recognized and unrecognized net assets, including allocations to intangible assets such as developed technologies, in-process research and development, customer relationships and trade names. The result of our analysis indicated that there would be no remaining implied value attributable to goodwill in our AMHS reporting unit and accordingly, we wrote off all $89.4 million of goodwill associated with our AMHS reporting unit as of September 30, 2008. Our assessment of goodwill impairment indicated that as of September 30, 2008 the fair value of our Software reporting unit within our Fab Automation segment exceeded its carrying value and therefore goodwill in that segment was not impaired.

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During the third quarter of fiscal year 2009, we completed our annual impairment assessment of goodwill. Our annual impairment assessment indicated that as of December 31, 2008 the fair value of our Software reporting unit within our Fab Automation segment exceeded its carrying value and therefore goodwill in that segment was not impaired.

To derive the fair value of our reporting units, we performed extensive valuation analyses, utilizing both income and market approaches. Under the income approach, we determined fair value based on estimated future cash flows discounted by an estimated weighted average cost of capital, which reflects the overall level of inherent risk of a reporting unit and the rate of return an outside investor would expect to earn. Estimated future cash flows were based on our internal projection models, industry projections and other assumptions deemed reasonable by management. Under the market-based approach, we derived the fair value of our reporting units based on revenue multiples of comparable publicly-traded companies.

In response to our interim goodwill impairment assessment, we also performed an assessment on the recoverability of acquisition-related intangible assets. Determination of recoverability was based on an estimate of undiscounted future cash flows from the use of the assets and their eventual disposition. Our assessment resulted in the determination that all of our acquisition-related intangible assets were recoverable. See Note 4, “Significant Accounting Policies,” above for additional details.

Intangible Assets

Intangible assets, net consisted of the following:

	December 31, 2008			March 31, 2008		
	Gross Carrying Amount	Accumulated Amortization	Net	Gross Carrying Amount	Accumulated Amortization	Net
Amortizable intangible assets:						
Developed technology	$102,304	$ 86,166	$16,138	$94,188	$ 75,963	$18,225
Customer base and other intangible assets	65,477	59,389	6,088	60,708	50,792	9,916
Licenses and patents	5,304	4,412	892	5,302	4,172	1,130
Total	$173,085	$ 149,967	$23,118	$160,198	$ 130,927	$29,271

The change in the gross carrying amount of the intangible assets of $12.9 million related to foreign currency translation for the nine months ended December 31, 2008.

During the third quarter of fiscal year 2009, we performed an extensive analysis to reassess the estimated useful lives of our intangible assets and concluded that the estimated useful lives of certain intangible assets should be adjusted. See Note 4, “Significant Accounting Policies,” above for additional details.

All of our identified intangible assets are subject to amortization. Amortization of intangible assets was $1.4 million and $3.1 million for the three months ended December 31, 2008 and 2007, respectively. Amortization of intangible assets was $7.8 million and $14.1 million for the nine months ended December 31, 2008 and 2007, respectively. We include amortization expense in cost of sales and operating expenses in our Condensed Consolidated Statements of Operations.

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Expected future intangible amortization expense for the remainder of fiscal year 2009 and subsequent fiscal years is as follows:

Fiscal Year ending March 31,	
Remainder of 2009	$1,512
2010	5,375
2011	5,038
2012	4,845
2013 and thereafter	6,348
Total	$23,118

Accrued and other liabilities

Accrued and other liabilities consisted of the following:

	December 31, 2008	March 31, 2008
Customer deposits	$ 14,211	$11,072
Payable to Shinko for 4.9% share in ATJ	14,383	13,093
Warranty	11,957	12,505
Employee compensation	10,797	17,781
Deferred tax liability	1,611	1,586
Income taxes payable	1,361	2,986
Other taxes payable	765	1,381
Other accrued expenses	15,627	16,899
Total	$ 70,712	$77,303

Warranty Accrual

We provide for the estimated cost of product warranties at the time revenue is recognized. The following table summarizes the activity in our warranty accrual for the periods presented:

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2008	2007	2008	2007
Beginning balance	$10,935	$10,972	$12,505	$11,982
Accruals	3,289	1,846	9,474	7,412
Settlements	(3,737)	(1,837)	(10,868)	(7,135)
Foreign currency translation	1,470	184	846	(1,094)
Ending balance	$11,957	$11,165	$11,957	$11,165

9. SHARE-BASED COMPENSATION

Stock Options Plans

We have two stock option plans: the 2001 Non-Officer Equity Plan (“2001 Plan”) and the 2003 Equity Incentive Plan (“2003 Plan”). Under all of our stock option plans, options are granted for either six or ten year periods and become exercisable ratably, typically over a vesting period of three years, or as determined by the Board of Directors.

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Under the 2001 Plan, adopted in January 2001, 2,100,000 shares of common stock are reserved for issuance. The 2001 Plan provides for the grant of only non-qualified stock options to employees (other than officers or directors) and consultants (not including directors). Under the 2001 Plan, options may be granted at prices not less than the fair market value of our common stock at grant date. At December 31, 2008, 56,957 shares were available for future issuance under this plan.

Under the 2003 Plan, as most recently amended by our shareholders in September 2008, 6,800,000 shares of common stock are reserved for issuance. The 2003 Plan provides for the grant of non-qualified stock options and incentive stock options, and the issuance of restricted stock to employees and certain non-employees. Under the 2003 Plan, options may be granted at prices not less than the fair market value of our common stock at grant date. At December 31, 2008, 1,755,165 shares were available for future issuance under this plan.

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A summary of stock option activity in our stock option plans during the nine months ended December 31, 2008, is as follows:

	Total Number of Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term	Aggregate Intrinsic Value (1) (in thousands)
Options outstanding as of March 31, 2008	4,783,836	$ 9.98		
Granted	–	–		
Exercised	(101,217)	3.42		
Cancelled	(450,069)	8.97		
Options outstanding as of December 31, 2008	4,232,550	10.24	3.19	$ –
Options vested and expected to vest at December 31, 2008	4,204,382	10.28	3.20	$ –
Exercisable as of December 31, 2008	4,114,437	$ 10.34	3.20	$ –

(1) *These amounts represent the difference between the exercise price and $0.25, the closing price of Asyst stock on December 31, 2008, as reported on The NASDAQ Global Market, for all in-the-money options outstanding.*

As of December 31, 2008, there was $0.2 million of total unrecognized compensation cost related to non-vested, share-based compensation arrangements granted under our stock option plans. We expect to recognize the unrecognized compensation cost over a weighted-average period of 1.09 years.

Restricted Stock Awards and Restricted Stock Units

Information with respect to restricted stock units and awards as of December 31, 2008, and activity during the nine months then ended, is as follows:

	Number of Shares	Weighted Average Grant-Date Fair Value
Outstanding at March 31, 2008	2,465,930	$ 6.58
Granted	2,244,277	3.47
Vested	(571,754)	3.36
Cancelled	(710,515)	5.48
Outstanding at December 31, 2008	3,427,938	$ 5.31

As of December 31, 2008, there was $13.1 million of unrecognized compensation costs related to restricted stock units granted under our equity incentive plans. We expect to recognize the unrecognized compensation over a weighted average period of 2.16 years.

Stock Option Awards and Restricted Stock Units ("RSUs") with Market and Performance Conditions

We have granted stock option and restricted stock unit ("RSUs") awards with market and performance conditions to our executive officers. These stock option and RSU awards vest upon the achievement of certain targets and are payable in shares of our common stock upon vesting, typically with a three or four-year market condition or performance achievement period.

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Market Condition Awards and Options

The market condition stock option and RSU awards measure our relative market performance against that of other companies. The fair value of stock option and RSU awards containing a market condition are based on the market price or market capitalization of our stock on the grant date modified to reflect the impact of the market condition, including the estimated payout level based on that condition. We do not adjust compensation cost for subsequent changes in the expected outcome of the market-vesting condition. A summary of activity for the awards and options with market conditions as of December 31, 2008, and activity during the nine months then ended, is presented below:

	Number of Shares	Weighted Average Grant Date Fair Value	Weighted Average Contractual Term (Years)
Outstanding at March 31, 2008	230,666	$ 2.23	
Awards granted	–	–	
Awards vested	(27,500)	0.64	
Awards cancelled	(63,406)	1.91	
Outstanding at December 31, 2008	139,760	$ 2.69	0.39

Performance Condition Awards and Options

The performance stock options and RSU awards measure our relative performance against pre-established conditions. The fair value of stock option awards and RSU awards containing a performance condition are based on the market price of our stock on the grant date. Compensation cost is adjusted for subsequent changes in the expected outcome of the performance-vesting condition until the vesting date. A summary of activity for the awards and options with performance conditions as of December 31, 2008, and activity during the nine months then ended, is presented below:

	Number of Shares	Weighted Average Grant Date Fair Value	Weighted Average Contractual Term (Years)
Outstanding at March 31, 2008	410,330	$ 7.18	
Awards granted	949,898	3.65	
Awards cancelled	(211,830)	5.04	
Outstanding at December 31, 2008	1,148,398	$ 4.65	2.71

We do not believe as of December 31, 2008 that the achievement of these performance conditions are probable based on pre-established targets of net income and revenue and therefore did not record any expense for these awards.

Employee Stock Purchase Plan

Under the 1993 Employee Stock Purchase Plan (the “Plan”), as amended, 3,500,000 shares of common stock are reserved for issuance to eligible employees. The Plan permits employees to purchase common stock through payroll deductions, not to exceed 15 percent of an employee’ s compensation, at a price not less than 85 percent of the fair market value of the stock on specified purchase dates. We issued 75,249 and 129,634 shares under the Plan during the nine months ended December 31, 2008 and 2007. As of December 31, 2008, the number of shares purchased by employees under the Plan totaled 2,999,927.

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Share-Based Compensation Expense

We estimate the fair value of stock options using a Black-Scholes valuation model, consistent with the provisions of SFAS No. 123(R) and SAB No. 107. SFAS No. 123(R) requires the use of option-pricing models that were not developed for use in valuing employee stock options. The Black-Scholes option-pricing model was developed for use in estimating the fair value of short-lived exchange traded options that have no vesting restrictions and are fully transferable. In addition, option-pricing models require the input of highly subjective assumptions, including the option' s expected life and the price volatility of the underlying stock. The expected stock price volatility assumption was determined using the blended volatility of our stock. We determined that blended volatility is more reflective of market conditions and a better indicator of expected volatility than historical volatility. The expected term is determined based on historical experience and future expectations about changes to exercise and turnover patterns. We recognize the fair value of options, net of estimated forfeitures, as expense over the service period using the straight-line attribution approach. We base the risk-free interest rate for periods within the contractual life of the option on the U.S. Treasury yield curve in effect at the grant date.

Share-based compensation expense related to all stock option awards and employee stock purchase plans for the three and nine months ended December 31, 2008 and 2007, respectively, were as follows:

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2008	2007	2008	2007
Share-based compensation expense by category:				
Cost of sales	$144	$160	$481	$495
Research and development	172	204	554	617
Selling, general and administrative	1,257	1,189	3,403	4,065
Total share-based compensation expense	$1,573	$1,553	$4,438	$5,177

During the three and nine months ended December 31, 2008 and 2007, respectively, we did not realize any tax benefits because of our full valuation allowance for deferred income tax assets in the U.S.

10. PENSION BENEFIT PLANS

The following tables summarize the components of net periodic benefit costs for our pension plans:

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2008	2007	2008	2007
Service cost	$357	$299	$1,038	$863
Interest cost	92	103	266	297
Expected return on plan assets	(84)	(107)	(243)	(308)
Amortization of prior service cost	6	(1)	17	(4)
Amortization of actuarial losses	(4)	5	(11)	15
Net periodic benefit cost	$367	$299	$1,067	$863

Employer Contributions

We previously disclosed in our Form 10-K for the fiscal year ended March 31, 2008 that we expected to contribute $2.2 million to the pension plans in our fiscal year 2009 relating to our subsidiaries in Japan. During the nine months ended December 31, 2008, we contributed $1.5 million to the pension plans. We currently anticipate contributing an additional $0.7 million to the pension plans, for a total of $2.2 million in fiscal year 2009.

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11. INCOME TAXES

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2008	2007	2008	2007
Benefit from income taxes	$2,314	$562	$8,845	$1,203

We recorded a benefit from income taxes for the three months ended December 31, 2008 of $2.3 million, which included a tax benefit of $0.5 million from the change in deferred tax liabilities resulting from the amortization of intangible assets in connection with our ATJ acquisition, a benefit of $0.9 million relating to the resolution of a state tax audit and a benefit of $0.9 million from the release of a FIN 48 liability also resulting from the state tax audit resolution. Our effective tax rate differed from the U.S. statutory rate primarily due to tax benefits recorded in ATJ and other foreign subsidiaries in excess of the U.S. statutory rate, and by U.S. losses not providing current tax benefits.

We recorded a benefit from income taxes for the three months ended December 31, 2007 of $0.6 million, which included a tax benefit of $1.1 million from the change in deferred tax liabilities resulting from the amortization of intangible assets in connection with the ATJ acquisition and a $0.1 million tax benefit recorded primarily by other international subsidiaries, offset by a $0.6 million tax provision recorded by ATJ. Our effective tax rate differs from the U.S. statutory rate primarily due to tax benefits recorded in ATJ and other foreign subsidiaries in excess of the U.S. statutory rate, and by U.S. losses not providing current tax benefits.

We recorded a benefit from income taxes for the nine months ended December 31, 2008 of $8.8 million, which included a tax benefit of $2.9 million from the change in deferred tax liabilities resulting from the amortization of intangible assets in connection with our ATJ acquisition, a net tax benefit of $5.6 million recorded by our international subsidiaries and a net tax benefit of $0.3 million from the release of FIN 48 liabilities. Our effective tax rate differed from the U.S. statutory rate primarily due to tax benefits recorded in ATJ and other foreign subsidiaries in excess of the U.S. statutory rate, and by U.S. losses not providing current tax benefits.

We recorded a benefit from income taxes for the nine months ended December 31, 2007 of $1.2 million, which included a tax benefit of $5.4 million from the change in deferred tax liabilities resulting from the amortization of intangible assets in connection with the ATJ acquisition, a $0.3 million net tax benefit recorded primarily by other international subsidiaries, offset by a $4.5 million tax provision recorded by ATJ. Our effective tax rate differs from the U.S. statutory rate primarily due to tax benefits recorded in ATJ and other foreign subsidiaries in excess of the U.S. statutory rate, and by U.S. losses not providing current tax benefits.

In compliance with FASB interpretation No. 48, “Accounting for Uncertainty in Income Taxes” (“FIN 48”), our total unrecognized tax benefits as of December 31, 2008 and March 31, 2008 were $8.4 million and $8.8 million excluding interest and penalties, respectively, none of which is expected to be paid within the next twelve months. If recognized, these amounts would reduce our provision for income taxes. Although we file U.S. federal, U.S. state and foreign tax returns, our three major tax jurisdictions are the U.S., Japan and Taiwan. Our 2000 through 2008 fiscal years remain subject to examination by the IRS for U.S. federal tax purposes and our 2003 through 2008 fiscal years remain subject to tax in Japan and Taiwan. Therefore, there could be a change in our FIN 48 liability in the next twelve months that we are currently unable to estimate.

During the three months ended December 31, 2008, we released approximately $0.9 million of liability for unrecognized tax benefits resulting from the resolution of a state tax audit for March 31, 1999 through March 31, 2002. During the nine months ended December 31, 2008, we released liability for unrecognized tax benefits approximating $0.9 million from the resolution of a state tax audit and $1.1 million from the expiration of statute of limitations in certain foreign tax jurisdictions. Over the next twelve months, we anticipate releasing $0.7 million of gross unrecognized tax benefits.

Our policy is to include interest and penalties related to gross unrecognized tax benefits within our provision for income taxes. Interest and penalties included in our provision for income taxes was $0.1 million and $0.3 million for the three and nine months ended December 31, 2008. Interest and penalties included in our provision for income taxes was not material for the three and nine months ended December 31, 2007.

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12. RESTRUCTURING CHARGES

The following table sets forth the restructuring activities during the nine months ended December 31, 2008:

	Severance and Benefits	Excess Facilities	Total
Balance at March 31, 2008	$ 387	$154	$541
Reclassification from other long-term liability	–	65	65
Additional accruals	2,736	233	2,969
Non-cash related utilization	–	(101)	(101)
Amounts paid in cash	(2,484)	(285)	(2,769)
Foreign currency translation	(14)	(7)	(21)
Balance at December 31, 2008	$ 625	$59	$684

In the fourth quarter of fiscal year 2008, we implemented a new restructuring plan ("2008 Plan") involving employee terminations and closure of certain facilities worldwide. This plan is designed to improve efficiencies across our entire organization, reduce operating expense levels, and redirect resources to product development and other critical areas. We incurred no restructuring charges under the 2008 Plan during the three months ended December 31, 2008. During the nine months ended December 31, 2008, we incurred restructuring charges of $0.8 million under the 2008 Plan, consisting of $0.6 million in charges for severance costs from a reduction in workforce and $0.2 million in charges for facilities-related costs. We currently do not expect to incur additional restructuring charges under the 2008 Plan.

Due to the continued decline in demand for semiconductor capital equipment, we initiated a new cost reduction initiative during the third quarter of fiscal year 2009. This new initiative or restructuring plan ("2009 Plan") is designed to reduce our annual manufacturing and operating expense levels through the reduction of headcount and all other discretionary expenses. During the fourth quarter of fiscal year 2009, we announced additional cost reduction actions under this plan, including headcount reductions representing approximately 15 percent of our global workforce, reduced executive pay and other discretionary expenses, to further reduce our break-even level and improve cash flow in response to continued weakness in the semiconductor equipment industry. Cost reduction actions under the 2009 Plan are estimated to be completed by the fourth quarter of fiscal year 2009. During the three and nine months ended December 31, 2008, we incurred restructuring charges of $2.2 million for severance costs under this Plan. We currently expect to incur additional restructuring charges between $3.0 million and $5.0 million under the 2009 Plan during the four quarter of fiscal year 2009. We expect to pay the accrual amount outstanding at December 31, 2008 during the fourth quarter of fiscal year 2009.

The following table sets forth the restructuring activities during the nine months ended December 31, 2007:

	Severance and Benefits	Excess Facilities	Total
Balance at March 31, 2007	$ –	$788	$788
Reclassification from other long-term liability	–	41	41
Additional accruals	629	390	1,019
Non-cash related utilization	–	(106)	(106)
Amounts paid in cash	(623)	(841)	(1,464)
Foreign Currency Translation	–	4	4
Balance at December 31, 2007	$ 6	$276	$282

We incurred restructuring charges of $1.0 million for the nine months ended December 31, 2007, which consisted of $0.6 million in charges for severance costs from a reduction in force and $0.4 million in charges for future lease commitments for excess facilities. The outstanding accrual amount at December 31, 2007 was paid in fiscal year 2008.

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13. REPORTABLE SEGMENTS

The Chief Operating Decision Maker ("CODM"), as defined by SFAS No. 131, "*Disclosures about Segments of an Enterprise and Related Information*" ("SFAS No. 131"), is our President and Chief Executive Officer. The CODM allocates resources to and assesses the performance of each operating segment using information about its revenue and operating income (loss) before interest and taxes.

We report the financial results of the following operating segments:

Automated Material Handling Systems ("AMHS"). This segment derives revenues from the sale of products and services for automated transport and loading systems for semiconductor fabs and flat panel display manufacturers.

Fab Automation Products. This segment derives revenues from the sale of products and services for interface products, substrate-handling robotics, Auto-ID systems, sorters, EFEMs and connectivity software.

Our operating segments do not record inter-segment revenue and, accordingly, there is none to be reported. We have sales and marketing, manufacturing, finance and administration groups. We do not allocate expenses related to each of these groups since expenses for these groups are separately maintained by each of our operating segments. We do not allocate interest and other income, interest expense, or taxes to our operating segments. The CODM evaluates each segment' s performance on the basis of income (loss) from operations. Although the CODM uses income (loss) from operations to evaluate the segments, there may be operating costs included in one segment which may benefit the other segment.

With the exception of goodwill, we do not identify or allocate assets by operating segment, neither does the CODM evaluate operating segments using discrete asset information.

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Operating segment information for the three and nine months ended December 31, 2008 and 2007, respectively, were as follows:

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2008	2007	2008	2007
AMHS:				
Net sales	$67,615	$68,441	$205,302	$230,977
Cost of Sales	46,690	52,308	158,812	177,171
Gross Profit	$20,925	$16,133	$46,490	$53,806
(Loss) income from operations	$4,983	$(856)	$(93,294)	$(706)
Fixed assets additions	$1,548	$1,552	$3,784	$3,646
Amortization and Depreciation	$2,543	$3,831	$10,736	$15,931
Fab Automation Products:				
Net sales	$15,368	$38,034	$73,140	$131,954
Cost of Sales	10,177	21,606	43,829	74,173
Gross Profit	$5,191	$16,428	$29,311	$57,781
(Loss) income from operations	$(9,267)	$(990)	$(18,144)	$3,450
Fixed assets additions	$209	$567	$1,459	$1,778
Amortization and Depreciation	$1,199	$1,326	$3,698	$4,394
Consolidated:				
Net sales	$82,983	$106,475	$278,442	$362,931
Cost of Sales	56,867	73,914	202,641	251,344
Gross Profit	$26,116	$32,561	$75,801	$111,587
(Loss) income from operations	$(4,284)	$(1,846)	$(111,438)	$2,744
Fixed assets additions	$1,757	$2,119	$5,243	$5,424
Amortization and Depreciation	$3,742	$5,157	$14,434	$20,325

Total income (loss) from operations is equal to consolidated income (loss) from operations for the periods presented. We do not allocate "Interest and other income (expense), net" to our individual segments.

Significant customers are those customers directly accounting for more than 10% of our net revenue or accounts receivable in the relevant period. For each significant customer, net revenue as a percentage of total net revenue and accounts receivable as a percentage of total accounts receivable were as follows:

	Net Revenue				Accounts Receivable As of	
	Three Months Ended December 31,		Nine Months Ended December 31,		December 31,	March 31,
	2008	2007	2008	2007	2008	2008
Customer A	*	23.7%	21.5%	21.9%	23.2%	22.5%
Customer B	*	*	15.2%	*	12.6%	*
Customer C	28.9%	*	15.5%	10.1%	*	*

* Less than 10%

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14. DEBT

Debt and capital leases consisted of the following:

	December 31, 2008	March 31, 2008
Short-term loans	$ 73,354	$35,250
Long-term loans	83,644	119,475
Capital leases	73	203
Total debt and capital leases	83,717	119,678
Less: Current portion of long-term debt and capital leases (1)	(81,820)	(7,011)
Long-term debt and capital leases, net of current portion	$ 1,897	$112,667

(1) After giving effect to recent amendments, we were in compliance with our debt covenants under our principal credit facility as of December 31, 2008. Nonetheless, we believe it is probable that we will need a further amendment or waiver of certain covenants as of March 31, 2009. As a result, we reclassified the long-term portion of our KeyBank credit facility as current in accordance with EITF No. 86-30. However, this reclassification did not change or accelerate the repayment schedule or maturity of the credit facility (which currently matures July 2012). We intend to initiate discussions with our banks for further amendment or waiver of our covenants, however there can be no assurance that we will receive amendment or waiver.

At December 31, 2008, future maturities of all long-term debt and capital leases were as follows:

Fiscal Year Ending March 31,	Amount
Remainder of 2009	$2,947
2010	22,519
2011	21,417
2012	29,417
2013 and thereafter	7,417
Total	$83,717

Credit Facility

On July 27, 2007, we entered into a credit agreement with KeyBank National Association, acting as lead manager and administrative agent, for a five-year $137.5 million multi-currency senior secured credit facility. This credit agreement provides for a $85.0 million term loan facility and a $52.5 million revolving credit facility. This facility bears variable interest rates based on certain indices, such as Yen LIBOR, U.S. Dollar LIBOR, the Fed Funds Rate, or KeyBank’ s Prime Rate, plus applicable margins. We initially elected to borrow $137.5 million of this credit facility in Yen at the Yen LIBOR rate, incurring an initial pre-tax interest rate of approximately 3.30 percent. Our net available borrowing under the credit agreement is subject to limitations under consolidated senior leverage, consolidated total leverage and consolidated fixed charge financial covenants.

On April 30, 2008, we amended certain terms of the credit agreement relating to the principal amount of term loans available to us in Japanese Yen. One effect of this amendment is to reduce or increase, as the case may be, the aggregate principal amount of Japanese Yen borrowings available to us and outstanding at any time under the term loan credit facility, based on fluctuations in the applicable foreign currency exchange rates. Accordingly, after giving effect to the applicable foreign currency exchange rate, the outstanding principal amount of Yen borrowings may not exceed the commitment amounts under either the term loan or revolving credit facilities. In addition, as part of this amendment we also reduced the principal amount of borrowing available to us under the revolving credit facility from $52.5 million to $27.5 million. In accordance with EITF No. 98-14, “*Debtor’ s Accounting for Changes in Line-of-Credit or Revolving-Debt Arrangements*” (“EITF 98-14”), any remaining unamortized debt issuance cost must be written-off in proportion to any decrease in the borrowing capacity of the credit facility. As a result, we were required to write-off $0.9 million

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in previously capitalized debt issuance costs. The amendment also suspends and amends the existing consolidated total leverage, consolidated senior leverage and consolidated fixed charge coverage financial covenants and adds new minimum liquidity, consolidated interest coverage, maximum total debt to capitalization, and minimum consolidated EBITDA financial covenants applicable to us under the credit agreement. We incurred amendment fees and other costs and expenses of approximately $0.6 million, which are being amortized as interest expense over the remaining term of the agreement. After giving effect to the amendment, we were in compliance with our debt covenants as of March 31, 2008 and June 30, 2008.

As of October 15, 2008, we further amended the facility to waive and modify covenants related to minimum EBITDA, minimum liquidity, consolidated interest coverage and maximum debt to capital. This amendment also increased the margin on LIBOR loans to 6.0%, compared with 4.25% previously, and increases the amount of principal payments on the term loan during calendar year 2009 by a minimum of $10 million. Specifically, under the amendment, we are required to increase the amount of our principal payments on the term loan during each fiscal quarter of calendar year 2009 by the higher of (a) $2,500,000 or (b) fifty percent of the amount by which our consolidated EBITDA for the quarter exceeds $5,000,000. Accordingly, the actual amount by which the principal payments increase during calendar year 2009 will be determined by our EBITDA performance in each quarter of calendar year 2009, and could be higher. As part of this amendment we also agreed to certain minimum conditions under which we can make new borrowing under the revolving line of credit. We incurred amendment fees and related expenses of $0.6 million, which will be amortized as interest expense over the remaining life of the facility.

As of November 10, 2008, we further amended the facility to eliminate covenants related to maximum debt to capital ratios, and replaced these with covenants related to maximum pre-tax loss. Each covenant modification under these amendments is effective as of our fiscal quarter ended September 30, 2008. After giving effect to the amendments, we were in compliance with our debt covenants as of September 30, 2008. We incurred an amendment fee and related expenses of approximately $0.1 million, which will be amortized as interest expense over the remaining life of the facility.

We were in compliance with our debt covenants, as amended, as of December 31, 2008.

As of December 31, 2008, we had borrowings outstanding of approximately $80.4 million under the credit facility (with $14.9 million in available borrowings used to support two standby letters of credit issued under the credit facilities). Our pre-tax interest rate at December 31, 2008 was 7.01 percent. As of December 31, 2008, we had approximately $3.9 million of bank fees, costs and related legal and other expenses which are being amortized as additional interest expense over the remaining term of the credit facility. If our current credit facility is refinanced in a transaction required to be accounted for as an extinguishment or the outstanding balance is demanded by the lender, unamortized debt issue costs at the demand or refinancing date would be required to be expensed in the period of refinancing or demand.

The continued downturn in our industry continues to pressure our operating results and profitability and we believe it is probable that we will need a further amendment or waiver of certain covenants as of March 31, 2009. As a result, we reclassified the long-term portion of our KeyBank credit facility as current in accordance with EITF No. 86-30. However, this reclassification did not change or accelerate the repayment schedule or maturity of the credit facility (which currently matures July 2012). We currently are in discussions with our banks for amendment or waiver of covenants under the facility. As a condition of any such amendment or waiver, we could be required to reduce further the principal amount of available or outstanding borrowings under the facilities, and incur additional amendment fees and other associated costs and expenses. In addition, a requirement to reduce significantly the principal amount of available and outstanding borrowings could reduce our cash balances and could have a material and continuing impact on our ability to fund our operations over the next several quarters. We believe that our bank relationships are good and that we will be able to work with the banks to maintain a covenant structure that will provide us with adequate operating flexibility and liquidity. However there can be no assurance that, if we need waiver or amendment, we will be able to structure an agreement on favorable terms.

The credit facilities contain financial and other covenants, including, but not limited to, limitations on liens, mergers, sales of assets, capital expenditures and indebtedness. Additionally, although we have not paid any cash dividends on our common stock in the past and do not anticipate paying any such cash dividends in the foreseeable future, the credit agreement restricts our ability to pay such dividends. In addition, until such time that the term loan facility has been repaid in full, we are required to make mandatory prepayments in an amount equal to 100 percent of the net cash proceeds from specified asset sales (other than sales or other dispositions of inventory in the ordinary course of business), and 50 percent of the net cash proceeds from the issuance of equity securities; otherwise, amounts outstanding under the new credit facility will be due on July 26, 2012. The aggregate principal amount of Japanese Yen borrowings available to us and outstanding at any time under the credit facilities may be reduced or increased, as the

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case may be, based on the fluctuations in the applicable foreign currency exchange rate. Accordingly, we may be required periodically to make principal pre-payments to the extent the outstanding Yen-borrowings under the term loan facility exceed the term loan and revolving credit facility commitment amounts on a U.S. dollar-equivalent basis. To date, we have relied on available cash and borrowings under our other credit lines in Japan to make these payments. The KeyBank credit facilities are secured by liens on substantially all of our assets, including the assets of certain subsidiaries.

Other Debt Financing Arrangements

We have additional lines of credit and term loans classified as short-term available through our subsidiaries in Japan for working capital purposes. The total available borrowing capacity as of December 31, 2008 was 9.2 billion Japanese Yen (approximately U.S. $101.7 million at the exchange rate as of that date). The principal amount of our outstanding borrowings as of December 31, 2008 was 6.6 billion Japanese Yen (approximately U.S. $73.4 million at the exchange rate as of that date). The applicable interest rates for the above-referenced Japan lines of credit and term loans are variable based on the Tokyo Interbank Offered Rate (TIBOR) 0.56 percent at December 31, 2008), plus margins of 0.50 percent to 2.25 percent. We are not required to provide any collateral related to the lines of credit and term loans in Japan. These lines of credit and term loans generally require our subsidiaries in Japan to provide financial statements on a quarterly or semi-annual basis, and in some cases stipulate that borrowings may not be used for inter-company transfers, loans or dividends between our subsidiaries. As of December 31, 2008, we had line of credits and term loans representing 2.5 billion Japanese Yen (approximately U.S. $27.7 million) in available borrowing capacity and 1.0 billion Japanese Yen (approximately U.S. $11.1 million) in outstanding borrowings which were subject to inter-company transfer restrictions. The lines of credit are generally available to us under one-year agreements that renew at various times over the next 12 months. If any of these credit lines were not renewed, or were renewed for a smaller amount, we would be required to repay some or all of the outstanding amounts under the line immediately, which could put a strain on our liquidity. There can be no assurance that these credit lines will continue to be available to us or that, if renewed or replaced, the terms of these or replacement lines of credit would be favorable to the company.

We also have an additional of term loan classified as long-term available through our subsidiaries in Japan for working capital purposes. The total available borrowing capacity as of December 31, 2008 was 0.3 billion Japanese Yen (approximately U.S. $3.3 million at the exchange rate as of that date). The principal amount of our outstanding borrowings as of December 31, 2008 was 0.3 billion Japanese Yen (approximately U.S. $3.2 million at the exchange rate as of that date). The applicable interest rates for the above-referenced Japan term loan is variable based on the Tokyo Interbank Offered Rate (TIBOR) 0.56 percent at December 31, 2008), plus margin of 1.875 percent. This term loan does not require us to provide any collateral but does require use to provide financial statements on a quarterly or semi-annual basis.

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15. FAIR VALUE MEASUREMENTS

We adopted SFAS No. 157, "*Fair Value Measurements,*" ("SFAS No. 157") effective April 1, 2008 for financial assets and liabilities. SFAS No. 157 clarifies that fair value is an exit price, representing the amount that would be received upon the sale of an asset, or the amount paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions, SFAS No. 157 establishes a three-tier value hierarchy, which prioritizes the inputs used in measuring fair value as follows: (Level 1) observable inputs such as quoted prices in active markets; (Level 2) inputs other than the quoted prices in active markets that are observable either directly or indirectly in active markets; and (Level 3) unobservable inputs in which there is little or no market data, which require us to develop our own assumptions. SFAS No. 157 requires us to maximize the use of observable market data, and to minimize the use of unobservable inputs when determining fair value. On a recurring basis, we measure our investments held in money market funds, which are included in cash and cash equivalents, at fair value. The following table summarizes the valuation of our investments and the financial instruments which were determined by using the following inputs at December 31, 2008:

	Fair Value Measurements at December 31, 2008			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Assets				
Cash and cash equivalents money market funds	$ 1,689	$ −	$ −	$1,689
Total	$ 1,689	$ −	$ −	$1,689

Our investments held in money market funds of $1.7 million at December 31, 2008 are classified within Level 1 of the fair value hierarchy because they are valued utilizing market observable inputs with reasonable levels of price transparency.

We adopted SFAS No. 159, "*The Fair Value Option for Financial Assets and Financial Liabilities - Including an Amendment of FASB Statement No. 115*" ("SFAS No. 159"), effective April 1, 2008. Under SFAS No. 159, we may elect to measure certain financial instruments and certain other items at fair value. The standard requires that unrealized gains and losses on items for which the fair value option has been elected be reported in earnings. We currently do not have any instruments eligible for election of the fair value option. Therefore, the adoption of SFAS No. 159 did not impact our consolidated financial position, results of operations or cash flows.

We performed an evaluation of the fair value of our money market funds in light of the current economic conditions. Our evaluation resulted in the determination that the carrying value of our money market funds held at December 31, 2008 approximated their respective fair values.

16. RELATED-PARTY TRANSACTIONS

Our Japan subsidiary, ATJH, has certain transactions with MECS Korea in which ATJH is a minority shareholder. During the first quarter of fiscal 2009, we experienced a dilution of our MECS Korea investment from 19.4 percent to 13.7 percent which resulted in a shift from the equity method to the cost method to account for this investment.

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At December 31, 2008 and March 31, 2008, respectively, significant balances with ATJH and MECS Korea were as follows:

	December 31, 2008	March 31, 2008
Accounts receivable from MECS Korea	$ 18	$ 26
Accounts payable due to MECS Korea	19	67
Accrued liabilities due to MECS Korea	–	6

During the three and nine months ended December 31, 2008 and 2007, respectively, sales to and purchases from ATJH and MECS Korea were as follows:

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2008	2007	2008	2007
Sales to MECS Korea	$ 16	$ 33	28	$ 57
Purchases from MECS Korea	20	192	200	459

17. COMMITMENTS AND CONTINGENCIES

Lease Commitments

We lease various facilities under non-cancelable capital and operating leases. At December 31, 2008, the future minimum commitments under these leases were as follows:

Fiscal Year Ending March 31,	Capital Lease	Operating Lease	Total
Remainder of 2009	$ 50	$ 1,726	$1,776
2010	10	4,746	4,756
2011	10	2,403	2,413
2012	4	1,489	1,493
2013 and thereafter	1	1,354	1,355
Total	75	$ 11,718	$11,793
Less: interest	(2)		
Present value of minimum lease payments	73		
Less: current portion of capital leases	(57)		
Capital leases, net of current portion	$ 16		

Rent expense under our operating leases was approximately $1.4 million and $1.5 million for the three months ended December 31, 2008 and 2007, respectively. Rent expense under our operating leases was approximately $4.3 million and $4.1 million for the nine months ended December 31, 2008 and 2007, respectively.

Purchase Commitments

At December 31, 2008, the total of non-cancelable purchase orders or contracts for the purchase of raw materials and other goods and services was $45.0 million.

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Legal Contingencies

Our Patent Infringement Action against Jenoptik AG

On October 28, 1996, we filed suit in the United States District Court for the Northern District of California against Empak, Inc., Emtrak, Inc., Jenoptik AG, and Jenoptik Infab, Inc., alleging, among other things, that certain products of these defendants infringe our United States Patents Nos. 5,097,421 ("the '421 patent") and 4,974,166 ("the '166 patent"). Defendants filed answers and counterclaims asserting various defenses, and the issues subsequently were narrowed by the parties' respective dismissals of various claims, and the dismissal of defendant Empak pursuant to a settlement agreement. The remaining patent infringement claims against the remaining parties proceeded to summary judgment, which was entered against us on June 8, 1999. We thereafter took an appeal to the United States Court of Appeals for the Federal Circuit. On October 10, 2001, the Federal Circuit issued a written opinion, Asyst Technologies, Inc. v. Empak, 268 F.3d 1365 (Fed. Cir. 2001), reversing in part and affirming in part the decision of the trial court to narrow the factual basis for a potential finding of infringement, and remanding the matter to the trial court for further proceedings. The case was subsequently narrowed to the '421 patent, and we sought monetary damages for defendants' infringement, equitable relief, and an award of attorneys' fees. On October 9, 2003, the court: (i) granted defendants' motion for summary judgment to the effect that the defendants had not infringed our patent claims at issue and (ii) directed that judgment be entered for defendants. We thereafter took a second appeal to the United States Court of Appeals for the Federal Circuit. On March 22, 2005, the Federal Circuit issued a second written opinion, Asyst Technologies, Inc. v. Empak, 402 F.3d 1188 (Fed. Cir. 2005), reversing in part and affirming in part the decision of the trial court to narrow the factual basis for a potential finding of infringement, and remanding the matter to the trial court for further proceedings.

Following remand, we filed a motion for summary judgment that defendants infringe several claims of the '421 patent, and defendants filed a cross-motion seeking a determination of non-infringement. On March 31, 2006, the Court entered an order granting in part, and denying in part, the Company' s motion for summary judgment and at the same time denying defendants' cross motion for summary judgment. The Court found as a matter of law that defendants' IridNet system infringed the '421 Patent under 35 U.S.C. § 271(a), but denied without prejudice that portion of the motion regarding whether defendants' foreign sales infringed under 35 U.S.C. § 271(f). On January 31, 2007, a federal jury in the United States District Court for the Northern District of California returned a unanimous verdict in our favor, validating our patent in suit and awarding damages of approximately $75 million. However, the verdict was subject to several post-trial motions, including motions by defendants to vacate the jury' s verdict in its entirety and for entry of judgment in their favor as a matter of law.

On August 3, 2007, the Court granted defendants' motion for judgment as a matter of law on the issue of obviousness. The effect of the Court' s judgment was to invalidate our '421 patent in suit and dispose of the action in its entirety in favor of defendants. The Court also conditionally granted defendants' motion for a new trial on the issue of obviousness in the event the Court' s judgment is vacated or reversed on appeal. The Court terminated without prejudice defendants' other post-trial motions, including motions challenging the award of damages. However, in so doing, the Court noted substantial legal questions with respect to the damages award, in particular that only a portion of our damages may be attributed directly to the patented Smart Traveler System, and stated that the Court' s present inclination would be to grant a new trial or remittitur in the event that the Court' s present judgment is vacated or reversed on appeal. We are appealing the Court' s judgment.

We appealed the Court' s judgment. However, on October 10, 2008, the United States Court of Appeals for the Federal Circuit affirmed the district court' s ruling on the defendants' motion for judgment as a matter of law that the asserted claims of the '421 patent are invalid for obviousness. The Federal Circuit did not address the ruling on invalidity for double patenting or on defendants' motion for a new trial.

In parallel to the court action, the defendants sought a re-examination by the Patent and Trademark Office of the patent claims in suit. The Patent and Trademark Office issued a ruling dated July 17, 2008 which invalidated all but one of the claims of the patent in suit.

We are considering a further appeal of these rulings.

Daifuku' s Patent Infringement Action Against Us

On August 29, 2005, a suit was filed in the Osaka District Court, Japan, against Shinko and ATJ. The suit, filed by Auckland UniServices Limited and Daifuku Corporation ("Plaintiffs"), alleges, among other things, that certain Shinko and ATJ products infringe Japanese Patent No. 3304677 and Japanese Patent No. 3729787 (together, the "Patents-in-Suit"). The Court has reserved final ruling on the substantive issues in the case, including the nature and scope of infringement of the Patents-in-Suit. However, the Court has indicated a basis to find the ATJ products infringe several claims under the

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Patents-in-Suit and is assessing in what amount damages should be awarded in plaintiffs' favor and against ATJ and Shinko. Specifically, the suit alleges infringement of the Patents-in-Suit by elements of identifiable Shinko products and of ATJ' s Over-head Shuttle (OHS) and Over-head Hoist Transport (OHT) products and Daifuku seeks significant monetary damages against both Shinko and ATJ in an amount to be determined but which could be material. The suit also seeks to enjoin future sales and shipments of ATJ' s OHS, OHT and related products. ATJ has asserted various defenses, including non-infringement of the asserted claims, and intends to continue to defend the matter vigorously. ATJ has also provided notice to Shinko concerning Shinko' s obligations to indemnify Asyst and ATJH under certain claims in the event damages are awarded representing ATJ products during and prior to the term of the joint venture with Shinko.

In a related proceeding, the Japan Patent and Trademark Office invalidated the Patents in Suit, which Daifuku is appealing. The Court has stayed further proceedings pending a determination of an appeal of the invalidity determination. We cannot predict the outcome of these proceedings, and a further adverse ruling by the District Court, including a final judgment awarding significant damages and enjoining sales and shipments of ATJ' s OHS, OHT and related products, could have a material adverse effect on our operations and profitability, and could result in a royalty payment or other future obligations that could adversely and significantly impact our future profitability.

Derivative Action filed Against Current and Former Directors & Officers Relating to Past Stock Option Grants & Practices

Certain of our current and former directors and officers have been named as defendants in two consolidated shareholder derivative actions filed in the United States District Court of California, captioned In re Asyst Technologies, Inc. Derivative Litigation (N.D. Cal.) (the "Federal Action"). A similar shareholder derivative action initially filed in California state court, and captioned Forlenzo v. Schwartz, et al. (Alameda County Superior Court) has been refiled in federal court and noticed as related to the Federal Action. Plaintiffs in the Federal Action allege that certain of the current and former defendant directors and officers backdated stock option grants beginning in 1995, and assert causes of action for breach of fiduciary duty, unjust enrichment, corporate waste, abuse of control, gross mismanagement, accounting, rescission and violations of Section 25402 et. seq. of the California Corporations Code. The Federal Action also alleges that certain of the current and former defendant directors and officers breached their fiduciary duty by allegedly violating Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act") and Rule 10b-5 promulgated there under, Section 14(a) of the Exchange Act and Rule 14a-9 promulgated there under, and Section 20(a) of the Exchange Act. The Federal Action seeks to recover unspecified monetary damages, disgorgement of profits and benefits, equitable and injunctive relief, and attorneys' fees and costs. We are named as a nominal defendant in the Federal Action, thus no recovery against us is sought.

Other Matters

From time to time, we are also involved in other legal actions arising in the ordinary course of business. We have incurred certain costs while defending these matters. There can be no assurance that third-party assertions will be resolved without costly litigation, in a manner that is not adverse to our financial position, results of operations or cash flows or without requiring royalty or other payments in the future which may adversely impact gross margins. Litigation is inherently unpredictable, and we cannot predict the outcome of the legal proceedings described above with any certainty. Because of uncertainties related to both the amount and range of losses in the event of an unfavorable outcome in the lawsuit listed above or in certain other pending proceedings for which loss estimates have not been recorded, we are unable to make a reasonable estimate of the losses that could result from these matters. As a result, no losses have been accrued for the legal proceedings described above in our financial statements as of December 31, 2008.

Indemnifications

We, as permitted under California law and in accordance with our Bylaws, indemnify our officers, directors and members of our senior management for certain events or occurrences, subject to certain limits, while they were serving at its request in such capacity. In this regard, we have received numerous requests for indemnification by current and former officers and directors, with respect to asserted liability under the governmental inquiries and shareholder derivative actions described in the immediately preceding Legal Contingencies section. The maximum amount of potential future indemnification is unlimited; however, we have a Director and Officer Insurance Policy that we believe enables us to recover a portion of future amounts paid, subject to conditions and limitations of the polices. As a result of the insurance policy coverage, we believe the fair value of these indemnification agreements is not material.

Our sales agreements indemnify our customers for any expenses or liability resulting from claimed infringements of patents, trademarks or copyrights of third parties. The terms of these indemnification agreements are generally perpetual any time after execution of the agreement. The maximum amount of potential future indemnification is unlimited. However, to date, we have not paid any claims or been required to defend any lawsuits with respect to any claim of an amount we deem to be material.

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18. SUBSEQUENT EVENTS

On January 7, 2009, we announced implementation of additional cost reduction actions, including headcount reductions representing approximately 15 percent of our global workforce, reduced executive pay and other discretionary expenses, to further reduce our break-even level and improve cash flow in response to continued weakness in the semiconductor equipment industry. These cost reduction actions are estimated to be completed by the fourth quarter of fiscal year 2009. See Note 12, "Restructuring Charges," above for additional details.

On July 14, 2006, we purchased from Shinko shares of ATJ representing an additional 44.1 percent of outstanding capital stock of ATJ. This purchase increased our consolidated ownership of ATJ to 95.1 percent. Under our agreement, either we or Shinko may give notice at any time to the other, calling for ATJH to purchase the remaining 4.9 percent of outstanding capital stock of ATJ for a fixed payment of 1.3 billion Japanese Yen (approximately U.S. $14.4 million at the December 31, 2008 exchange rate). By letter dated October 24, 2008, Shinko notified us of its intention to sell to us as of January 24, 2009 the remaining 4.9 percent of outstanding capital stock of ATJ. On January 26, 2009, we purchased the remaining 4.9 percent equity of ATJ for cash of 1.3 billion Yen, or approximately $14.6 million at then-current exchange rates.

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

Forward Looking Statements

Except for the historical information contained herein, the following discussion includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 that involve risks and uncertainties. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 and we are including this statement for purposes of complying with these safe harbor provisions. We have based these forward-looking statements on our current expectations and projections about future events. Our actual results could differ materially, as a result of certain factors including but not limited to those discussed in "Risk Factors" in this report and our other Securities and Exchange Commission ("SEC") filings. These forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties and assumptions, including those set forth in this section as well as those under the caption, Item 1A, "Risk Factors."

Words such as "expect," "anticipate," "intend," "plan," "believe," and "estimate," and variations of such words and similar expressions are intended to identify such forward-looking statements. Except as may be required by law, we do not intend publicly to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this report might not occur.

The following discussion should be read in conjunction with the unaudited condensed consolidated financial statements and related notes included in this report and our audited consolidated financial statements and related notes as filed in our Annual Report Form 10-K for the fiscal year ended March 31, 2008.

Unless expressly stated or the context otherwise requires, terms such as "we," "our," "us," "ATI," "Asyst" and "the Company" refer to Asyst Technologies, Inc. and its subsidiaries.

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Overview

We develop, manufacture, sell and support integrated hardware and software automation systems primarily for the semiconductor, and secondarily for the flat panel display ("FPD") manufacturing industries. We principally sell directly to the semiconductor and

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FPD manufacturing industries. We also sell to original equipment manufacturers (“OEMs”) that make production equipment for sale to semiconductor manufacturers. Our strategy is to offer integrated automation systems that enable semiconductor and FPD manufacturers to increase their manufacturing productivity and yield and to protect their investment in fragile materials during the manufacturing process. We believe that our systems are becoming increasingly more important because of several trends in the manufacturing of semiconductors and FPDs including:

The use of larger diameter silicon wafers, which require automated handling because of ergonomic issues and increased yield risk.

The use of larger size glass panels for the manufacturing of FPDs, which require automated handling because of the extreme bulk and weight of the panels.

Continuing decreases in semiconductor device line widths, which require higher levels of cleanliness in the manufacturing process.

Increasingly complex semiconductor devices, which require more process steps and thus greater transportation and tool loading capabilities and higher throughput.

Continuing customer requirements for enhanced manufacturing control, productivity and return on capital.

We invoice a substantial portion of our revenues in Japanese Yen and are subject to currency fluctuation rates. We generally translate the assets and liabilities of our Japanese operations and their subsidiaries using period-end exchange rates. For this reason, a significant movement in relative exchange rates − for example, between the U.S. Dollar and the Japanese Yen, or between the Japanese Yen and the Korean Won − could result in an unexpected gain or loss which could be material in any period. We reflect translation adjustments as a component of “Accumulated other comprehensive income (loss)” in our Condensed Consolidated Balance Sheets.

Our Operating Segments

We report our financial results through the following two reportable segments:

AMHS. This segment derives revenues from the sale of products and services for automated transport and loading systems for semiconductor fabs and flat panel display manufacturers.

Fab Automation Products. This segment derives revenues from the sale of products and services for interface products, substrate-handling robotics, Auto-ID systems, sorters, EFEMs and connectivity software.

For further descriptions of our operating segments, see Note 13, “Reportable Segments,” in the Notes to the Condensed Consolidated Financial Statements in Part I, Item 1 of this Form 10-Q. Our reportable segments are the same as our operating segments.

We believe critical success factors include manufacturing cost reduction, product quality, customer relationships, and continued demand for our products. Demand for our products can change significantly from period-to-period as a result of numerous factors, including, but not limited to, changes in: (1) global economic conditions; (2) fluctuations in the semiconductor equipment market; (3) changes in customer buying patterns due to technological advancement and/or capacity requirements or customer ability to finance such purchases; (4) relative competitiveness of our products; and (5) our ability to successfully manage the outsourcing of our manufacturing activities to meet customers’ demands for our products and services. For this and other reasons, our results of operations for the fiscal year ended March 31, 2008 and for the three and nine months ended December 31, 2008 may not be indicative of our future operating results.

We intend the discussion of our financial condition and results of operations that follow to provide information that will assist in understanding our financial statements, the changes in certain key items in those financial statements, the primary factors that resulted in those changes, and how certain accounting principles, policies and estimates affect our financial statements.

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Status of Material Weakness

We concluded in Item 9A of our Form 10-K for fiscal year 2008 filed on June 12, 2008, that our disclosure controls and procedures and internal control over financial reporting were not effective as of March 31, 2008. Item 9A provided a summary of the material weakness outstanding as of that date that we identified in management' s assessment of internal control as of March 31, 2008, and other related information. Because this material weakness remained outstanding as of the end of the fiscal quarter reported in this Form 10-Q, we have reported in Item 4 of Part I that our disclosure controls and procedures were not effective as of December 31, 2008, together with a summary of these material weaknesses and the status of our remediation efforts.

Goodwill Impairment Charge

During and after the second quarter of our fiscal year 2009, we experienced certain events and circumstances which appeared to make it more likely than not that an impairment of our goodwill may have occurred. We experienced a sustained, significant decline in our stock price during and after the end of the second quarter of fiscal year 2009, thus reducing our market capitalization. On October 9, 2008, we also experienced the termination of our discussions with Aquest Systems Corp. regarding their expression of an interest to acquire all of our outstanding common stock for a price of $6.50 per share. In addition, our updated long-term financial forecast indicated lower estimated short-term and long-term profitability. Our updated long-term financial forecast represents the best estimate that our management has at this time and we believe that its underlying assumptions are reasonable. However, actual performance in the short-term and long-term could be materially different from these forecasts, which could impact future estimates of fair value of our reporting units and may result in further impairment of goodwill. Due to these events and circumstances, we performed an interim goodwill impairment assessment during the second quarter of our fiscal year 2009.

Based on the results of our impairment assessment of goodwill, we determined that the carrying value of our AMHS reporting unit exceeded its estimated fair value. Therefore, we performed a second step of the impairment test to determine the implied fair value of goodwill. Specifically, we hypothetically allocated the estimated fair value of our AMHS reporting unit as determined in the first step to recognized and unrecognized net assets, including allocations to intangible assets such as developed technologies, in-process research and development, customer relationships and trade names. The result of our analysis indicated that there would be no remaining implied value attributable to goodwill in our AMHS reporting unit and accordingly, we wrote off all $89.4 million of goodwill associated with our AMHS reporting unit as of September 30, 2008. Our assessment of goodwill impairment indicated that as of September 30, 2008, the fair value of our Software reporting unit within our Fab Automation segment exceeded its carrying value and therefore goodwill in that segment was not impaired.

During the third quarter of our fiscal year 2009, we completed our annual impairment testing of goodwill. Our assessment of goodwill impairment indicated that as of December 31, 2008 the fair value of our Software reporting unit within our Fab Automation segment exceeded its carrying value and therefore goodwill in that segment was not impaired.

See Note 8, "Balance Sheet Components," for additional details.

Outlook and Liquidity

Global demand for semiconductors and semiconductor equipment has been severely impacted by the current negative global economic environment. As a result, in the third quarter of fiscal 2009 we experienced a continuing decline in sales and we currently anticipate that sales will decline further in our fiscal fourth quarter ending March 31, 2009. In response, we have significantly reduced costs throughout our business to maintain neutral or positive cash flow at reduced sales levels. We do not expect to see an improvement in our sales for at least the next several quarters, and we lack sufficient visibility to predict with certainty when industry demand will improve. We will continue to evaluate the sales outlook and may need to cut costs further. However, there can be no assurance that we will be able to cut sufficient costs to avoid future losses or negative cash flow in any particular quarter or over an extended period.

We currently have a high level of outstanding indebtedness. The current industry downturn' s negative impact on our financial results has caused us to be out of compliance with financial covenants under our principal credit facility. Over the past several months, we have negotiated three amendments to this facility in order to maintain compliance and we believe it is probable that we will need a further amendment or waiver of certain covenants as of March 31, 2009. As a result, we reclassified the long-term portion of our KeyBank National Association credit facility as current in accordance with EITF No. 86-30, "*Classification of Obligations When a Violation is Waived by a Creditor*" ("EITF 86-30"). However, this reclassification did not change or accelerate the repayment schedule or maturity of the credit facility (which currently matures July 2012). We have initiated discussions with our banks for a

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further amendment or waiver of covenants under the facility. We believe that our bank relationships are good and that the banks will work with us to establish a covenant structure that provides us with sufficient liquidity and operating flexibility. However, there can be no assurance that we will be able to obtain a further waiver or amendment of covenants or that such waiver or amendment will be on favorable terms. Under these circumstances, we could be forced to repay some or all of our debt. However, we do not currently have sufficient cash to repay all of our debt and we may need to seek additional financing, which could be expensive or dilutive, or entail covenants that are more restrictive than our current structure. In addition, as a condition of any such amendment or waiver, we could be required to incur additional amendment fees and other associated costs and expenses. There can be no assurance that financing would be available to us. See Note 14, “Debt,” above, for additional details.

We have also experienced a sustained, significant decline in our stock price during and after the end of the second quarter of fiscal year 2009, thus reducing our market capitalization. We believe that the recent decline in our stock price is partially attributable to the decline of the U.S. stock market generally. For example, from October 1, 2008 through February 2, 2009, major U.S. stock market indexes are down approximately 30 percent. In addition, we believe that investor concerns about our outstanding indebtedness, compliance with debt covenants, and liquidity have also adversely impacted our stock price.

These adverse market conditions and our declining stock price give rise to certain accounting considerations including recoverability of goodwill, long-lived assets and inventory, discussed further in Note 8, “Balance Sheet Components,” and in Note 2, “Accounting Policies,” in our Annual Report on Form 10-K for the fiscal year ended March 31, 2008. These conditions may also have a significant impact on our liquidity, discussed further below.

Critical Accounting Policies and Estimates

Our discussion and analysis of the financial condition and results of operations are based upon our condensed consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires us to make estimates and judgments that affect our consolidated financial statements. On an on-going basis, we evaluate our estimates and judgments, including those related to revenue recognition, valuation of long-lived assets, asset impairments, restructuring charges, goodwill and intangible assets, income taxes, and commitments and contingencies. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

Management believes there have been no significant changes during the three and nine months ended December 31, 2008 to the items that we disclosed as our critical accounting policies and estimates in Management Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K for the fiscal year ended March 31, 2008 other than a change in the estimated useful lives of certain acquisition-related intangibles as disclosed in Note 4, “Significant Accounting Policies.”

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Results of Operations for the Three and Nine Months Ended December 31, 2008 and 2007

The following is a summary of our net sales and income (loss) from operations by segment and consolidated total for the periods presented (in thousands):

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2008	2007	2008	2007
AMHS:				
Net sales	$67,615	$68,441	$205,302	$230,977
Cost of Sales	46,690	52,308	158,812	177,171
Gross Profit	$20,925	$16,133	$46,490	$53,806
(Loss) income from operations	$4,983	$(856)	$(93,294)	$(706)
Fab Automation Products:				
Net sales	$15,368	$38,034	$73,140	$131,954
Cost of Sales	10,177	21,606	43,829	74,173
Gross Profit	$5,191	$16,428	$29,311	$57,781
(Loss) income from operations	$(9,267)	$(990)	$(18,144)	$3,450
Consolidated:				
Net sales	$82,983	$106,475	$278,442	$362,931
Cost of Sales	56,867	73,914	202,641	251,344
Gross Profit	$26,116	$32,561	$75,801	$111,587
(Loss) income from operations	$(4,284)	$(1,846)	$(111,438)	$2,744

The following is a summary of our net sales and income (loss) from operations by segment as a percentage of consolidated net sales for the periods presented:

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2008	2007	2008	2007
AMHS:				
Net sales	81.5 %	64.3 %	73.7 %	63.6 %
Cost of Sales	56.3 %	49.1 %	57.0 %	48.8 %
Gross Profit	25.2 %	15.2 %	16.7 %	14.8 %
(Loss) income from operations	6.0 %	(0.8)%	(33.5)%	(0.2)%
Fab Automation Products:				
Net sales	18.5 %	35.7 %	26.3 %	36.4 %
Cost of Sales	12.3 %	20.3 %	15.7 %	20.4 %
Gross Profit	6.3 %	15.4 %	10.5 %	16.0 %
(Loss) income from operations	(11.2)%	(0.9)%	(6.5)%	1.0 %
Consolidated:				
Net sales	100.0 %	100.0 %	100.0 %	100.0 %
Cost of Sales	68.5 %	69.4 %	72.8 %	69.3 %
Gross Profit	31.5 %	30.6 %	27.2 %	30.7 %
(Loss) income from operations	(5.2)%	(1.7)%	(40.0)%	0.8 %

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Third Quarter of 2009 Compared to Third Quarter of 2008

Net Sales

Consolidated

During the three months ended December 31, 2008, consolidated net sales decreased by $23.5 million, or 22.1 percent, compared to the same period of the prior fiscal year. This decrease was driven by volume decreases of $12.3 million from semiconductor AMHS projects, $10.4 million from interface products, $5.1 million from Spartan Sorters and EFEMs, $2.8 million from robotics, $2.3 million from Auto-ID systems, $0.8 million from service and $0.7 million from software. Partially offsetting the decreases was an increase of $9.3 million from sales of flat panel AMHS projects and $1.6 million from other AMHS projects. We continued to experience a decline in our net sales during the three months ended December 31, 2008, primarily due to the current general economic condition of the industries in which we compete.

Geographically, net sales for the three months ended December 31, 2008 compared with the three months ended December 31, 2007 decreased by $15.0 million in Taiwan, $11.1 million in Japan, $7.5 million in Europe, $3.7 million in North America and $2.9 million in Other APAC. These decreases were offset in part by an increase of $9.5 million in China and $7.2 million in Korea. The geographical breakdown of consolidated net sales for the three months ended December 31, 2008 was 41.8 percent for Japan, 18.1 percent for North America, 16.0 percent for China, 11.4 percent for Taiwan, 9.4 percent for Korea, 2.0 percent for Europe and 1.3 percent for Other APAC. Other APAC represents all Asia Pacific countries excluding Japan, Taiwan, China and Korea. Sales to end-users and OEMs for the three months ended December 31, 2008 were 89.7 percent and 10.3 percent, respectively.

AMHS

Net sales for our AMHS segment during the third quarter of our fiscal year 2009 decreased by $0.8 million, or 1.2 percent, compared to the corresponding period of the prior fiscal year. This decrease was primarily driven by a volume decrease of $12.3 million in semiconductor AMHS projects attributed to customers in Taiwan reducing their capital investments due to the overall industry slowdown. This decrease was partially offset by volume increases of $9.3 million in flat panel AMHS projects resulting from sales relating to a significant Generation 8 (also referred to as "Gen 8") contract secured during the fourth quarter of fiscal year 2008 and from an increase of $2.2 million in service and other.

Geographically, net sales for the three months ended December 31, 2008 as compared with the three months ended December 31, 2007 decreased by $13.1 million in Taiwan, $4.0 million in Europe, $2.0 million in Japan and $0.5 million in Other APAC. This decrease was mitigated by an increase in net sales of $10.1 million in China, $7.0 million in Korea and $1.7 million in North America. The net sales declines were primarily driven by reduced capital spending by our customers for our semiconductor AMHS projects due to the overall industry slowdown. The $10.1 million increase in China resulted from the achievement of certain milestones of a significant semiconductor project and the $7.0 million increase in Korea resulted from a significant Gen 8 contract secured in the fourth quarter of the prior fiscal year. The geographical breakdown of AMHS sales for the three months ended December 31, 2008 was 44.0 percent for Japan, 19.2 percent for China, 13.3 percent for Taiwan, 11.2 percent for Korea, 11.1 percent for North America, 0.7 percent for Other APAC and 0.5 percent for Europe.

Fab Automation

Net sales for our Fab Automation segment during the three months ended December 31, 2008 decreased by $22.7 million or 59.6 percent compared to the same period of the prior fiscal year. This decrease was driven by volume declines of $5.9 million from 200mm loadports, $5.1 million from Spartan Sorters and EFEMs, $4.0 million from 300mm loadports, $2.8 million from robotics, $2.3 million from Auto-ID systems, $1.5 million from service, $0.7 million from software and $0.4 million from Plus Portals. These declines resulted from the current economic downturn in the industries in which we compete.

Geographically, net sales for the three months ended December 31, 2008 compared with the three months ended December 31, 2007 decreased by $9.1 million in Japan, $5.4 million in North America, $3.5 million in Europe, $2.4 million in Other APAC, $2.0 million in Taiwan and $0.5 million in China. Korea represented the only region where we experienced an increase in net sales of $0.2 million. The geographical breakdown of Fab Automation sales for the three months ended December 31, 2008 was 48.7 percent for North America, 32.5 percent for Japan, 8.6 percent for Europe, 3.7 percent for Other APAC, 2.9 percent for Taiwan, 2.1 percent for China and 1.5 percent for Korea.

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First Nine Months of 2009 Compared to First Nine Months of 2008

Net Sales

Consolidated

During the nine months ended December 31, 2008, consolidated net sales decreased by $84.5 million or 23.3 percent compared to the same period of the prior fiscal year. This decrease was driven by volume decreases of $61.1 million from semiconductor AMHS projects, $27.3 million from interface products, $14.2 million from Spartan Sorters and EFEMs, $6.8 million from robotics, $5.8 million from Auto-ID systems, $2.6 million from software and $1.1 million from service. Partially offsetting the decreases were increases of $33.0 million from flat panel AMHS projects and $1.4 million from other AMHS projects. We continued to experience a decline in net sales during the nine months ended December 31, 2008 primarily due to the current general economic condition of the industries in which we compete.

Geographically, net sales for the nine months ended December 31, 2008 compared with the nine months ended December 31, 2007 decreased by $56.2 million in Taiwan, $20.6 million in North America, $20.6 million in Europe, $14.9 million in Japan and $9.3 million in Other APAC. These decreases were offset in part by an increase of $34.8 million in Korea and $2.3 million in China. The geographical breakdown of consolidated net sales for the nine months ended December 31, 2008 was 46.2 percent for Japan, 17.3 percent for Korea, 17.0 percent for North America, 9.1 percent for Taiwan, 5.9 percent for China, 2.5 percent for Europe and 2.0 percent for Other APAC. Sales to end-users and OEMs for the nine months ended December 31, 2008 were 86.4 percent and 13.6 percent, respectively.

AMHS

Net sales for our AMHS segment during the nine months ended December 31, 2008 decreased by $25.7 million or 11.1 percent compared to the corresponding period of the prior fiscal year. This decrease was primarily driven by a volume decrease of $61.1 million in semiconductor AMHS projects attributed to customers in Taiwan and Europe regions reducing their capital investments due to the overall industry slowdown. This decrease was partially offset by volume increases of $33.0 million in flat panel displays resulting from a significant Gen 8 contract secured during the fourth quarter of fiscal year 2008 and from an increase of $2.5 million in service and other.

Geographically, net sales for the nine months ended December 31, 2008 as compared with the nine months ended December 31, 2007 decreased by $47.7 million in Taiwan, $11.5 million in Europe, $3.8 million in North America and $3.6 million in Other APAC. This decrease was mitigated by an increase in net sales of $34.1 million in Korea, $4.4 million in China and $2.4 million in Japan. The net sale decline in Taiwan was primarily driven by reduced capital spending by our customers for our semiconductor AMHS projects due to the overall industry slowdown. The $34.1 million increase in Korea resulted from the significant Gen 8 contract secured in the fourth quarter of the prior fiscal year. The geographical breakdown of AMHS sales for the nine months ended December 31, 2008 was 49.9 percent for Japan, 22.9 percent for Korea, 10.8 percent for Taiwan, 9.3 percent for North America, 6.4 percent for China, 0.5 percent for Europe and 0.2 percent for Other APAC.

Fab Automation

Net sales for our Fab Automation segment during the nine months ended December 31, 2008 decreased by $58.8 million or 44.6 percent compared to the same period of the prior fiscal year. This decrease was driven by volume declines of $14.7 million from 200mm loadports, $14.2 million from Spartan Sorters and EFEMs, $11.3 million from 300mm loadports, $6.8 million from robotics, $5.8 million from Auto-ID systems, $2.6 million from software, $2.1 million from service and $1.3 million from Plus Portals. These declines resulted from the current economic downturn in the industries in which we compete.

Geographically, net sales for the nine months ended December 31, 2008 compared with the nine months ended December 31, 2007 decreased by $17.3 million in Japan, $16.8 million in North America, $9.1 million in Europe, $8.5 million in Taiwan, $5.7 million in Other APAC and $2.2 million in China. Korea represented the only region where we experienced an increase in net sales of $0.8 million. The geographical breakdown of Fab Automation sales for the nine months ended December 31, 2008 was 38.9 percent for North America, 36.1 percent for Japan, 8.1 percent for Europe, 6.8 percent for Other APAC, 4.3 percent for China, 4.3 percent for Taiwan and 1.5 percent for Korea.

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Comparison of Expenses, Gross Margin, Interest & Other Income, and Income Taxes

The following table sets forth the percentage of net sales represented by condensed consolidated statements of operations for the periods indicated:

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2008	2007	2008	2007
Net sales	100.0 %	100.0 %	100.0 %	100.0 %
Cost of sales	68.5 %	69.4 %	72.8 %	69.3 %
Gross profit	31.5 %	30.6 %	27.2 %	30.7 %
Operating expenses:				
Research and development	10.4 %	9.9 %	10.6 %	7.7 %
Selling, general and administrative	22.1 %	19.6 %	20.8 %	18.2 %
Amortization of acquired intangible assets	1.6 %	2.8 %	2.7 %	3.8 %
Goodwill impairment charge	0.0 %	0.0 %	32.1 %	0.0 %
Restructuring and other charges	2.6 %	0.0 %	1.1 %	0.3 %
Total operating expenses	36.6 %	32.3 %	67.2 %	30.0 %
(Loss) income from operations	(5.2)%	(1.7)%	(40.0)%	0.8 %
Interest and other income (expense), net:				
Interest income	0.1 %	0.7 %	0.2 %	0.5 %
Interest expense	(3.2)%	(2.0)%	(2.8)%	(1.8)%
Write-off of fees related to early extinguishment of debt and early redemption of convertible securities	0.0 %	0.0 %	0.0 %	(0.9)%
Other expense, net	(3.4)%	1.7 %	(2.9)%	1.0 %
Interest and other income (expense), net	(6.4)%	0.4 %	(5.5)%	(1.3)%
Loss before income taxes and minority interest	(11.6)%	(1.3)%	(45.5)%	(0.5)%
Benefit from income taxes	2.8 %	0.5 %	3.2 %	0.3 %
Minority interest	0.0 %	0.0 %	0.0 %	0.0 %
Net loss	(8.8)%	(0.8)%	(42.3)%	(0.2)%

Third Quarter of 2009 Compared to Third Quarter of 2008

Gross Margin

Consolidated

Consolidated gross profit for the three months ended December 31, 2008 was $26.1 million, $6.4 million lower than the corresponding period of the prior fiscal year, primarily due to sales volume decreases in semiconductor AMHS projects, 200mm and 300mm loadports, Spartan Sorters and EFEMs, robotics and Auto-ID systems. The gross margin percentage for the three months ended December 31, 2008 was 31.5 percent, increasing by 0.9 percent from the corresponding period of the prior fiscal year. The gross margin increase was primarily due to significant margin improvement in our AMHS segment, which increased to 30.9 percent during the three months ended December 31, 2008 compared to 23.6 percent during the same period of the prior fiscal year, offset in part by a gross margin decline in our Fab Automation segment from 43.2 percent during the three months ended December 31, 2007 to 33.8 percent during the current quarter.

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AMHS

AMHS gross profit for the three months ended December 31, 2008 was $20.9 million with a gross margin of 30.9 percent, compared to $16.1 million gross profit or 23.6 percent gross margin for the three months ended December 31, 2007. The $4.8 million increase in gross profit was primarily driven by higher pricing on certain projects and products and from product cost reduction initiatives which began to materialize during the current quarter. The 7.4 percent increase in gross margin primarily resulted from increased pricing on certain projects and products, which translated to higher average selling prices and higher gross margins, and from product cost reduction initiatives that began to materialize during the current quarter.

Fab Automation

Fab Automation gross profit for the three months ended December 31, 2008 was $5.2 million with a gross margin of 33.8 percent compared to $16.4 million gross profit or 43.2 percent gross margin for the three months ended December 31, 2007. The $11.2 million decrease in gross profit primarily resulted from the lower sales volume in 200mm and 300mm loadports, Spartan Sorters and EFEMs, robotics and Auto-ID systems. The 9.4 percent gross margin decrease in our Fab Automation' s gross margin was primarily attributable to an unfavorable impact of operating overheads on lower volumes combined with an unfavorable product mix shift towards lower margin products.

First Nine Months of 2009 Compared to First Nine Months of 2008

Gross Margin

Consolidated

Consolidated gross profit for the nine months ended December 31, 2008 was $75.8 million, $35.8 million lower than the corresponding period of the prior fiscal year, primarily due to sales volume decreases in semiconductor AMHS projects, interface products, Spartan Sorters and EFEMs, robotics and Auto-ID systems. The gross margin percentage for the nine months ended December 31, 2008 was 27.2 percent, decreasing by 3.5 percent from the corresponding period of the prior fiscal year. The decrease in gross margin primarily reflects increased mix of sales from our lower margin AMHS segment, which experienced an 11.1 percent sales decline during this period, compared to a 44.6 percent sales decline for our higher margin Fab Automation segment.

AMHS

AMHS gross profit for the nine months ended December 31, 2008 was $46.5 million with a gross margin of 22.6 percent, compared to $53.8 million gross profit or 23.3 percent gross margin for the nine months ended December 31, 2007. The $7.3 million decrease in gross profit was primarily driven by lower than anticipated cost reductions from product cost reduction initiatives and from reduced pricing on certain projects and products. The 0.7 percent gross margin decline primarily resulted from reduced pricing on certain projects and products, which translated to lower average selling prices and lower gross margins during this period, and from lower than anticipated cost reductions from product cost reduction initiatives.

Fab Automation

Fab Automation gross profit for the nine months ended December 31, 2008 was $29.3 million with a gross margin of 40.1 percent compared to $57.8 million gross profit or 43.8 percent gross margin for the nine months ended December 31, 2007. The $28.5 million decrease in gross profit primarily resulted from lower sales volume in 200mm and 300mm loadports, Spartan Sorters and EFEMs, robotics and Auto-ID systems. The decrease in our gross profit was also due to the $2.2 million charge resulting from reductions in purchase volumes with Flextronics. The 3.7 percent gross margin decrease in our Fab Automation' s gross margin was primarily attributable to a $2.2 million reduction in purchase volume charge from Flextronics, unfavorable impact of operating overheads on lower volumes, and unfavorable product mix shift towards lower margin products.

Research and Development

	Three Months Ended December 31,			Nine Months Ended December 31,		
(in thousands, except percentages)	**2008**	**2007**	**Change**	**2008**	**2007**	**Change**
Research and development	$ 8,615	$ 10,526	$ (1,911)	$ 29,383	$ 27,900	$ 1,483
Percentage of total net sales	*10.4 %*	*9.9 %*		*10.6 %*	*7.7 %*	

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Over the past two years we have increased our investment in new product development. The results of our investments have included the development and the commercial release of a number of significant new products during the second quarter of our fiscal year 2009, including Agile Automation, Falcon Integrated Loadport, Velocity HTC Conveyor and VAO software.

Research and development expense declined by $1.9 million for the three months ended December 31, 2008, compared to the same period of the prior fiscal year, due to decreases of $1.5 million in new product development material expenses, $0.2 million in outside services for software development and the remaining $0.2 million in all other miscellaneous research and development expenses. This decrease was primarily due to commercial releases of a number of significant new products during the first half of fiscal year 2009 which resulted in higher research and development expenses during that period.

Research and development expense increased by $1.5 million for the nine months ended December 31, 2008, compared to the same period of the prior fiscal year, due to increases of $0.3 million in new product development material expenses and $1.2 million in all other miscellaneous research and development expenses. This increase was primarily due to our continued investment in new product development and the commercial release of a number of significant new products during the first half of fiscal year 2009.

The research and development expenses may vary as a percentage of net sales because we do not manage these expenditures strictly to variations in our level of net sales. Rather, we establish annual budgets that we believe are necessary to develop enhancements to our current products as well as new products and product lines. Although we will continue investing in new product development, we have begun to reduce our level of spending and do expect this trend to continue through at least fiscal year 2010. We believe that our investments in research and development expenses will position us for increased sales and profitability in the future. We, however, do not expect to realize the benefits of these investments during the current fiscal year.

Selling, General and Administrative

	Three Months Ended December 31,			Nine Months Ended December 31,		
(in thousands, except percentage)	**2008**	**2007**	**Change**	**2008**	**2007**	**Change**
Selling, general and administrative	$ 18,321	$ 20,873	$ (2,552)	$ 57,906	$ 66,026	$ (8,120)
Percentage of total net sales	*22.1 %*	*19.6 %*		*20.8 %*	*18.2 %*	

The selling, general and administrative (“SG&A”) expense decrease of $2.6 million for the three months ended December 31, 2008 compared to the same period of fiscal year 2008 primarily resulted from the implementation of recent cost reduction initiatives, which resulted in a decrease of $1.8 million in compensation-related costs and $0.8 million in travel-related costs.

The $8.1 million decrease in SG&A expenses during the nine months ended December 31, 2008, compared to the same period of fiscal year, also primarily resulted from the implementation of recent cost reduction initiatives, which decreased compensation-related expenses by $2.5 million, travel-related costs by $2.1 million, and outside services and contractor costs by $1.7 million. In addition, the current fiscal quarter excluded a $1.8 million charge recorded in the same period of the prior fiscal year relating to the establishment of a reserve against a prepaid advance to a Korean supplier due to the cancellation of an order with a customer.

Amortization of Acquired Intangibles Assets

	Three Months Ended December 31,			Nine Months Ended December 31,		
(in thousands, except percentage)	**2008**	**2007**	**Change**	**2008**	**2007**	**Change**
Amortization of acquired intangible assets	$ 1,299	$ 2,970	$ (1,671)	$ 7,550	$ 13,898	$ (6,348)
Percentage of total net sales	*1.6 %*	*2.8 %*		*2.7 %*	*3.8 %*	

The decrease in the amortization expense for the three and nine months ended December 31, 2008, compared with the corresponding periods in the prior fiscal year, was due to some of our acquired intangibles becoming fully amortized during the second quarter of our fiscal year 2008 combined with a change in the estimated useful lives assigned to our developed technology and customer relationship intangibles.

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During the current fiscal quarter, we performed an assessment on the recoverability of our acquisition-related intangible assets due to the worsening economic conditions in the semiconductor industry environment. Upon review of various industry publications, we concluded that our acquisition-related developed technology may be utilized for a period longer than originally estimated since the anticipated reduced spending in the semiconductor industry could delay the development of new technologies, which could potentially replace or cause obsolescence of our existing developed technology and the customer relationships associated with it.

In accordance with FASB Statement No. 154, "*Accounting Changes and Error Corrections*" ("FASB No. 154"), the change in estimated useful life of intangible assets is accounted for prospectively. The change in estimated useful lives for developed technology and customer relationships is effective from October 1, 2008. The effect of the change in estimated useful lives for these intangible assets decreased our loss from continuing operations by approximately $1.9 million and our net loss by approximately $1.1 million for the three and nine months ended December 31, 2008 and decreased basic and diluted loss per share by $0.02 for the three and nine months ended December 31, 2008. Amortization of intangible assets was $1.4 million and $3.1 million for the three months ended December 31, 2008 and 2007, respectively. Amortization of intangible assets was $7.8 million and $14.1 million for the nine months ended December 31, 2008 and 2007, respectively.

See Note 4, "Significant Accounting Policies," above for additional details.

Goodwill Impairment Charge

	Three Months Ended December 31,			Nine Months Ended December 31,		
(in thousands, except percentage)	**2008**	**2007**	**Change**	**2008**	**2007**	**Change**
Goodwill impairment charge	$ –	$ –	$ –	$ 89,431	$ –	$ 89,431
Percentage of total net sales	*0.0%*	*0.0%*		*32.1 %*	*0.0%*	

During and after the second quarter of our fiscal year 2009, we experienced certain events and circumstances which appeared to make it more likely than not that an impairment of our goodwill may have occurred. We experienced a sustained, significant decline in our stock price during and after the end of the second quarter of fiscal year 2009, thus reducing our market capitalization. On October 9, 2008, we also experienced the termination of our discussions with Aquest Systems Corp. regarding their expression of an interest to acquire all of our outstanding common stock for a price of $6.50 per share. In addition, our updated long-term financial forecast indicated lower estimated short-term and long-term profitability. Our updated long-term financial forecast represents the best estimate that our management has at this time and we believe that its underlying assumptions are reasonable. However, actual performance in the short-term and long-term could be materially different from these forecasts, which could impact future estimates of fair value of our reporting units and may result in further impairment of goodwill. Due to these events and circumstances, we performed an interim goodwill impairment assessment during the second quarter of our fiscal year 2009.

Based on the results of our impairment assessment of goodwill, we determined that the carrying value of our AMHS reporting unit exceeded its estimated fair value. Therefore, we performed a second step of the impairment test to determine the implied fair value of goodwill. Specifically, we hypothetically allocated the estimated fair value of our AMHS reporting unit as determined in the first step

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to recognized and unrecognized net assets, including allocations to intangible assets such as developed technologies, in-process research and development, customer relationships and trade names. The result of our analysis indicated that there would be no remaining implied value attributable to goodwill in our AMHS reporting unit and accordingly, we wrote off all $89.4 million of goodwill associated with our AMHS reporting unit as of September 30, 2008. Our assessment of goodwill impairment indicated that as of September 30, 2008, the fair value of our Software reporting unit within our Fab Automation segment exceeded its carrying value and therefore goodwill in that segment was not impaired.

During the third quarter of our fiscal year 2009, we completed our annual impairment testing of goodwill. Our assessment of goodwill impairment indicated that as of December 31, 2008 the fair value of our Software reporting unit within our Fab Automation segment exceeded its carrying value and therefore goodwill in that segment was not impaired.

See Note 8, “Balance Sheet Components,” above for additional details.

Restructuring Charges

	Three Months Ended December 31,			Nine Months Ended December 31,		
(in thousands, except percentage)	**2008**	**2007**	**Change**	**2008**	**2007**	**Change**
Restructuring charges	$ 2,165	$ 38	$ 2,127	$ 2,969	$ 1,019	$ 1,950
Percentage of total net sales	*2.6 %*	*0.0%*		*1.1 %*	*0.3 %*	

In the fourth quarter of fiscal year 2008, we implemented a new restructuring plan (“2008 Plan”) involving employee terminations and closure of certain facilities worldwide. This plan is designed to improve efficiencies across our entire organization, reduce operating expense levels, and redirect resources to product development and other critical areas. We incurred no restructuring charges under the 2008 Plan during the three months ended December 31, 2008. During the nine months ended December 31, 2008, we incurred restructuring charges of $0.8 million under the 2008 Plan, consisting of $0.6 million in charges for severance costs from a reduction in workforce and $0.2 million in charges for facilities-related costs. We currently do not expect to incur additional restructuring charges under the 2008 Plan and expect to pay the accrual amount outstanding at December 31, 2008 during the fourth quarter of fiscal year 2009.

Due to the continued decline in demand for semiconductor capital equipment, we initiated a new cost reduction initiative during the third quarter of fiscal year 2009. This new initiative or restructuring plan (“2009 Plan”) is designed to reduce our annual manufacturing and operating expense levels through the reduction of headcount and all other discretionary expenses. During the fourth quarter of fiscal year 2009, we announced additional cost reduction actions under this plan, including headcount reductions representing approximately 15 percent of our global workforce, reduced executive pay and other discretionary expenses, to further reduce our break-even level and improve cash flow in response to continued weakness in the semiconductor equipment industry. Cost reduction actions under the 2009 Plan are estimated to be completed by the fourth quarter of fiscal year 2009. During the three and nine months ended December 31, 2008, we incurred restructuring charges of $2.2 million for severance costs under this Plan. We currently expect to incur additional restructuring charges between $3.0 million and $5.0 million under the 2009 Plan during the four quarter of fiscal year 2009. We expect to pay the accrual amount outstanding at December 31, 2008 during the fourth quarter of fiscal year 2009.

During the three and nine months ended December 31, 2007, we incurred restructuring charges of $0.04 million and $1.0 million, related to excess facility charges in connection with our Japan and Taiwan office relocation and consolidation.

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We expect to pay the outstanding restructuring accrual amount at December 31, 2008, as noted in the following table (in thousands), during the remainder of our fiscal year 2009.

	Severance and Benefits	Excess Facilities	Total
Balance at March 31, 2008	$ 387	$154	$541
Reclassification from other long-term liability	–	65	65
Additional accruals	2,736	233	2,969
Non-cash related utilization	–	(101)	(101)
Amounts paid in cash	(2,484)	(285)	(2,769)
Foreign currency translation	(14)	(7)	(21)
Balance at December 31, 2008	$ 625	$59	$684

Interest and Other Income (Expense), Net

(in thousands)	Three Months Ended December 31, 2008	2007	Change	Nine Months Ended December 31, 2008	2007	Change
Interest income	$105	$708	$(603)	$548	$1,769	$(1,221)
Interest expense	(2,653)	(2,134)	(519)	(7,784)	(7,029)	(755)
Write-off of fees related to early extinguishment of debt and early redemption of convertible securities	–	–	–	–	(3,135)	3,135
Foreign currency exchange (loss) gain	(2,772)	591	(3,363)	(8,360)	244	(8,604)
Other income (expense), net	(11)	1,264	(1,275)	339	3,435	(3,096)
Interest and other income (expense), net	$(5,331)	$429	$(5,760)	$(15,257)	$(4,716)	$(10,541)

Interest income during the three and nine months ended December 31, 2008 compared to the same periods in the prior fiscal year was lower due to lower average cash and investment balances and lower rates of return between the periods.

Interest expense during the three and nine months ended December 31, 2008 compared to the same periods in the prior fiscal year was higher due to higher average interest rates on our KeyBank credit facility and from increased usage of our local bank lines in Japan.

The write-off of fees related to the early extinguishment of debt and early redemption of convertible securities during the nine months ended December 31, 2007 was due to the write-off of $2.4 million of fees from early extinguishment of the credit facility with Bank of America and $0.7 million for the redemption of the convertible subordinated notes. There was no such write-off during the nine months ended December 31, 2008.

Foreign currency exchange loss was higher during both the three and nine months ended December 31, 2008 compared to the same period in the prior fiscal year primarily due to the strengthening of the Japanese Yen relative to both the U.S. dollar and the Korean Won.

Other income (expense), net was lower during both the three and nine months ended December 31, 2008 from a decrease in royalty income due to the natural termination of a royalty arrangement during the fourth quarter of fiscal year 2008.

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Income Taxes

(in thousands, except percentage)	Three Months Ended December 31, 2008	Three Months Ended December 31, 2007	Change	Nine Months Ended December 31, 2008	Nine Months Ended December 31, 2007	Change
Benefit from income taxes	$ 2,314	$ 562	$ 1,752	$ 8,845	$ 1,203	$ 7,642
Percentage of total net sales	*2.8 %*	*0.5 %*		*3.2 %*	*0.3 %*	

We recorded a benefit from income taxes for the three months ended December 31, 2008 of $2.3 million, which included a tax benefit of $0.5 million from the change in deferred tax liabilities resulting from the amortization of intangible assets in connection with our ATJ acquisition, a benefit of $0.9 million relating to the resolution of a state tax audit and a benefit of $0.9 million from the release of a FIN 48 liability also resulting from the state tax audit resolution. Our effective tax rate differed from the U.S. statutory rate primarily due to tax benefits recorded in ATJ and other foreign subsidiaries in excess of the U.S. statutory rate, and by U.S. losses not providing current tax benefits.

We recorded a benefit from income taxes for the three months ended December 31, 2007 of $0.6 million, which included a tax benefit of $1.1 million from the change in deferred tax liabilities resulting from the amortization of intangible assets in connection with the ATJ acquisition and a $0.1 million tax benefit recorded primarily by other international subsidiaries, offset by a $0.6 million tax provision recorded by ATJ. Our effective tax rate differs from the U.S. statutory rate primarily due to tax benefits recorded in ATJ and other foreign subsidiaries in excess of the U.S. statutory rate, and by U.S. losses not providing current tax benefits.

We recorded a benefit from income taxes for the nine months ended December 31, 2008 of $8.8 million, which included a tax benefit of $2.9 million from the change in deferred tax liabilities resulting from the amortization of intangible assets in connection with our ATJ acquisition, a net tax benefit of $5.6 million recorded by our international subsidiaries and a net tax benefit of $0.3 million from the release of FIN 48 liabilities. Our effective tax rate differed from the U.S. statutory rate primarily due to tax benefits recorded in ATJ and other foreign subsidiaries in excess of the U.S. statutory rate, and by U.S. losses not providing current tax benefits.

We recorded a benefit from income taxes for the nine months ended December 31, 2007 of $1.2 million, which included a tax benefit of $5.4 million from the change in deferred tax liabilities resulting from the amortization of intangible assets in connection with the ATJ acquisition, a $0.3 million net tax benefit recorded primarily by other international subsidiaries, offset by a $4.5 million tax provision recorded by ATJ. Our effective tax rate differs from the U.S. statutory rate primarily due to tax benefits recorded in ATJ and other foreign subsidiaries in excess of the U.S. statutory rate, and by U.S. losses not providing current tax benefits.

In compliance with FASB interpretation No. 48, “Accounting for Uncertainty in Income Taxes” (“FIN 48”), our total unrecognized tax benefits as of December 31, 2008 and March 31, 2008 were $8.4 million and $8.8 million excluding interest and penalties, respectively, none of which is expected to be paid within the next twelve months. If recognized, these amounts would reduce our provision for income taxes. Although we file U.S. federal, U.S. state and foreign tax returns, our three major tax jurisdictions are the U.S., Japan and Taiwan. Our 2000 through 2008 fiscal years remain subject to examination by the IRS for U.S. federal tax purposes and our 2003 through 2008 fiscal years remain subject to tax in Japan and Taiwan. Therefore, there could be a change in our FIN 48 liability in the next twelve months that we are currently unable to estimate.

During the three months ended December 31, 2008, we released approximately $0.9 million of liability for unrecognized tax benefits resulting from the resolution of a state tax audit for March 31, 1999 through March 31, 2002. During the nine months ended December 31, 2008, we released liability for unrecognized tax benefits approximating $0.9 million from the resolution of a state tax audit and $1.1 million from the expiration of statute of limitations in certain foreign tax jurisdictions. Over the next twelve months, we anticipate releasing $0.7 million of gross unrecognized tax benefits.

Our policy is to include interest and penalties related to gross unrecognized tax benefits within our provision for income taxes. Interest and penalties included in our provision for income taxes was $0.1 million and $0.3 million for the three and nine months ended December 31, 2008. Interest and penalties included in our provision for income taxes was not material for the three and nine months ended December 31, 2007.

Liquidity and Capital Resources

Since inception, we have funded our operations primarily through the private sale of equity securities and public stock offerings, customer pre-payments, bank borrowings, debt and cash generated from operations.

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The tables below, for the periods indicated, provide selected condensed consolidated cash flow information:

(in thousands)	Nine Months Ended December 31, 2008	Nine Months Ended December 31, 2007
Net cash (used in) provided by operating activities	$ (2,597)	$ 8,709
Net cash used in investing activities	(6,489)	(6,214)
Net cash used in financing activities	(12,976)	(24,642)

Cash Flows from Operating Activities

Net cash used in operating activities for the nine months ended December 31, 2008 was $2.6 million and consisted of the following (in thousands):

Net loss	$(117,862)
Depreciation and amortization	13,598
Amortization of deferred financing costs	836
Goodwill impairment charge	89,431
Share-based compensation expense	4,438
Write-off of fees related to the amendment of a credit facility	954
Deferred taxes, net	(7,936)
Other non-cash charges	3,102
Decrease in accounts receivable	28,702
Decrease in inventories	7,458
Decrease in prepaid expenses and other assets	2,990
Decrease in accounts payable, accrued liabilities and deferred margin	(28,308)
Net cash used in operating activities	$(2,597)

We used net cash of $2.6 million from operating activities during the nine months ended December 31, 2008, primarily driven by a net loss of $117.9 million, a $28.3 million decrease in accounts payable, accrued liabilities and deferred margin resulting from a decrease in customer deposits from AMHS long-term contracts achieving revenue recognition milestones under the percentage-of-completion method and from lower accruals for employee compensation and inventory purchases and a $7.9 million increase in deferred taxes, net. This use in net cash was partially offset by increases in net cash resulting from a $28.7 million decrease in accounts receivables due to decreased sales and improved collections during the nine months ended December 31, 2008 compared to the same period of the prior fiscal year, $7.5 million decrease in inventory related to the completion of certain AMHS projects, $3.0 million decrease in prepaid expenses and other assets plus an additional $112.4 million in other non-cash charges, including $89.4 million in goodwill impairment charge, $13.6 million in depreciation and amortization, $4.4 million in share-based compensation expense, $1.0 million from the write-off of previously deferred financing costs and $0.8 million from the amortization of deferred financing costs.

Days sales outstanding (“DSO”) improved from 96 days at March 31, 2008 to 91 days at December 31, 2008 for billed and unbilled receivables. This decrease was primarily driven by an improvement in our cash collections. Our inventory turnover metric improved from 51 days during the nine months ended December 31, 2007 to 45 days during the nine months ended December 31, 2008. This improvement was primarily caused by the decrease in inventory related to the completion of certain AMHS projects during the first nine months of fiscal year 2009 compared to the same period of the prior fiscal year.

We expect that cash used in or provided by operating activities may fluctuate in future periods as a result of a number of factors including fluctuations in our operating results, collections of accounts receivable, timing of payments and inventory levels.

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Cash Flows from Investing Activities

Net cash used in investing activities of $6.5 million during the nine months ended December 31, 2008 and $6.2 million during the nine months ended December 31, 2007 were due to purchases of property and equipment, primarily fixed assets for research and development and customer demonstration units.

Cash Flows from Financing Activities

Net cash used in financing activities was $13.0 million during the nine months ended December 31, 2008 and was primarily due to principal reductions on debt and capital leases of $45.6 million and payment of financing fees of $1.2 million, offset in part by $30.9 million in net proceeds from lines of credits and $2.8 million in proceeds from long-term debt.

Net cash used in financing activities was $24.6 million during the nine months ended December 31, 2007 and was primarily due to principal reductions on debt and capital leases of $170.3 million and payment of financing fees of $3.8 million, offset in part by $122.9 million in proceeds from long-term debt, $25.2 million in net proceeds from lines of credits and $1.3 million in net proceeds from the issuance of common stock under our employee stock programs.

Credit Facility

On July 27, 2007, we entered into a credit agreement with KeyBank National Association, acting as lead manager and administrative agent, for a five-year $137.5 million multi-currency senior secured credit facility. This credit agreement provides for a $85.0 million term loan facility and a $52.5 million revolving credit facility. This facility bears variable interest rates based on certain indices, such as Yen LIBOR, U.S. Dollar LIBOR, the Fed Funds Rate, or KeyBank' s Prime Rate, plus applicable margins. We initially elected to borrow $137.5 million of this credit facility in Yen at the Yen LIBOR rate, incurring an initial pre-tax interest rate of approximately 3.30 percent. Our net available borrowing under the credit agreement is subject to limitations under consolidated senior leverage, consolidated total leverage and consolidated fixed charge financial covenants.

On April 30, 2008, we amended certain terms of the credit agreement relating to the principal amount of term loans available to us in Japanese Yen. One effect of this amendment is to reduce or increase, as the case may be, the aggregate principal amount of Japanese Yen borrowings available to us and outstanding at any time under the term loan credit facility, based on fluctuations in the applicable foreign currency exchange rates. Accordingly, after giving effect to the applicable foreign currency exchange rate, the outstanding principal amount of Yen borrowings may not exceed the commitment amounts under either the term loan or revolving credit facilities. In addition, as part of this amendment we also reduced the principal amount of borrowing available to us under the revolving credit facility from $52.5 million to $27.5 million. In accordance with EITF No. 98-14, "*Debtor' s Accounting for Changes in Line-of-Credit or Revolving-Debt Arrangements*" ("EITF 98-14"), any remaining unamortized debt issuance cost must be written-off in proportion to any decrease in the borrowing capacity of the credit facility. As a result, we were required to write-off $0.9 million in previously capitalized debt issuance costs. The amendment also suspends and amends the existing consolidated total leverage, consolidated senior leverage and consolidated fixed charge coverage financial covenants and adds new minimum liquidity, consolidated interest coverage, maximum total debt to capitalization, and minimum consolidated EBITDA financial covenants applicable to us under the credit agreement. We incurred amendment fees and other costs and expenses of approximately $0.6 million, which are being amortized as interest expense over the remaining term of the agreement. After giving effect to the amendment, we were in compliance with our debt covenants as of March 31, 2008 and June 30, 2008.

As of October 15, 2008, we further amended the facility to waive and modify covenants related to minimum EBITDA, minimum liquidity, consolidated interest coverage and maximum debt to capital. This amendment also increased the margin on LIBOR loans to 6.0%, compared with 4.25% previously, and increases the amount of principal payments on the term loan during calendar year 2009 by a minimum of $10 million. Specifically, under the amendment, we are required to increase the amount of our principal payments on the term loan during each fiscal quarter of calendar year 2009 by the higher of (a) $2,500,000 or (b) fifty percent of the amount by which our consolidated EBITDA for the quarter exceeds $5,000,000. Accordingly, the actual amount by which the principal payments increase during calendar year 2009 will be determined by our EBITDA performance in each quarter of calendar year 2009, and could be higher. We incurred amendment fees and related expenses of $0.6 million, which will be amortized as interest expense over the remaining life of the facility.

As of November 10, 2008, we further amended the facility to eliminate covenants related to maximum debt to capital ratios, and replaced these with covenants related to maximum pre-tax loss. Each covenant modification under these amendments is effective as of our fiscal quarter ended September 30, 2008. After giving effect to the amendments, we were in compliance with our debt covenants as of December 31, 2008. We incurred an amendment fee and related expenses of approximately $0.1 million, which will be amortized as interest expense over the remaining life of the facility.

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As of December 31, 2008, we had borrowings outstanding of approximately $80.4 million under the credit facility (with $14.9 million in available borrowing used to support two standby letters of credit issued under the credit facilities). Our pre-tax interest rate at December 31, 2008 was 7.01 percent. As of December 31, 2008, we had approximately $3.9 million of bank fees, costs and related legal and other expenses as additional interest expense which will be amortized over the remaining term of the credit facility. If our current credit facility is refinanced in a transaction required to be accounted for as an extinguishment or the outstanding balance is demanded by the lender, unamortized debt issue costs at the demand or refinancing date would be required to be expensed in the period of refinancing or demand. We were fully drawn under the Keybank facility at December 31, 2008.

We believe that the cyclical downturn in the semiconductor equipment industry will continue into calendar 2009, which is likely to have a negative impact on our results of operations. We also believe it is probable that we will need a further amendment or waiver of certain covenants as of March 31, 2009. As a result, we reclassified the long-term portion of our KeyBank National Association credit facility as current in accordance with EITF No. 86-30. However, this reclassification did not change or accelerate the repayment schedule or maturity of the credit facility (which currently matures July 2012). We intend to initiate discussions with our banks for further amendment or waiver of covenants under our credit facility, however there can be no assurance that we will receive an amendment or waiver.

The credit facilities contain financial and other covenants, including, but not limited to, limitations on liens, mergers, sales of assets, capital expenditures and indebtedness. Additionally, although we have not paid any cash dividends on our common stock in the past and do not anticipate paying any such cash dividends in the foreseeable future, the credit agreement restricts our ability to pay such dividends. In addition, until such time that the term loan facility has been repaid in full, we are required to make mandatory prepayments in an amount equal to 100 percent of the net cash proceeds from specified asset sales (other than sales or other dispositions of inventory in the ordinary course of business), and 50 percent of the net cash proceeds from the issuance of equity securities; otherwise, amounts outstanding under the new credit facility will be due on July 26, 2012. The aggregate principal amount of Japanese Yen borrowings available to us and outstanding at any time under the credit facilities may be reduced or increased, as the case may be, based on the fluctuations in the applicable foreign currency exchange rate. Accordingly, we may be required periodically to make principal pre-payments to the extent the outstanding Yen-borrowings under the term loan facility exceed the term loan and revolving credit facility commitment amounts on a U.S. dollar-equivalent basis. To date, we have relied on available cash and borrowings under our other credit lines in Japan to make these payments. The KeyBank credit facilities are secured by liens on substantially all of our assets, including the assets of certain subsidiaries.

Other Debt Financing Arrangements

We have additional lines of credit and term loans classified as short-term available through our subsidiaries in Japan for working capital purposes. The total available borrowing capacity as of December 31, 2008 was 9.2 billion Japanese Yen (approximately U.S. $101.7 million at the exchange rate as of that date). The principal amount of our outstanding borrowings as of December 31, 2008 was 6.6 billion Japanese Yen (approximately U.S. $73.4 million at the exchange rate as of that date). The applicable interest rates for the above-referenced Japan lines of credit and term loans are variable based on the Tokyo Interbank Offered Rate (TIBOR) 0.56 percent at December 31, 2008), plus margins of 0.50 percent to 2.25 percent. We are not required to provide any collateral related to the lines of credit and term loans in Japan. These lines of credit and term loans generally require our subsidiaries in Japan to provide financial statements on a quarterly or semi-annual basis, and in some cases stipulate that borrowings may not be used for inter-company transfers, loans or dividends between our subsidiaries. As of December 31, 2008, we had line of credits and term loans representing 2.5 billion Japanese Yen (approximately U.S. $27.7 million) in available borrowing capacity and 1.0 billion Japanese Yen (approximately U.S. $11.1 million) in outstanding borrowings which were subject to inter-company transfer restrictions. The lines of credit are generally available to us under one-year agreements that renew at various times over the next 12 months. If any of these credit lines were not renewed, or were renewed for a smaller amount, we would be required to repay some or all of the outstanding amounts under the line immediately, which could put a strain on our liquidity. There can be no assurance that these credit lines will continue to be available to us or that, if renewed or replaced, the terms of these or replacement lines of credit would be favorable to the company.

We also have an additional of term loan classified as long-term available through our subsidiaries in Japan for working capital purposes. The total available borrowing capacity as of December 31, 2008 was 0.3 billion Japanese Yen (approximately U.S. $3.3 million at the exchange rate as of that date). The principal amount of our outstanding borrowings as of December 31, 2008 was 0.3

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billion Japanese Yen (approximately U.S. $3.2 million at the exchange rate as of that date). The applicable interest rates for the above-referenced Japan term loan is variable based on the Tokyo Interbank Offered Rate (TIBOR) 0.56 percent at December 31, 2008), plus margin of 1.875 percent. This term loan does not require us to provide any collateral but does require use to provide financial statements on a quarterly or semi-annual basis.

Acquisition and Related Debt Financing Facility

On July 14, 2006, we purchased from Shinko shares of ATJ representing an additional 44.1 percent of outstanding capital stock of ATJ for a cash purchase price of 11.7 billion Japanese Yen (approximately U.S. $102 million at the July 14, 2006 exchange rate). This purchase increased our consolidated ownership of ATJ to 95.1 percent. As of that date, we borrowed an aggregate amount of approximately $81.5 million under our senior credit facility to fund the purchase of shares reported above and for general working capital purposes, and issued a letter of credit in favor of Shinko for approximately $10.9 million related to the equity option on Shinko' s remaining 4.9 percent ATJ share ownership.

In accordance with EITF 00-4, on July 14, 2006, we accounted for the purchase option on a combined basis with the minority interest as a financing of the purchase of the minority interest, and as a result treated the transaction as an acquisition of the full remaining 49 percent interest of ATJ. Accordingly, we recorded a liability, equivalent to the net present value of both the 1.3 billion Japanese Yen fixed payment for the 4.9 percent remaining interest and a fixed annual dividend payment of 65 million Japanese Yen and accreted the discount recorded to interest expense over the next twelve months until the first potential exercise date. The $14.4 million liability has been classified within “Accrued and other liabilities” in our Condensed Consolidated Balance Sheets.

At any time and subject to the other provisions of the agreement, either we or Shinko may give notice to the other, calling for ATJH to purchase the remaining 4.9 percent of outstanding capital stock of ATJ for a fixed payment of 1.3 billion Japanese Yen (approximately U.S. $14.4 million at the December 31, 2008 exchange rate). As noted above in Note 18, “Subsequent Events,” by letter dated October 24, 2008, Shinko notified us of its intention to sell to us as of January 24, 2009 the remaining 4.9 percent of outstanding capital stock of ATJ. On January 26, 2009, we purchased the remaining 4.9 percent equity of ATJ for cash of 1.3 billion Yen, or approximately $14.6 million at then-current exchange rates. The letter of credit that supported our purchase obligation in favor of Shinko was cancelled in conjunction with the purchase.

Other Liquidity Considerations

Since inception, we have incurred aggregate consolidated net losses of approximately $518.4 million, and have incurred net losses during each of the last six fiscal years. In prior years, we funded our operations through operating cash flows and bank borrowings. In the current fiscal year, however, we funded our operations primarily through bank borrowings. Cash and cash equivalents aggregated a total of $76.6 million at December 31, 2008. We believe that our current cash and the availability of additional financing via existing lines of credit will be sufficient to meet our expected cash requirements for at least the next 12 months. However, as discussed elsewhere in this Form 10-Q, our covenants under the credit agreement with KeyBank National Association require us to comply at various times with certain covenants related to maximum pre-tax loss, liquidity, interest and fixed charge coverage, minimum EBITDA, and senior and total leverage. Continued weakness in our business could cause us to be out of compliance with any of these covenants. Specifically, we believe it is probable that we will need a further amendment or waiver of certain covenants as of March 31, 2009. Under such a scenario, we could be required to pay down some or all of the outstanding borrowings from cash as a result of default or to maintain compliance with these financial covenants, unless we received an amendment or waiver. This could materially impair the availability of additional financing via our existing lines of credit and could impair our ability to fund operations.

The cyclical nature of the semiconductor industry makes it very difficult for us to predict future liquidity requirements with certainty. Any upturn in the semiconductor industry may result in short-term uses of cash in operations as cash may be used to finance additional working capital requirements such as accounts receivable and inventories. Alternatively, continued or further softening of demand for our products may cause us to fund additional losses in the future. At some point in the future, we may require additional funds to support our working capital and operating expense requirements or for other purposes. We may seek to raise these additional funds through public or private debt or equity financings, or the sale of assets. These financing options may not be available to us on a timely basis if at all, or, if available, on terms acceptable to us or not dilutive to our shareholders. If we fail to obtain acceptable additional financing, we may be required to reduce planned expenditures or forego investments, which could reduce our revenues, increase our losses, and harm our business.

If a holder of our long term or short term indebtedness were in the near future to demand accelerated repayment of all or a

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substantial portion of our outstanding indebtedness that exceeds the amount of our available liquid assets that could be disbursed without triggering further defaults under other outstanding indebtedness, we would not likely have the resources to pay such accelerated amounts, would be required to seek funds from re-financing or re-structuring transactions for which we have no current basis to believe we would be able to obtain on desired terms or at all, and would face the risk of a bankruptcy filing by us or our creditors. Any accelerated repayment demands that we are able to honor would reduce our available cash balances and likely have a material adverse impact on our operating and financial performance and ability to comply with remaining obligations. If we are able to maintain our current indebtedness as outstanding, the restrictive covenants could impair our ability to expand or pursue our business strategies or obtain additional funding.

In addition, the material weakness and related matters we discuss in Part I, Item 4, "Controls and Procedures," of this report may also have an adverse impact on our ability to obtain future capital from equity or debt.

Recent Accounting Pronouncements

In December 2007, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 160, "*Noncontrolling Interests in Consolidated Financial Statements-an amendment of ARB No. 51*" ("SFAS No. 160"). The objective of this statement is to improve the relevance, comparability, and transparency of the financial information that a company provides in its consolidated financial statements. SFAS No. 160 requires companies to clearly identify and present ownership interests in subsidiaries held by parties other than the company in the consolidated financials statements within the equity section but separate from the company' s equity. It also requires that the amount of consolidated net income attributable to the parent and to the noncontrolling interest be clearly identified and presented on the face of the consolidated statement of income; changes in ownership interest be accounted for similarly, as equity transactions; and when a subsidiary is deconsolidated, any retained noncontrolling equity investment in the former subsidiary and the gain or loss on the deconsolidation of the subsidiary be measured at fair value. SFAS No. 160 is effective for us beginning in the first quarter of our fiscal year 2010. We are currently evaluating the impact that SFAS No. 160 will have on our consolidated financial statements.

In December 2007, FASB issued SFAS No. 141 (Revised 2007), "*Business Combinations*" ("SFAS No. 141R"). The objective of SFAS No. 141R is to improve the relevance, representational faithfulness, and comparability of the information that a company provides in its financial reports about a business combination and its effects. Under SFAS No. 141R, a company is required to recognize the assets acquired, liabilities assumed, contractual contingencies, contingent consideration measured at their fair value at the acquisition date. It further requires that research and development assets acquired in a business combination that have no alternative future use be measured at their acquisition-date fair value and then immediately charged to expense, and that acquisition-related costs be recognized separately from the acquisition and expensed as incurred. Among other changes, this statement also requires that "negative goodwill" be recognized in earnings as a gain attributable to the acquisition, and any deferred tax benefits resulted in a business combination be recognized in income from continuing operations in the period of the business combination. SFAS No. 141R is effective for business combinations for which the acquisition date is on or after the first quarter of our fiscal year 2010. We currently believe the adoption of that SFAS No. 141R will have no effect on our consolidated financial statements.

In February 2008, the FASB issued Staff Position No. 157-2, "*Effective Date of FASB Statement No. 157*," which delays the effective date of SFAS No. 157 for non-financial assets and liabilities, except for items that are recognized or disclosed at fair value on a recurring basis, until the first quarter of our fiscal year 2010. Our partial adoption of SFAS No. 157 for financial assets and liabilities did not have a material impact on our consolidated results of operations, financial condition or cash flows. We are currently evaluating the impact, if any, for non-financial assets and liabilities that SFAS No. 157 will have on our consolidated financial statements. See Part I, Item 1, Note 15, "Fair Value Measurements," for our adoption of SFAS No. 157 for financial assets and liabilities.

In March 2008, the FASB issued SFAS No. 161, "*Disclosures about Derivative Instruments and Hedging Activities*" ("SFAS No. 161"). SFAS No. 161 requires companies with derivative instruments to disclose information that should enable financial-statement users to understand how and why a company uses derivative instruments, how derivative instruments and related hedged items are accounted for under SFAS No. 133, *"Accounting for Derivative Instruments and Hedging Activities,"* and how derivative instruments and related hedged items affect a company' s financial position, financial performance and cash flows. SFAS No. 161 is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008. We are currently evaluating the impact, if any, that SFAS No. 161 will have on our consolidated financial statements.

In April 2008, the FASB issued Staff Position No. 142-3, "*Determination of the Useful Life of Intangible Assets*" ("FSP No. 142-3"). FSP No. 142-3 amends the factors that should be considered in developing renewal or extension assumptions used to determine

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the useful life of a recognized intangible asset under SFAS No. 142. FSP No. 142-3 is effective for financial statements issued for fiscal years and interim periods beginning after December 15, 2008. Early adoption is prohibited. We are currently evaluating the impact, if any, that FSP No. 142-3 will have on our consolidated financial statements.

In May 2008, the FASB issued SFAS No. 162, "*The Hierarchy of Generally Accepted Accounting Principles*" ("SFAS No. 162"). SFAS No. 162 is intended to improve financial reporting by identifying a consistent framework, or hierarchy, for selecting accounting principles to be used in preparing financial statements that are presented in conformity with GAAP for nongovernmental entities. SFAS No. 162 is effective 60 days following the SEC' s approval of the Public Company Accounting Oversight Board amendments to AU Section 411, *'The Meaning of Present Fairly in Conformity with Generally Accepted Accounting Principles."* We do not expect the adoption of SFAS No. 162 will have a material impact on our consolidated financial statements.

In June 2008, the FASB issued EITF No. 08-3, "*Accounting by Lessees for Nonrefundable Maintenance Deposits*" ("EITF 08-3"). EITF 08-3 requires that nonrefundable maintenance deposits paid by a lessee under an arrangement accounted for as a lease be accounted for as a deposit asset until the underlying maintenance is performed. When the underlying maintenance is performed, the deposit may be expensed or capitalized in accordance with the lessee' s maintenance accounting policy. Upon adoption, entities must recognize the effect of the change as a change in accounting principal. EITF 08-3 is effective for us beginning in the first quarter of our fiscal year 2010. We are currently evaluating the impact that EITF 08-3 will have on our consolidated financial statements.

In November 2008, the FASB ratified the consensus reached on EITF No. 08-6, "*Accounting for Equity Method Investment Considerations*" ("EITF 08-6"). EITF 08-6 addresses questions about the potential effect of SFAS No. 141R and SFAS No. 160 on equity-method accounting. The primary issues include how the initial carrying value of an equity method investment should be determined, how to account for any subsequent purchases and sales of additional ownership interests, and whether the investor must separately assess its underlying share of the investee' s indefinite-lived intangible assets for impairment. Early adoption is not permitted for entities that previously adopted an alternate accounting policy. The effective date of EITF 08-6 coincides with that of SFAS No. 141R and SFAS No. 160 and is to be applied on a prospective basis beginning in the first quarter of our fiscal year 2010. We are currently evaluating the impact, if any, that EITF 08-6 will have on our consolidated financial statements.

In November 2008, the FASB ratified the consensus reached on EITF No. 08-7, "*Accounting for Defensive Intangible Assets*" ("EITF 08-7"). Defensive intangible assets are assets acquired in a business combination that the acquirer (a) does not intend to use or (b) intends to use in a way other than the assets' highest and best use as determined by an evaluation of market participant assumptions. While defensive intangible assets are not being actively used, they are likely contributing to an increase in the value of other assets owned by the acquiring entity. EITF 08-7 will require defensive intangible assets to be accounted for as separate units of accounting at the time of acquisition and the useful life of such assets would be based on the period over which the assets will directly or indirectly affect the entity' s cash flows. This Issue would be applied prospectively for defensive intangible assets acquired on or after the first quarter of our fiscal year 2010. We currently believe the adoption of EITF 08-7 will have no effect on our consolidated financial statements.

In December 2008, the FASB issued Staff Position No. 132(R)-1, "*Employer' s Disclosures about Postretirement Benefit Plan Assets*" ("FSP No. 132(R)-1"). FSP No. 132(R)-1 provides guidance on an employer' s disclosures about plan assets of a defined benefit pension or other postretirement plan. FSP No. 132(R)-1 is effective for us beginning in the first quarter of our fiscal year 2010. We are currently evaluating the impact that FSP No. 132(R)-1 will have on our consolidated financial statements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There has not been a material change in our exposure to foreign currency risks since the disclosure made in Item 7A of our report on Form 10-K for the fiscal year ended March 31, 2008.

Interest Rate Risk. As of December 31, 2008, our portfolio consisted entirely of investments in highly liquid money market funds. Therefore, we do not expect our operating results or cash flows to be affected to any significant degree by a sudden change in market interest rates on our investment portfolio.

We do not use derivative financial instruments in our investment portfolio. Our investment portfolio consists of short-term fixed income securities and our investment policy limits the amount of credit exposure to any one issuer. Our investment policy ensures the safety and preservation of our invested principal funds by limiting default risk, market risk and reinvestment risk. We mitigate default risk by investing in safe and high-credit quality securities and by constantly positioning our portfolio to respond appropriately to a significant reduction in a credit rating of any investment issuer, guarantor or depository.

We also have debt and capital leases totaling approximately $159.0 million at December 31, 2008. All these borrowings are floating interest rate debt and either Japanese Yen or U.S. dollar denominated. We do not hedge against the risk of interest rate changes for our floating rate debt and could be negatively affected should these rates increase significantly. A 10 percent increase in the levels of interest rates, with all other variables held constant, would have resulted in an immaterial increase in interest expense for the three and nine months ended December 31, 2008.

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Foreign Currency Exchange Risk. We engage in international operations and transact business in various foreign countries. The primary source of foreign currency cash flows is Japan and to a lesser extent China, Taiwan, Singapore and Europe. Although we operate and sell products in various global markets, substantially all sales are denominated in U.S. dollars or Japanese Yen. During the three months ended December 31, 2008, the Japanese Yen fluctuated from 87.1 to 106.5 to the U.S. dollar. We realized foreign currency translation losses of $2.8 million and $8.4 million during the three and nine months ended December 31, 2008, respectively.

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If the Japanese Yen were to fluctuate from the level at December 31, 2008, our net income (loss) may improve or deteriorate as noted in the table below (in thousands).

	Strengthening in Japanese Yen of X percent		No change in Japanese Yen exchange rate	Weakening in Japanese Yen of X percent	
	10%	5%		5%	10%
Net loss for the nine months ended December 31, 2008	$ (118,219)	$ (118,031)	$ (117,862)	$ (117,709)	$ (117,570)

Although we do not anticipate any significant fluctuations, there can be no assurance that foreign currency exchange risk will not have a material impact on our financial position, results of operations or cash flow in the future. In addition, the administrative agent under our credit agreement with KeyBank National Association currently requires us periodically to make principal pre-payments to the extent the outstanding Yen-borrowings under the term loan facility exceed $85 million on a U.S. dollar-equivalent basis. To date, we have relied on available cash and borrowings under our other credit lines in Japan to make these payments.

We adopted a Foreign Exchange Policy that documented how we intend to comply with the accounting guidance under SFAS No. 133, "*Accounting for Derivative Instruments and Hedging Activities.*" Under this policy, there are guidelines that permit us to have hedge accounting treatment under both Fair Value and Cash Flow hedges. The policy approval limits are up to $10 million with approval from our Chief Financial Officer and over $10 million with additional approval from our Chief Executive Officer.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We maintain "disclosure controls and procedures," as such term is defined in Rule 13a-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act"), that are designed to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in Securities and Exchange Commission rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating our disclosure controls and procedures, management recognized that disclosure controls and procedures, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the objectives of the disclosure controls and procedures are met. Additionally, in designing disclosure controls and procedures, our management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible disclosure controls and procedures. The design of any disclosure controls and procedures also is based in part upon certain assumptions about the likelihood of future events, and we cannot be certain that any design will succeed in achieving its stated goals under all potential future conditions.

Our management is responsible for establishing and maintaining our disclosure controls and procedures. Our Chief Executive Officer and Chief Financial Officer participated with our management in evaluating the effectiveness of our disclosure controls and procedures as of December 31, 2008. In light of the material weaknesses set forth below, these officers have concluded that our disclosure controls and procedures were not effective as of that date to provide reasonable assurance that they will meet their defined objectives. Notwithstanding the material weaknesses described below, we performed additional analyses and other post-closing procedures to ensure our consolidated financial statements were prepared in accordance with accounting principles generally accepted in the United States of America. Based in part on these additional efforts, our Chief Executive Officer and Chief Financial Officer have included their certifications as exhibits to this Form 10-Q to the effect that, among other statements made in the certifications and based on their knowledge, the consolidated financial statements included in this Form 10-Q fairly present in all material respects Asyst' s financial condition, results of operations and cash flows for the periods presented and this Form 10-Q does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.

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A material weakness is a control deficiency, or combination of control deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis. Management' s assessment identified the following material weaknesses in our internal control over financial reporting as of March 31, 2008, which remained outstanding as of December 31, 2008:

We did not maintain a sufficient complement of personnel with an appropriate level of accounting knowledge, experience and training in the application of generally accepted accounting principles commensurate with the Company' s financial reporting requirements in the area of income taxes. This control deficiency resulted in audit adjustments related to the completeness and accuracy of our income tax provision and deferred tax asset and liability accounts and related financial disclosures in the Company' s consolidated financial statements for the year ended March 31, 2008. Additionally, this control deficiency could result in misstatements of the aforementioned accounts and disclosures that would result in a material misstatement of the annual or interim consolidated financial statements that would not be prevented or detected. Accordingly, our management has determined that this control deficiency constitutes a material weakness.

Management' s Remediation Initiatives

The material weaknesses described above also existed at December 31, 2008. In response to the material weaknesses discussed above, we plan to continue to review and make necessary changes to improve our internal control over financial reporting, including the roles and responsibilities of each functional group within the organization and reporting structure, as well as the appropriate policies and procedures to improve the overall internal control over financial reporting.

We have summarized below the remediation measures that we have implemented or plan to implement in response to the material weaknesses discussed above. In addition to the following summary of remediation measures, we also describe below the interim measures we undertook in an effort to mitigate the possible risks of these material weaknesses prior to or in connection with the preparation of the financial statements included in this Form 10-Q.

1. We plan to further strengthen our controls over the monthly closing and income tax accounting processes by recruiting an adequate complement of personnel with accounting knowledge, experience and training in the application of U.S. generally accepted accounting principles.

2. We plan to further improve the timeliness and accuracy of income tax accounting by enhancing the policies, procedures and controls used in the monthly closing and income tax accounting processes.

3. We hired a senior tax director during the third quarter of fiscal year 2009 to enhance the timeliness and accuracy of this area.

4. We hired a third party consulting firm that is qualified in the application of U.S. generally accepted accounting principles commensurate with our accounting and financial reporting requirements for income taxes.

Changes in Internal Control over Financial Reporting

Other than the remedial measures discussed above, which are ongoing, there were no changes in our internal control over financial reporting during the three months ended December 31, 2008 that materially affected, or were reasonably likely to materially affect, our internal control over financial reporting.

PART II − OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Discussion of legal matters is incorporated by reference from Part I, Item 1, Note 17, "Commitments and Contingencies," of this document, and should be considered an integral part of Part II, Item 1, "Legal Proceedings."

ITEM 1A. RISK FACTORS

We have a history of significant losses.

We have a history of significant losses. Our accumulated deficit was $518.4 million at December 31, 2008. We may also experience significant losses in the future.

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We continue to need to reduce costs in core areas; significant cost reductions could affect our existing customer base, profitability and ability to benefit from future upturn in demand for our products.

We are continuing to identify areas of our operations, sales and administration where we can reduce costs and improve the efficiency and competitiveness of our operations, administration and current product offering. For instance, due to the continued and significant decline in demand for semiconductor capital equipment, we recently implemented significant cost reduction actions throughout our business, including headcount reductions representing approximately 15 percent of our global workforce, to further reduce our break-even level and improve cash flow in response to the continued weakness in the semiconductor equipment industry. We will continue to evaluate our financial outlook and may need to initiate additional cost reduction actions in the future. This may result in a reduction in our workforce and/or a consolidation of certain facilities, and in many areas of our operations and administration these reductions could be significant. Such reductions could impair our ability to develop new products, to remain competitive and to operate efficiently, including in areas responsible for our effective and timely financial reporting, forecasting and disclosure. Such reductions also could impair our ability to service and maintain current customer relationships and meet our current customer and vendor obligations. In addition, our failure to identify, effect and sustain timely and significant cost reductions could materially impact our results of operations and impair our ability to achieve and maintain overall profitability. In addition, such cost reductions could have immediate and long-term effects on our business, such as slowing product development or our ability to build capability in our operations or administration or future product or service offerings, thus making it more difficult for us to take advantage of customer opportunities, respond effectively to competitive pressures and to record increased bookings and revenue expected during any upturn in our business cycle, any of which could have a material and adverse affect our business, operating results, financial position and cash flows. Elimination of costs and personnel in key functions could also affect our ability to maintain and demonstrate effective internal control over our financial reporting.

We face potential risks in connection with our outstanding indebtedness; if we are not able to comply with the requirements of this debt on a timely basis, our ability to discharge our obligations under this indebtedness, liquidity and business may be harmed.

We have a significant amount of outstanding indebtedness that has increased substantially since the end of fiscal year 2007:

Indebtedness Under Credit Agreement With KeyBank

On July 27, 2007, we entered into a credit agreement with KeyBank National Association, acting as lead manager and administrative agent, for a five-year $137.5 million multi-currency senior secured credit facility. This credit agreement provides for an $85.0 million term loan facility and a $52.5 million revolving credit facility. This facility bears variable interest rates based on certain indices, such as Yen LIBOR, U.S. Dollar LIBOR, the Fed Funds Rate, or KeyBank' s Prime Rate, plus applicable margins. We initially elected to borrow $137.5 million of this credit facility in Yen at the Yen LIBOR rate, incurring an initial pre-tax interest rate of approximately 3.30 percent. Our net available borrowing under the credit agreement is subject to limitations under consolidated senior leverage, consolidated total leverage and consolidated fixed charge financial covenants.

On April 30, 2008, we amended certain terms of the credit agreement relating to the principal amount of term loans available to us in Japanese Yen. One effect of this amendment is to reduce or increase, as the case may be, the aggregate principal amount of Japanese Yen borrowings available to us and outstanding at any time under the term loan credit facility, based on fluctuations in the applicable foreign currency exchange rates. Accordingly, after giving effect to the applicable foreign currency exchange rate, the outstanding principal amount of Yen borrowings may not exceed the commitment amounts under either the term loan or revolving credit facilities. In addition, as part of this amendment we also reduced the principal amount of borrowing available to us under the revolving credit facility from $52.5 million to $27.5 million. In accordance with EITF No. 98-14, "*Debtor' s Accounting for Changes in Line-of-Credit or Revolving-Debt Arrangements*" ("EITF 98-14"), any remaining unamortized debt issuance cost must be written-off in proportion to any decrease in the borrowing capacity of the credit facility. As a result, we were required to write-off $0.9 million in previously capitalized debt issuance costs. The amendment also suspends and amends the existing consolidated total leverage, consolidated senior leverage and consolidated fixed charge coverage financial covenants and adds new minimum liquidity, consolidated interest coverage, maximum total debt to capitalization, and minimum consolidated EBITDA financial covenants applicable to us under the credit agreement. We incurred amendment fees and other costs and expenses of approximately $0.6 million, which are being amortized as interest expense over the remaining term of the agreement. After giving effect to the amendment, we were in compliance with our debt covenants as of March 31, 2008 and June 30, 2008.

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As of October 15, 2008, we further amended the facility to waive and modify covenants related to minimum EBITDA, minimum liquidity, consolidated interest coverage and maximum debt to capital. This amendment also increased the margin on LIBOR loans to 6.0%, compared with 4.25% previously, and increases the amount of principal payments on the term loan during calendar year 2009 by a minimum of $10 million. Specifically, under the amendment, we are required to increase the amount of our principal payments on the term loan during each fiscal quarter of calendar year 2009 by the higher of (a) $2,500,000 or (b) fifty percent of the amount by which our consolidated EBITDA for the quarter exceeds $5,000,000. Accordingly, the actual amount by which the principal payments increase during calendar year 2009 will be determined by our EBITDA performance in each quarter of calendar year 2009, and could be higher. We incurred amendment fees and related expenses of $0.6 million, which will be amortized as interest expense over the remaining life of the facility.

As of November 10, 2008, we further amended the facility to eliminate covenants related to maximum debt to capital ratios, and replaced these with covenants related to maximum pre-tax loss. Each covenant modification under these amendments is effective as of our fiscal quarter ended September 30, 2008. After giving effect to the amendments, we were in compliance with our debt covenants as of September 30, 2008. We incurred an amendment fee and related expenses of approximately $0.1 million, which will be amortized as interest expense over the remaining life of the facility.

As of December 31, 2008, we had borrowings outstanding of approximately $80.4 million under the credit facility (with $14.9 million in available borrowing used to support two standby letters of credit issued under the credit facilities). We were fully drawn under the KeyBank facility at December 31, 2008.

We believe that the cyclical downturn in the semiconductor equipment industry will continue into calendar 2009, which is likely to have a negative impact on our results of operations. We also believe it is probable that we will need a further amendment or waiver of certain covenants as of March 31, 2009. As a result, we reclassified the long-term portion of our KeyBank National Association credit facility as current in accordance with EITF No. 86-30, "*Classification of Obligations When a Violation is Waived by a Creditor*." However, this reclassification did not change or accelerate the repayment schedule or maturity of the credit facility (which currently matures July 2012). We intend to initiate discussions with our banks on further amendment or waiver of covenants under our credit facility, however there can be no assurance that we will receive an amendment or waiver.

Under the credit facility with KeyBank, we maintain a letter of credit in the amount of $500,000 in favor of the landlord under our current headquarters lease in Fremont, California. We also maintain a letter of credit in the amount of 1.3 billion Japanese Yen (approximately U.S. $14.4 million at the December 31, 2008 exchange rate) in favor of Shinko, which secures our obligation to purchase the remaining 4.9 percent of equity in ATJ from Shinko as part of the purchase agreement between ourselves and Shinko dated July 14, 2006. Either we or Shinko can trigger our obligation to purchase the remaining 4.9 percent equity of ATJ upon ninety (90) days written notice. Shinko can accelerate this obligation upon thirty (30) days written notice upon the following circumstances: (a) when ATJH' s equity ownership in ATJ falls below 50 percent, (b) when bankruptcy or corporate reorganization proceedings are filed against us; (c) when a merger or corporate reorganization has been approved involving all or substantially all of our assets; (d) when Shinko' s equity ownership in ATJ falls below 4.9 percent; or (e) when we have failed to make any payment when due in respect of any loan secured by a pledge of our right, title and interest in and to the shares of ATJ (and the holder of such security interest elects to exercise its rights against ATJH in respect of such shares).

During the third quarter ended December 31, 2008, Shinko triggered the above mentioned purchase obligation. On January 26, 2009, we purchased the remaining 4.9 percent equity of ATJ for cash of 1.3 billion Yen, or approximately $14.6 million at then-current exchange rates. The letter of credit in favor of Shinko was subsequently cancelled. See Note 18, "Subsequent Events," in the Notes to the Condensed Consolidated Financial Statements in Part I, Item 1 of this Form 10-Q for additional details.

Due to the cyclical and uncertain nature of cash flows and collections from our customers, our borrowing to fund operations or working capital could exceed the permitted total leverage ratios under the credit agreement. In addition, our covenants under the credit agreement require us to maintain minimum EBITDA levels on a trailing twelve-month basis in order to permit current borrowing; further deterioration in our results of operations, whether through protracted cyclical declines in demand, losses in market share, unexpected costs or the inability to reduce costs, or other factors could cause our trailing twelve-month EBITDA to fall below required levels. Under any such scenario, we may be required to pay down the outstanding borrowings from available cash to maintain compliance with our financial covenants. This could materially impair the availability of additional financing via our existing lines of credit and/or require us to use available cash to pay down outstanding borrowings in order to bring us within covenant requirements. In addition, a requirement to reduce significantly the principal amount of available and outstanding borrowings could reduce our cash balances and could have a material and continuing impact on our ability to fund our operations over the next several quarters. If we are

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unable to meet any such covenants, we cannot assure the requisite lenders will grant waivers and/or amend the covenants, or that the requisite lenders will not terminate the credit agreement, preclude further borrowings or require us to repay immediately in full any outstanding borrowings.

Other Credit Lines

The senior secured credit agreement with KeyBank contains financial and other covenants, including, but not limited to, limitations on liens, mergers, sales of assets, capital expenditures, and indebtedness as well as the maintenance of a maximum total leverage ratio, maximum senior leverage ratio, and minimum fixed charge coverage ratio, as defined in the agreement. Additionally, although we have not paid any cash dividends on our common stock in the past and do not anticipate paying any such cash dividends in the foreseeable future, the facility restricts our ability to pay such dividends (subject to certain exceptions, including the dividend payments from ATJ to Shinko provided under the Share Purchase Agreement described in Item 1 in this report).

We have additional lines of credit and term loans classified as short-term available through our subsidiaries in Japan for working capital purposes. The total available borrowing capacity as of December 31, 2008 was 9.2 billion Japanese Yen (approximately U.S. $101.7 million at the exchange rate as of that date). The principal amount of our outstanding borrowings as of December 31, 2008 was 6.6 billion Japanese Yen (approximately U.S. $73.4 million at the exchange rate as of that date). The applicable interest rates for the above-referenced Japan lines of credit and term loans are variable based on the Tokyo Interbank Offered Rate (TIBOR) 0.56 percent at December 31, 2008), plus margins of 0.50 percent to 2.25 percent. We are not required to provide any collateral related to the lines of credit and term loans in Japan. These lines of credit and term loans generally require our subsidiaries in Japan to provide financial statements on a quarterly or semi-annual basis, and in some cases stipulate that borrowings may not be used for inter-company transfers, loans or dividends between our subsidiaries. As of December 31, 2008, we had line of credits and term loans representing 2.5 billion Japanese Yen (approximately U.S. $27.7 million) in available borrowing capacity and 1.0 billion Japanese Yen (approximately U.S. $11.1 million) in outstanding borrowings which were subject to inter-company transfer restrictions. The lines of credit are generally available to us under one-year agreements that renew at various times over the next 12 months. If any of these credit lines were not renewed, or were renewed for a smaller amount, we would be required to repay some or all of the outstanding amounts under the line immediately, which could put a strain on our liquidity. There can be no assurance that these credit lines will continue to be available to us or that, if renewed or replaced, the terms of these or replacement lines of credit would be favorable to the company.

We also have an additional of term loan classified as long-term available through our subsidiaries in Japan for working capital purposes. The total available borrowing capacity as of December 31, 2008 was 0.3 billion Japanese Yen (approximately U.S. $3.3 million at the exchange rate as of that date). The principal amount of our outstanding borrowings as of December 31, 2008 was 0.3 billion Japanese Yen (approximately U.S. $3.2 million at the exchange rate as of that date). The applicable interest rates for the above-referenced Japan term loan is variable based on the Tokyo Interbank Offered Rate (TIBOR) 0.56 percent at December 31, 2008), plus margin of 1.875 percent. This term loan does not require us to provide any collateral but does require use to provide financial statements on a quarterly or semi-annual basis.

The cyclical nature of the semiconductor industry makes it very difficult for us to predict future liquidity requirements with certainty. Any upturn in the semiconductor industry may result in short-term uses of cash in operations as cash may be used to finance additional working capital requirements such as account receivables and inventories. Alternatively, continued or further softening of demand for our products may cause us to fund additional losses in the future. At some point in the future, we may require additional funds to support our working capital and operating expense requirements or for other purposes. We may seek to raise these additional funds through public or private debt or equity financings, or the sale of assets. These financings may not be available to us on a timely basis, if at all, or, if available, on terms acceptable to us or not dilutive to our shareholders. If we fail to obtain acceptable additional financing, we may be required to reduce planned expenditures or forego investments, which could reduce our revenues, increase our losses, and harm our business.

Through ongoing compliance, amendments, or waivers, we expect to meet the financial covenants under our various borrowing arrangements in the future; however, we cannot give absolute assurance that we will meet these financial covenants, including those contained in the senior secured credit facility. Our failure in any fiscal quarter to meet those and other covenant requirements could result in a reduction of our permitted borrowing under the facility, an acceleration of certain repayment obligations, and/or an Event of Default (which, if uncured by us or not waived by the lenders under the terms of the facility, would require the acceleration of all re-payment obligations under the facility).

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If a holder of our long term or short term indebtedness were in the near future to demand accelerated repayment due to default of all or a substantial portion of our outstanding indebtedness that exceeds the amount of our available liquid assets that could be disbursed without triggering further defaults under other outstanding indebtedness, we would not likely have the resources to pay such accelerated amounts, would be required to seek funds from re-financing or re-structuring transactions for which we have no current basis to believe we would be able to obtain on desired terms or at all, and would face the risk of a bankruptcy filing by us or our creditors. Any accelerated repayment demands that we are able to honor would reduce our available cash balances and likely have a material adverse impact on our operating and financial performance and ability to comply with remaining obligations. If we are able to maintain our current indebtedness as outstanding, the restrictive covenants could impair our ability to expand or pursue our business strategies or obtain additional funding.

See Note 14, "Debt," in the Notes to the Condensed Consolidated Financial Statements in Part I, Item 1 of this Form 10-Q for additional detail describing this credit agreement.

If we need additional financing to meet our working capital needs, to finance capital expenditures or to fund operations, we may not be able to obtain such financing on terms favorable to us, if at all.

As a general matter, our operations have in the past consumed considerable cash and may do so in the future. We have in the past obtained additional financing to meet our working capital needs or to finance capital expenditures, as well as to fund operations. We may be unable to obtain any required additional financing on terms favorable to us, if at all, or which is not dilutive to our shareholders. Uncertainty in current capital markets exposes us to a greater risk of not being able to obtain financing in a timely manner if we were to require additional liquidity. If adequate funds are not available on acceptable terms, we may be unable to meet our current or future obligations on a timely basis, fund any desired expansion, successfully develop or enhance products, respond to competitive pressures or take advantage of acquisition opportunities, any of which could have a material adverse effect on our business. If we raise additional funds through the issuance of equity or convertible securities, our shareholders may experience dilution of their ownership interest, and the newly issued securities may have rights superior to those of our common stock. If we raise additional funds by issuing new or restructured debt, we may be subject to further limitations on our operations. Any of the foregoing circumstances could adversely affect our business.

We have risk of material losses including attorney fees and expenses in conjunction with ongoing lawsuits.

Certain of our current and former directors and officers have been named as defendants in consolidated shareholder derivative actions filed in the United States District Court of California, captioned *In re Asyst Technologies, Inc. Derivative Litigation* (N.D. Cal.) (the "Federal Action"). The Federal Action seeks to recover unspecified monetary damages, disgorgement of profits and benefits, equitable and injunctive relief, and attorneys' fees and costs. We are named as a nominal defendant in the Federal Action; thus, no recovery against us is sought.

We are subject to an ongoing patent infringement action brought by Daifuku Corporation in the Osaka District Court, Japan that alleges, among other things, that certain ATJ Over-head Shuttle (OHS) and Over-head Hoist Transport (OHT) products infringe several claims under the Patents-in-Suit. Daifuku seeks significant monetary damages against ATJ in an amount to be determined but which could be material. The suit also seeks to enjoin future sales and shipments of ATJ's OHS, OHT and related products. An adverse ruling, including a final judgment awarding significant damages and enjoining sales and shipments of ATJ's OHS, OHT and related products, could have a material adverse effect on our operations and profitability, and could result in a royalty payment or other future obligations that could adversely and significantly impact our future gross margins. ATJ has asserted various defenses, including non-infringement of the asserted claims, and intends to continue to defend the matter vigorously. ATJ has also provided notice to Shinko concerning Shinko's obligations to indemnify Asyst and ATJH under certain claims in the event damages are awarded representing ATJ products during and prior to the term of its joint venture with Shinko.

We have a long-pending patent infringement action we filed suit in the United States District Court for the Northern District of California against Empak, Inc., Emtrak, Inc., Jenoptik AG, and Jenoptik Infab, Inc. On January 31, 2007, a federal jury in the United States District Court for the Northern District of California returned a unanimous verdict in our favor, validating our patent in suit and awarding damages of approximately $75 million. However, on August 3, 2007, the Court granted defendants' motion for judgment as a matter of law on the issue of obviousness. The effect of the Court's judgment was to invalidate our '421 patent in suit and dispose of the action in its entirety in favor of defendants. The Court also conditionally granted defendants' motion for a new trial on the issue of obviousness in the event the Court's judgment is vacated or reversed on appeal. We appealed the Court's judgment. However, on October 10, 2008, the United States Court of Appeals for the Federal Circuit affirmed the district court's ruling on the defendants' motion for judgment as a matter of law that the asserted claims of the '421 patent are invalid for obviousness. The Federal Circuit did not address the ruling on invalidity for double patenting or on defendants' motion for a new trial.

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In parallel to the court action, the defendants sought a re-examination by the Patent and Trademark Office of the patent claims in suit. The Patent and Trademark Office issued a ruling dated July 17, 2008 which invalidated all but one of the claims of the patent in suit. If the ruling of the Patent and Trademark Office is upheld or adopted on appeal, it will narrow significantly or invalidate entirely our claims subject to the patent in suit, or separately reduce or preclude entirely damages recoverable by us in this action.

We are not able to predict the future outcome of these legal actions. These matters could result in significant and continuing legal expenses, adverse rulings and awards, diversion of management' s attention from our business, commencement of formal civil or criminal, administrative or legal actions against us or our current or former employees or directors, significant damage and cost awards, fines or penalties, indemnity commitments to current and former officers and directors and other material harm to our business and which could have a material adverse effect on our operations and profitability.

If we continue to fail to achieve and maintain effective disclosure controls and procedures and internal control over financial reporting on a consolidated basis, our stock price and investor confidence in our Company could be materially and adversely affected.

We are required to maintain both disclosure controls and procedures and internal control over financial reporting that are effective for the purposes described in Part I, Item 4, "Controls and Procedures," in this Form 10-Q. If we fail to do so, our business, results of operations or financial condition and the value of our stock could be materially harmed.

Our disclosure controls and procedures and internal control over financial reporting were not effective as of March 31, 2008 and December 31, 2008 due to material weakness in internal control over financial reporting that remained outstanding at that date and that is subject to our continuing remediation efforts.

We are devoting now, and will likely need to continue to devote in the near future, significant resources in our efforts to achieve effective internal control. These efforts have been and may continue to be costly. We cannot assure that these efforts will be successful. Until we have fully remediated the material weakness referred in Part I, Item 4, "Controls and Procedures," we may face additional risks of errors or delays in preparing our consolidated financial statements and associated risks of potential late filings of periodic reports, NASDAQ listing standard violations, risks of correcting previously filed financial statements, increased expenses, and possible private litigation or governmental proceedings arising from such matters.

Our global operations subject us to risks that may negatively affect our results of operations and financial condition.

The majority of our net sales are attributable to sales outside the United States, primarily in Taiwan, Japan, other Asia-Pacific countries and Europe. International sales represented approximately 83 percent and 81 percent of our total net sales for the nine months ended December 31, 2008 and 2007, respectively. We expect that international sales, particularly to Asia, will continue to represent a significant portion of our total revenue in the future. Additionally, we have sales offices and other facilities in many countries and, as a result, we are subject to risks associated with doing business globally, including:

- security concerns, such as armed conflict and civil or military unrest, crime, political instability, and terrorist activity;
- trade restrictions; compliance with extensive foreign and U.S. export laws;
- natural disasters;
- inability to enforce payment obligations or legal protections accorded creditors to the same extent within the U.S.;
- differing employment practices and labor issues;
- local business and cultural factors that differ from our normal standards and practices;
- regulatory requirements and prohibitions that differ between jurisdictions;

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- restrictions on our operations by governments seeking to support local industries, nationalization of our operations, and restrictions on our ability to repatriate earnings; and/or
- the laws of certain foreign countries may not protect our intellectual property to the same extent as do the laws of the United States.

In addition, most of our products and significant amounts of our expenses are paid for in foreign currencies. Our limited hedging programs reduce, but do not entirely eliminate, the impact of currency exchange rate movements. This risk is especially high in Japan where we have direct sales operations and orders are often denominated in Japanese Yen, which has gained substantial strength against the U.S. dollar in recent months. Therefore fluctuations in exchange rates, including those caused by currency controls, could negatively impact our business operating results and financial condition by resulting in lower revenue or increased expenses. Translation adjustments in any particular reporting period could significantly affect, positively or negatively, our reported profitability or loss. Changes in tariff and import regulations may also negatively impact our revenue in those affected countries.

Varying tax rates in different jurisdictions could negatively impact our overall tax rate. The calculation of tax liabilities involves uncertainties in the application of complex global tax regulations. Although we believe our tax estimates are reasonable, we are not able to predict whether or not our interpretations will be challenged at some time in the future or what the outcome might be. Because we realize much of our revenue and profitability outside of the U.S., we may not be able to realize the full benefit over time from our accumulated Net Operating Losses.

Fluctuations in the demand for and mix of products sold may adversely affect our financial results.

If demand for our products fluctuates, our revenue and gross margin could be adversely affected. Important factors that could cause demand for our products to fluctuate include:

- competitive pressures from companies that have competing products;
- changes in customer product needs;
- changes in business and economic conditions, including a downturn in the semiconductor industry;
- strategic actions taken by our competitors; and/or
- market acceptance of our products.

Our margins vary from product to product. Accordingly, our financial results depend in large part on the mix of products we sell, which can fluctuate widely from year to year. In addition, more recently introduced products tend to have higher associated costs and lower margins because of initial overall development costs and higher start-up costs. Fluctuations in the mix and types of our products may also affect the extent to which we are able to recover our fixed costs and investments that are associated with a particular product, and as a result can negatively impact our financial results.

Most of our Fab Automation Product manufacturing is outsourced to a single contract manufacturer, which could disrupt the availability of our Fab Automation Products and adversely affect our gross margins.

We have outsourced the manufacturing of nearly all of our Fab Automation Products. Flextronics currently manufactures our products under a long-term contract, other than AMHS and our robotics products. ATJ also subcontracts a significant portion of its AMHS manufacturing to third parties. In the future, we may increase our dependence on contract manufacturers, including for our AMHS projects. Outsourcing may not continue to yield the benefits we expect, and instead could result in increased product costs, inability to meet customer demand or product delivery delays.

Outsourced manufacturing could also create disruptions in the availability of our products if the timeliness or quality of products delivered does not meet our requirements or our customers' expectations. From time to time, we have experienced delays in receiving products from Flextronics. Problems with quality or timeliness could be caused by a number of factors including, but not limited to: manufacturing process flow issues, financial viability of an outsourced vendor or its supplier, availability of raw materials or components to the outsourced vendor, improper product specifications, or the learning curve to commence manufacturing at a new

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outsourced site or of new products. Our contract with Flextronics contains minimum purchase commitments which, if not met, could result in increased costs, which would adversely affect our gross margins. We must also provide Flextronics with forecasts and targets based on actual and anticipated demand, which we may not be able to do effectively or efficiently. If Flextronics purchases inventory based on our forecasts, and that inventory is not used, we must repurchase the unused inventory, which would adversely affect both our cash flows and gross margins. If product supply is adversely affected because of problems in outsourcing, we may lose sales and profits.

Our outsourcing agreement with Flextronics includes commitments from Flextronics to adjust, up or down, manufacturing volume based on updates to our forecasted demand. We may not accurately update these forecasts. Further, Flextronics may be unable to meet these commitments and, even if it can, may be unable to react efficiently to rapid fluctuations in demand. In addition, changes in Flextronics' s corporate structure of management, could affect the reliability, predictability, consistency and timeliness of service and product delivery we receive from Flextronics. It could also result in Flextronics making a determination to change or terminate our agreement. If our agreement with Flextronics terminates, or if Flextronics does not perform its obligations under our agreement, it could take several months to establish alternative manufacturing for these products and we may not be able to fulfill our customers' orders for some or most of our products in a timely manner. If our agreement with Flextronics terminates, we may be unable to find another suitable outsource manufacturer and may be unable to perform the manufacturing of these products ourselves.

Any delays in meeting customer demand or quality problems resulting from product manufactured at an outsourced location such as Flextronics could result in lost or reduced future sales to customers and could have a material negative impact on our net sales, gross profits and results of operations.

Shortages of components necessary for product assembly by Flextronics or us can delay shipments to our customers and can lead to increased costs, which may negatively impact our financial results.

When demand for semiconductor manufacturing equipment is strong, suppliers, both U.S. and international, strain to provide components on a timely basis. We have outsourced the manufacturing of many of our products, and disruption or termination of supply sources to our contract manufacturers could have an adverse effect on our operations. Many of the components and subassemblies used in our products are obtained from a limited group of suppliers, or in some cases may come from a single supplier. A prolonged inability to obtain some components could have an adverse effect on our operating results and could result in damage to our customer relationships. Shortages of components may also result in price increases and, as a result, could decrease our margins and negatively impact our financial results.

We depend on large purchases from a few significant customers, and any loss, cancellation, reduction or delay in purchases by, or failure to collect receivables from these customers could harm our business.

The markets in which we sell our products comprise a relatively small number of OEMs, semiconductor manufacturers and flat panel display manufacturers. Large orders from a relatively small number of customers account for a significant portion of our revenue and make our relationship with each customer critical to our business. The sales cycle for a new customer can last up to twelve months or more from initial inquiry to placement of an order, depending on the complexity of the project. These extended sales cycles make the timing of customer orders uneven and difficult to predict. With reference to sales to semiconductor fab customers, a significant portion of the net sales in any quarter is typically derived from a small number of long-term, multi-million dollar customer projects involving upgrades of existing facilities or the construction of new facilities. In the case of sales to OEMs, these orders, either large or small in size are typically received with very short lead times. If we are not able to meet these short customer delivery requirements, we could potentially lose the order. Our customers normally provide forecasts of their demand and in many cases we will incur costs to be able to fulfill customers' forecasted demand. However there can be no assurances that a customer' s forecast will be accurate or that it will lead to a subsequent order. Generally, our customers may cancel or reschedule shipments with limited or no penalty.

We operate in an intensely competitive industry, and our failure to respond quickly to technological developments and introduce new products and features could have an adverse effect on our ability to compete.

We operate in an intensely competitive industry that experiences rapid technological developments, changes in industry standards, changes in customer requirements, and frequent new product introductions and improvements. The development of more complex semiconductors and requirement for larger glass panel sizes for FPD products have driven the need for new facilities, equipment and processes to produce these devices at an acceptable cost. For example, beginning with Gen 7, and continuing through Gen 8, the

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dimensions and weight of the glass panels have made the use of traditional guided vehicle technology impractical (including our AGV technology). While our technology is not adequately suited to Gen 7 applications, we have developed a different solution for Gen 8 and later-generation manufacturing that we have begun to market to FPD manufacturers. We believe that our future success will depend in part upon our ability to continue to enhance our existing products to meet customer needs and to develop and introduce new products in a timely manner. We may not be able to successfully develop and market these new products, the products we invest in and develop may not be well received by customers, and products developed and new technologies offered by others may affect the demand for our products. These types of events could have a variety of negative effects on our competitive position and our financial results, such as reducing our revenue, increasing our costs, lowering our gross margin percentage, and requiring us to recognize impairments of our assets.

We may be unable to protect our intellectual property rights and we may become involved in litigation concerning the intellectual property rights of others.

We rely on a combination of patent, trade secret and copyright protection to establish and protect our intellectual property. While we intend to be diligent in protecting our patent rights, we cannot guarantee that we will be able to file our patents and other intellectual property rights in a timely manner. In addition, we cannot predict whether our patents and other intellectual property rights will be challenged, invalidated or voided, or that the rights granted thereunder will provide us with competitive protections or advantages. We also rely on trade secrets that we seek to protect, in part, through confidentiality agreements with employees, consultants and other parties. These agreements may be breached, we may not have adequate remedies for any breach, or our trade secrets may otherwise become known to, or independently developed by, others. In addition, enforcement of our rights could impose significant expense and result in an uncertain or non-cost-effective determination or confirmation of our rights.

Intellectual property rights are uncertain and involve complex legal and factual questions. We may infringe the intellectual property rights of others, which could result in significant liability for us. If we do infringe the intellectual property rights of others, we could be forced either to seek a license to intellectual property rights of others or to alter our products so that they no longer infringe the intellectual property rights of others. A license could be very expensive to obtain or may not be available at all. Similarly, changing our products or processes to avoid infringing the rights of others may be costly or impractical, could detract from the value of our products, or could delay our ability to meet customer demands or opportunities.

There has been substantial litigation regarding patent and other intellectual property rights in semiconductor-related industries. Litigation may be necessary to enforce our patents, to protect our trade secrets or know-how, to defend against claimed infringement of the rights of others, or to determine the scope and validity of the patents or intellectual property rights of others. Any litigation could result in substantial cost to us and divert the attention of our management, which by itself could have an adverse material effect on our financial condition and operating results. Further, adverse determinations in any litigation could result in our loss of intellectual property rights, subject us to significant liabilities to third parties, and require us to seek licenses from third parties, or prevent us from manufacturing or selling our products. Any of these effects could have a negative impact on our financial condition and results of operations.

The intellectual property laws in Asia do not protect our intellectual property rights to the same extent as do the laws of the United States. It may be necessary for us to participate in proceedings to determine the validity of our or our competitors' intellectual property rights in Asia, which could result in substantial cost and divert our efforts and attention from other aspects of our business. If we are unable to defend our intellectual property rights in Asia, our future business, operating results and financial condition could be adversely affected.

Our results of operations could vary as a result of the methods, estimates, and judgments we use in applying our accounting policies.

The methods, estimates, and judgments we use in applying our accounting policies have a significant impact on our results of operations (see "Critical Accounting Policies and Estimates" in Part I, Item 2 of this Form 10-Q). Such methods, estimates, and judgments are, by their nature, subject to substantial risks, uncertainties, and assumptions, and factors may arise over time that lead us to change our methods, estimates and judgments. Changes in those methods, estimates and judgments could significantly affect our results of operations.

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Changes in our effective tax rate may have an adverse effect on our results of operations.

Our future effective tax rates may be adversely affected by a number of factors, including:

- the jurisdictions in which profits are determined to be earned and taxed;
- the resolution of issues arising from tax audits with various tax authorities;
- changes in the valuation of our deferred tax assets and liabilities;
- adjustments to estimated taxes upon finalization of various tax returns;
- changes in share-based compensation expense;
- changes in tax laws or the interpretation of such tax laws and changes in generally accepted accounting principles; and/or
- the repatriation of non-U.S. earnings for which we have not previously provided for U.S. taxes.

Any significant increase in our future effective tax rates could adversely impact net income for future periods. In addition, tax audits or challenges by local jurisdictions of our determinations where revenue and expenses are or have been earned, incurred and subject to tax, could significantly increase our current and future effective tax rates, and/or result in a determination of significant past taxes due (and interest), which could be material and significantly impact our profitability in any particular period.

We may not be able to integrate efficiently the operations of our acquisitions, and may incur substantial losses in the divestiture of assets or operations.

We have made and may continue to make additional acquisitions of or significant investments in businesses that offer complementary products, services, technologies or market access. If we are to realize the anticipated benefits of past and future acquisitions or investments, the operations of these companies must be integrated and combined efficiently with our own. This is particularly the case with our Japan subsidiaries and our need to continue to effect a closer integration with operations of the rest of our company and alignment with our overall objectives and strategic initiatives. The process of integrating supply and distribution channels, computer and accounting systems, and other aspects of operations, while managing a larger entity, will continue to present a significant challenge to our management. In addition, it is not certain that we will be able to incorporate different financial and reporting controls, processes, systems and technologies into our existing business environment. The difficulties of integration may increase because of the necessity of combining personnel with varied business backgrounds and combining different corporate cultures and objectives. We may incur substantial costs associated with these activities and we may suffer other material adverse effects from these integration efforts which could materially reduce our earnings, even over the long-term. We may not succeed with the integration process and we may not fully realize the anticipated benefits of the business combinations, or we could decide to divest or discontinue existing or recently acquired assets or operations.

We have experienced unexpected turnover in our finance department recently and in past years, and this could have an adverse impact on our business; In order to compete, we must attract, retain, and motivate key employees Company wide, and our failure to do so could have an adverse effect on our results of operations.

We reported on Form 8-K dated August 7, 2008 that Michael A. Sicuro resigned as our Chief Financial Officer to pursue an opportunity in the healthcare industry. On August 12, 2008, our Board of Directors appointed Aaron L. Tachibana as Senior Vice President and Chief Financial Officer. Mr. Tachibana will also retain his prior position as the Company’ s Principal Accounting Officer. In our past five years, we have continued to have significant turnover in the chief financial officer, controller and other key positions in our finance department (including in certain key finance positions at our subsidiaries in Japan). This turnover and inability to hire and retain personnel with appropriate levels of accounting knowledge, experience, and training contributed to control deficiencies that constituted a material weakness in internal control over financial reporting in the area of income taxes as of March 31, 2008 and December 31, 2008. See Part I, Item 4, “Controls and Procedures.” If we are not able to attract and retain qualified finance executives and employees at appropriate positions in our consolidated operations, we face a significant risk of further material weakness in internal control over financial reporting, and direct and indirect consequences of this weakness, including but not limited to delayed filings of our SEC reports, potential defaults under our debt obligations, risk of de-listing from the NASDAQ Global Market, significant operating expenses incurred to hire outside assistance to compensate for the lack of qualified personnel, and litigation and governmental investigations.

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As a general matter, our future success depends, in large part, on the continued contributions of our senior management and other key technical and sales personnel, many of whom are highly skilled and would be difficult to replace. None of our senior management, key technical personnel or key sales personnel is bound by written employment contracts to remain with us for a specified period, and several members of our senior management are approaching retirement age (particularly in our Japan subsidiaries). In addition, we do not currently maintain key person life insurance covering our key personnel. The loss of any of our senior management or key personnel could harm our business.

Our future success also depends on our ability to attract, train and retain highly skilled managerial, engineering, sales, marketing, legal and finance personnel, and on the abilities of new personnel to function effectively, both individually and as a group. Competition for qualified senior employees can be intense. If we fail to do this, our business could be significantly harmed.

The unsolicited attempts to acquire our company have created a distraction for our management and uncertainty that may adversely affect our business.

During the past twelve months, potential acquirers have expressed an interest in acquiring our company. Due to the current downturn in our industry, there may be future attempts to acquire our company. These take-over attempts have been, and may continue to be, a significant distraction for our management and employees and has required, and may continue to require, the expenditure of significant time and additional expense that could impact the profitability of our company.

These take-over attempts have also created uncertainty for our employees and our customers, and this uncertainty may adversely affect our ability to retain key employees and to hire new talent and may also result in damage to our customer relationships.

Our stock price declined precipitously in the latter part of 2008, has closed under $1 per share since October 22, 2008, and could be delisted by NASDAQ if future closing prices and value of publicly held shares failure to meet applicable requirements.

Since October 22, 2008, the closing price of our stock on the NASDAQ stock market has been less than $1 per share through January 29, 2009, on which date the closing price was $0.26 per share. On January 29, 2009, the value of Asyst’ s publicly held shares was also less than $15 million. Under the NASDAQ listing standards, a security is considered deficient (and subject to delisting) if it fails to achieve at least a $1 closing bid price for a period of 30 consecutive business days. A company such as Asyst is also provided one automatic 180-day period to regain compliance, after which it can transfer to the NASDAQ Capital Market, if it complies with all Capital Market initial inclusion requirements except bid price, to take advantage of a second 180-day compliance period. A company can regain compliance by achieving a $1 closing bid price for a minimum of ten consecutive business days. Under the listing standards, in light of Asyst’ s current financial condition, the value of its publicly held shares must also be at least $15 million.

We have not received a deficiency notice from NASDAQ based on these facts because, effective October 16, 2008, NASDAQ adopted a temporary suspension of the minimum bid price rule and the rule requiring a minimum market value of publicly held shares. According to NASDAQ, the suspension was intended to provide temporary relief to companies from the application of these requirements during a period in which the financial markets face almost unprecedented turmoil. The suspension was originally set to expire on January 16, 2009, and has been extended until April 19, 2009.

We cannot predict the extent to which we will be in compliance with NASDAQ listing standards when the current suspension is ended, or our ability to regain compliance if we experience deficiencies under the NASDAQ standards after the suspension is ended. The facts discussed above create a heightened risk that our shares could be delisted in the future.

Risks Related to Our Industry

The semiconductor manufacturing equipment industry is highly cyclical and is affected by recurring downturns in the semiconductor industry, and these cycles can harm our operating results.

Our business largely depends upon the capital expenditures of semiconductor manufacturers. Semiconductor manufacturers are dependent on the then-current and anticipated market demand for semiconductors. The semiconductor industry is cyclical and has historically experienced periodic downturns and significant demand swings. These periodic downturns, whether the result of general economic changes or decreases in demand for semiconductors, are difficult to predict and often have a severe adverse effect on the semiconductor industry’ s demand for semiconductor manufacturing equipment. Sales of equipment to semiconductor manufacturers

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may be significantly more cyclical than sales of semiconductors, as the large capital expenditures required for building new fabs or facilitating existing fabs is often delayed until semiconductor manufacturers are confident about increases in future demand. If demand for semiconductor equipment remains depressed for an extended period, it will seriously harm our business.

As a result of substantial cost reductions in response to the decrease in net sales and uncertainty over the timing and extent of any industry recovery, we may be unable to make the investments in marketing, research and development, and engineering that are necessary to maintain our competitive position, which could seriously harm our long-term business prospects.

We believe that the cyclical nature of the semiconductor and semiconductor manufacturing equipment industries will continue, leading to periodic industry downturns, which may seriously harm our business and financial position. The combination of these factors may cause our revenue, gross margin, cash flow, and profitability to vary significantly in both the short and long term.

We may not effectively compete in a highly competitive semiconductor manufacturing equipment industry.

The markets for our products are highly competitive and subject to rapid technological change. We currently face direct competition with respect to all of our products. A number of competitors may have greater name recognition, more extensive engineering, research & development, manufacturing, and marketing capabilities, access to lower cost components or manufacturing, lower pricing, and substantially greater financial, technical and personnel resources than those available to us.

Brooks, TDK and Shinko are our primary competitors in the area of loadports. Our auto identification products face competition from Brooks and Omron. We also compete with several companies in the robotics area, including, but not limited to, Brooks, Rorze and Yasukawa. In the area of AMHS, we face competition primarily from Daifuku and Murata. Our wafer sorters compete primarily with products from Recif and Rorze. We also face competition for our software products from Cimetrix and Applied Materials. In addition, the industry' s transition to 300mm wafers is likely to continue to draw new competitors to the fab automation and AMHS markets. In the 300mm wafer market, we face intense competition from a number of established automation companies, as well as new competition from semiconductor equipment companies.

We expect that our competitors will continue to develop new products in direct competition with our systems, improve the design and performance of their products and introduce new products with enhanced performance characteristics, and existing products at lower costs. To remain competitive, we need to continue to improve and expand our product line, which will require us to maintain a high level of investment in research and development. Ultimately, we may not be able to make the technological advances and investments necessary to remain competitive.

Companies in the semiconductor capital equipment industry face continued pressure to reduce costs. Pricing actions by our competitors may also require us to make significant price reductions to avoid losing orders.

Each of these factors could have a significant impact on our ability to achieve and maintain profitability.

ITEM 5. OTHER INFORMATION

The Compensation Committee of our Board of Directors recently approved revised forms of Change in Control and Indemnification Agreements, each effective as of December 31, 2008. The revised forms of agreement do not reflect a material increase in the scope of indemnification or the benefits available to an executive in the event of an actual or constructive termination in relation to a change in control. The revised forms of agreement substantially reflect clarifications and updates to the existing forms of agreements to correspond to changes in law or common practice with respect to such agreements typically offered to corporate directors and officers and, with particular respect to the revised form of Change in Control agreement, clarifications and updates to meet revised requirements under I.R.S. Section 409(A) regarding deferred compensation and to give our current executives increased assurance in their ability to enforce protections under the agreement in relation to a change in control affecting the Company.

We will offer the opportunity to enter into a revised form of Change in Control Agreement to each of our current executives who currently have such an agreement in place, and a revised form of Indemnification Agreement to each of our current executives and directors. Each of the revised forms of agreement is intended, upon execution, to supersede the form Change in Control Agreement and/or Indemnification Agreement currently in place.

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The revised form of Change in Control Agreement is attached to this report as Exhibit 10.62, and the revised form of Indemnification Agreement is attached to this report as Exhibit 10.61.

ITEM 6. EXHIBITS

Exhibit Number	Exhibit Description	Incorporated by Reference			Filing Date	Filed Herewith
		Form	Ex. No.	File No.		
3.1	Amended and Restated Articles of Incorporation of the Company.	S-1	3.1	333-66184	7/19/1993	
3.2	Amended and Restated Bylaws of the Company.	8-K	3.2	000-22430	5/20/2008	
3.3	Certificate of Amendment of the Amended and Restated Articles of Incorporation, filed September 24, 1999.	10-Q	3.2	000-22430	10/21/ 1999	
3.4	Certificate of Amendment of the Amended and Restated Articles of Incorporation, filed October. 5, 2000.	14A	App.	000-22430	7/31/2000	
3.5	Amended and Restated Certificate of Determination of Series A Junior Participating Preferred Stock, dated July 9, 2008.	8-K	3.5	000-22430	7/15/2008	
4.1	Amended and Restated Rights Agreement between the Company and Computershare Trust Company, N.A., as Rights Agent, dated July 9, 2008.	8-K	4.3	000-22430	7/15/2008	
10.59*	Amendment No. 7 to Manufacturing Services and Supply Agreement among the Company and Flextronics Industrial, Ltd. (as successor to Solectron Corporation) and its subsidiaries and affiliates effective August 13, 2008.					X
10.60	Company' s Executive Deferred Compensation Plan as amended and restated November 6, 2008.					X
10.61	Form of Indemnity Agreement entered into between the Company and directors and certain executive officers (for agreements executed on or after December 31, 2008).					X
10.62	Form of Change-in-Control Agreement entered into between the Company and certain executive officers (for agreements executed on or after December 31, 2008).					X
31.1	Certification of the Chief Executive Officer required by Rule 13a-14(a). (pursuant to Section 302 of the Sarbanes-Oxley Act of 2002).					X
31.2	Certification of the Chief Financial Officer required by Rule 13a-14(a). (pursuant to Section 302 of the Sarbanes-Oxley Act of 2002).					X
32.1	Combined Certifications of the Chief Executive Officer and Chief Financial Officer required by Rule 13a-14(b). (pursuant to Section 906 of the Sarbanes-Oxley Act of 2002).					X

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SIGNATURES

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.

ASYST TECHNOLOGIES, INC.

Date: February 6, 2009

By: /S/ AARON L. TACHIBANA
Aaron L. Tachibana
(Principal Financial Officer and Authorized Officer)

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Exhibit 10.59

Amendment No 7
Manufacturing Services and Supply Agreement

This Amendment No. 7 to the Manufacturing Services and Supply Agreement ("Amendment") is entered into between Flextronics Industrial, Ltd., a Mauritius company with a place of business at Level 3, Alexander House, 35 Cybercity, Ebene, Mauritius, an affiliate of Flextronics Corporation (successor in interest to Solectron Corporation), a Delaware corporation, and its subsidiaries and affiliates, which includes Flextronics Technology Singapore Ltd., Flextronics Technology Sdn Bhd, Flextronics Netherlands BV and any other Offshore Business Headquarters (together or individually, "Flextronics"), and Asyst Technologies, Inc., and its subsidiaries and affiliates (together or individually, "Asyst"), effective August 13, 2008 (the "Amendment Effective Date"), and amends to the extent expressly provided below the Manufacturing Services and Supply Agreement dated September 5, 2002 between Asyst and Solectron Corporation (and as previously amended on September 22, 2003, February 17, 2005, June 10, 2005, August 1, 2005, March 20, 2006, and June 23, 2006, the "Agreement").

WHEREAS, the parties are entering into this Amendment for the purposes of amending and supplementing certain key terms and conditions of the Agreement and to extend as provided herein the relationship between the parties in which Flextronics manufactures Products for Asyst upon such amended and supplemented terms and conditions.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, Flextronics and Asyst agree to amend and supplement, and do hereby amend and supplement, the Agreement to the extent and as expressly provided below, to add the following additional terms and conditions:

1. Attachment R to the Agreement is deleted in its entirety and superseded by the Pricing Model set forth in Section 4, below.

2. Section 10.1 is amended and restated in its entirety as follows: "Manufacturer' s pricing model is set forth in the Pricing Model set forth in Amendment No. 7 to the Manufacturing Services and Supply Agreement. All prices exclude, and Asyst shall be solely obligated and liable to pay, all sales, use, excise, import, export and other taxes to the extent levied upon either party with specific respect to Products Asyst purchases under this Agreement. However, Asyst shall have no obligation or liability with respect to taxes generally levied on Flextronics in connection with the conduct of its business or, specifically taxes based on Flextronics' net income relating to Products Asyst purchases under this Agreement."

3. Other than with respect to the Pricing Model set forth in Section 4 below, which shall be effective commencing with the quarterly period beginning as of January 1, 2009 and through the remainder of the term of the Agreement, all terms set

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forth in this Amendment shall apply and be deemed automatically effective as of the Amendment Effective Date with respect to Products under the Agreement.

4. Pricing Model. The Pricing Model for the Products is based on certain levels of Actual Revenue (as defined below) over a quarterly period commencing with the quarterly period beginning as of January 1, 2009.

4.1. Before the start of each fiscal quarter, the parties will meet to discuss the various components affecting the Pricing Model, including, but not limited to, the bill of materials indicating material costs for Products, Forecasted Revenue (as defined below) and standard labor hours per FISO Product and STS at Kallang (the "Quarterly Review Process").

4.2. The Pricing Model sets forth a mark-up schedule to the material costs that Flextronics will charge Asyst as part of the Product price. The mark-up schedule, and therefore, the Product price calculation, is different for: (i) each quarterly Product price quote; (ii) each quarterly Kallang PCBA quote; and (iii) each quarterly reconciliation as set forth in Section 4.8 below.

4.2.1. **Quarterly Product Price Quote Calculation**. For each quarterly Product price quote, the quoted Product price will be calculated based upon the mark-ups set forth below, pursuant to the FISO Volume Pricing Model Revenue band relevant to Forecasted Revenue for that quarter.

4.2.1.1. Material overhead ("MOH") costs are based on the indicated applicable percentage of material costs.

4.2.1.2. Labor costs are based on (i) the agreed labor rates set forth in the Pricing Model and (ii) applicable standard hours per Product as determined and agreed in advance in writing by the parties during the Quarterly Review Process.

4.2.1.3. Selling, general and administrative ("SGA") costs are based on the indicated applicable percentage of the sum of material costs + MOH + labor costs.

4.2.1.4. Profit is based on the indicated applicable percentage of the sum of material costs + MOH + labor costs + SGA.

4.2.2. **Quarterly Kallang PCBA Price Quote**. For each quarterly Kallang PCBA price quote, the quoted PCBA price will be calculated based upon the mark-ups set forth below, pursuant to

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the Kallang PCBA Volume Pricing Model Revenue band relevant to Forecasted Revenue for that quarter.

4.2.2.1. Material overhead ("MOH") costs are based on the indicated applicable percentage of material costs.

4.2.2.2. Labor costs are based on the direct labor ("DL") and indirect labor ("IDL") percentages set forth in the Kallang PCBA Volume Price Model.

4.2.2.3. Selling, general and administrative ("SGA") costs are based on the indicated applicable percentage of the sum of material costs + MOH + DL + IDL.

4.2.2.4. Profit is based on the indicated applicable percentage of the sum of material costs + MOH + DL + IDL + SGA.

4.2.3. **Quarterly Reconciliation Calculation**. For each quarterly reconciliation done pursuant to Section 4.8, the aggregate Actual Revenue calculation will be calculated based upon the mark-ups set forth below, pursuant to the applicable Pricing Model Revenue band relevant to Actual Revenue for that quarter.

4.2.3.1. Material overhead ("MOH") costs are based on the indicated applicable percentage of material costs.

4.2.3.2. Labor costs are based on the DL and IDL percentages set forth in the applicable Price Model.

4.2.3.3. Selling, general and administrative ("SGA") costs are based on the indicated applicable percentage of the sum of material costs + MOH + DL + IDL.

4.2.3.4. Profit is based on the indicated applicable percentage of the sum of material costs + MOH + DL + IDL + SGA.

4.3. The FISO Volume Pricing Model does not include freight costs, which actual freight costs Flextronics will charge separately to Asyst.

4.4. The Kallang PCBA Volume Pricing Model does include freight costs.

4.5. The FISO and Kallang Pricing Models include Flextronics' standard twelve (12) month workmanship and materials warranty, as provided in Section 11.1 of the Agreement.

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4.6. New product introduction (“NPI”) costs are not included in this Pricing Model, and will be quoted and agreed separately in advance in writing; provided, however, that once a new product is deemed a Product under the Agreement, the Pricing Model shall apply without any additional NPI costs thereafter.

4.7. Non-recurring engineering (“NRE”) costs are not included in the Pricing Model, and will be quoted and agreed separately in advance in writing.

4.8. A quarterly reconciliation will be performed at the end of each quarter to reconcile Forecasted Revenue to Actual Revenue for the quarter just-ended. If there is a balance due from one party to the other based on a recalculation of the quoted Product price using the mark-ups set forth on the Pricing Model Revenue band applicable to the Actual Revenue, the party owed such balance will issue an invoice to the other party. Such invoice will be paid within thirty (30) days of receipt. Examples of this quarterly reconciliation are set forth on Attachment A.

4.8.1. “Forecasted Revenue” for a quarterly period will be provided by Asyst to Flextronics before the start of each quarter as part of the Quarterly Review Process.

4.8.2. “Actual Revenue” for a quarterly period is determined based on the following: (i) Products delivered in the relevant quarter; (ii) services delivered by Flextronics to Asyst in the relevant quarter; and (iii) the amount of commercial claims paid by Asyst in the relevant quarter, excluding inventory buy-back and inventory buy-down.

4.9. All prices are based on US Dollars and all deliveries shall be deemed *Ex Works* Flextronics manufacturing facility (Incoterms 2000).

4.10. If Actual Revenue for the quarterly period beginning as of the quarter starting October 1, 2008 falls below $[*] USD the parties agree to negotiate in good faith on a further and appropriate upward adjustment of the Pricing Model that should apply to the Actual Revenue for that quarter.

4.11. If Actual Revenue for any quarterly period beginning as of the quarter starting January 1, 2009 falls below $[*] USD the parties agree to negotiate in good faith on a further and appropriate upward adjustment of the Pricing Model that should apply to the Actual Revenue for that quarter.

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4.12. The following table reflects the mark-ups to material costs outlined above based upon the appropriate Revenue band set forth below:

FISO Volume Pricing Model

Revenue $	MOH	DL	Mfg OH	SGA	Profit	Labor Rate	Test Rate
>[*]	[*]%	[*]%	[*]%	[*]%	[*]%	$ [*]	$ [*]
>[*]	[*]%	[*]%	[*]%	[*]%	[*]%	$ [*]	$ [*]
>[*]	[*]%	[*]%	[*]%	[*]%	[*]%	$ [*]	$ [*]
>[*]	[*]%	[*]%	[*]%	[*]%	[*]%	$ [*]	$ [*]
>[*]	[*]%	[*]%	[*]%	[*]%	[*]%	$ [*]	$ [*]
>[*]	[*]%	[*]%	[*]%	[*]%	[*]%	$ [*]	$ [*]
>[*]	[*]%	[*]%	[*]%	[*]%	[*]%	$ [*]	$ [*]
>[*]	[*]%	[*]%	[*]%	[*]%	[*]%	$ [*]	$ [*]
>[*]	[*]%	[*]%	[*]%	[*]%	[*]%	$ [*]	$ [*]
>[*]	[*]%	[*]%	[*]%	[*]%	[*]%	$ [*]	$ [*]

Kallang PCBA Volume Pricing Model

Revenue $	MOH	DL	Mfg OH	SGA	Profit
>[*]	[*]%	[*]%	[*]%	[*]%	[*]%
>[*]	[*]%	[*]%	[*]%	[*]%	[*]%
>[*]	[*]%	[*]%	[*]%	[*]%	[*]%
>[*]	[*]%	[*]%	[*]%	[*]%	[*]%
>[*]	[*]%	[*]%	[*]%	[*]%	[*]%
>[*]	[*]%	[*]%	[*]%	[*]%	[*]%
>[*]	[*]%	[*]%	[*]%	[*]%	[*]%
>[*]	[*]%	[*]%	[*]%	[*]%	[*]%

5. Upon periodic consultation with Asyst, Flextronics may reduce its manufacturing costs in a manner that balances service levels and expenses in order to achieve Flextronics' pricing model assumptions for Products; provided, however, that such cost reduction activities shall not affect quality and response-times.

6. Quarterly Payments − Asyst will pay to Flextronics a total of $[*] USD, as consideration for the forecasted impact on Flextronics due to the reductions in purchase volumes or Revenue to Flextronics in the quarters ending June 30, 2008 and September 30, 2008, of which $[*] will be due to the lower purchase volumes or Revenue to Flextronics in the quarter ending June 30, 2008 and $[*] will be due to the lower purchase volumes or Revenue to Flextronics in the quarter ending September 30, 2008. The payment will be made in three equal payments, each in the amount of $[*]. Such payments will be made as follows: 1) the first payment will be deemed earned and due and owed as of January 1, 2009 and payable within thirty (30) days; 2) the second payment will be deemed earned and due and owed as of April 1, 2009, and payable within thirty (30) days; and 3) the third payment will be deemed earned and due and owed as of July 1, 2009, and

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payable within thirty (30) days. This Section 6 survives any termination of the Agreement

7. Flextronics Release. Subject to the terms and conditions of this Amendment, including, but not limited to, the payment of all amounts set forth in Paragraph 6 herein above, Flextronics, on behalf of itself and its direct and indirect subsidiaries and affiliated entities (the "Flextronics Releasing Party"), agrees and hereby completely releases and forever discharges Asyst, and its direct and indirect subsidiaries and affiliated entities (the "Asyst Released Parties"), from any and all claims, rights, causes or actions, of any and every kind, nature and character, known or unknown, foreseen or unforeseen, based on any right, act, omission or expectation that exist or existed as of the date of the last signature below to receive or be further compensated under the Agreement or otherwise, including, but not limited to, any and all claims by the Flextronics Releasing Party to recover or be compensated for dollars lost due to the significant revenue drop and to recover foreign exchange loss (excluding only (i) any outstanding invoices or payment for product, services or excess material under the terms of the Agreement that are not yet invoiced; and (ii) amounts claimed to be owed by Asyst to Flextronics for commercial claims). Except as set forth herein, neither party has any right or expectation under the Agreement or otherwise for any additional payments related to past business.

   Asyst Release. Subject to the terms and conditions of this Amendment and in consideration for the payment amounts set forth in Paragraph 6 herein above, Asyst, on behalf of itself and its direct and indirect subsidiaries and affiliated entities (the "Asyst Releasing Party", and together with the Flextronics Releasing Party, the "Releasing Parties"), agrees and hereby completely releases and forever discharges Flextronics, and its direct and indirect subsidiaries and affiliated entities (the "Flextronics Released Parties", and together with the Asyst Released Parties, the "Released Parties"), from any and all claims, rights, causes or actions, of any and every kind, nature and character, known or unknown, foreseen or unforeseen, based on any right, act, omission or expectation that exist or existed as of the date of the last signature below to receive or be further compensated under the Agreement or otherwise, including, but not limited to, any and all claims by the Asyst Releasing Party to recover or be compensated for dollars lost due to the significant revenue drop and to recover foreign exchange loss (excluding only any amounts claimed to be owed by Flextronics to Asyst for PPV). Except as set forth herein, neither party has any right or expectation under the Agreement or otherwise for any additional payments related to past business.

   The parties also agree that, by signing this Amendment and accepting the mutual benefits set forth herein, the parties waive and release and promise never to assert any such claims that you might have against the Released Parties. Each party therefore waives its rights under section 1542 of the Civil Code of California, or other comparable provision of applicable law, which states:

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A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known to him must have materially affected his settlement with the debtor

8. Flextronics shall be the provider of all Asyst' s outsourced manufacturing services for the term of the Agreement for all Products made a part of this Agreement pursuant to written agreement.
9. Capitalized terms used herein and not otherwise defined shall have the meaning thereto ascribed in the Agreement.
10. The term of the Agreement shall be extended until August 13, 2013.
11. Except as modified herein, the Agreement, as amended, is hereby ratified and confirmed and is and shall remain in full force and effect subject to the terms thereof.

Agreed:
Flextronics Industrial, Ltd

By: /s/ signature illegible
Director

Title: Director

Date:

Agreed:
Asyst Technologies, Inc.

By: /s/ Steve Debenham
Steve Debenham

Title: Vice President General Counsel

Date: 12/5/2008

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Attachment A

FISO

	Rev Band	Material	MOH		DL		Mfg OH		SGA		Profit		Flex rev	Flex Rev with Claims	Total VAM		True-Up
	$	$	%	$	%	$	%	$	%	$	%	$	$$$	$ [*]/Qtr	%	$	
FCST	[*]	$ [*]	[*]%	$[*]	[*]%	$[*]	[*]%	$[*]	[*]%	$[*]	[*]%	$[*]	$ [*]	$ [*]	[*]%	$[*]	
Scenario 1	[*]	$ [*]	[*]%	$[*]	[*]%	$[*]	[*]%	$[*]	[*]%	$[*]	[*]%	$[*]	$ [*]	$ [*]	[*]%	$[*]	$ –
Scenario 2	[*]	$ [*]	[*]%	$[*]0	[*]%	$[*]	[*]%	$[*]	[*]%	$[*]	[*]%	$[*]	$ [*]	$ [*]	[*]%	$[*]	
Scenario 2	[*]	$ [*]	[*]%	$[*]	[*]%	$[*]	[*]%	$[*]	[*]%	$[*]	[*]%	$[*]	$ [*]	$ [*]	[*]%	$[*]	$ [*]
Scenario 3	[*]	$ [*]	[*]%	$[*]	[*]%	$[*]	[*]%	$[*]	[*]%	$[*]	[*]%	$[*]	$ [*]	$ [*]	[*]%	$[*]	
Scenario 3	[*]	$ [*]	[*]%	$[*]	[*]%	$[*]	[*]%	$[*]	[*]%	$[*]	[*]%	$[*]	$ [*]	$ [*]	[*]%	$[*]	$ [*]

Kallang

	Rev Band	Material	MOH		DL		Mfg OH		SGA		Profit		Flex rev	Flex Rev with Claims	Total VAM		True-Up
	$	$	%	$	%	$	%	$	%	$	%	$	$$$	$[*]/Qtr	%	$	
FCST	[*]	$ [*]	[*]%	$[*]	[*]%	$[*]	[*]%	$[*]	[*]%	$[*]	[*]%	$[*]	$ [*]	$ [*]	[*]%	$[*]	
Scenario 1	[*]	$ [*]	[*]%	$[*]	[*]%	$[*]	[*]%	$[*]	[*]%	$[*]	[*]%	$[*]	$ [*]	$ [*]	[*]%	$[*]	$ –
Scenario 2	[*]	$ [*]	[*]%	$[*]	[*]%	$[*]	[*]%	$[*]	[*]%	$[*]	[*]%	$[*]	$ [*]	$ [*]	[*]%	$[*]	
Scenario 2	[*]	$ [*]	[*]%	$[*]	[*]%	$[*]	[*]%	$[*]	[*]%	$[*]	[*]%	$[*]	$ [*]	$ [*]	[*]%	$[*]	$ [*]
Scenario 3	[*]	$ [*]	[*]%	$[*]	[*]%	$[*]	[*]%	$[*]	[*]%	$[*]	[*]%	$[*]	$ [*]	$ [*]	[*]%	$[*]	
Scenario 3	[*]	$ [*]	[*]%	$[*]	[*]%	$[*]	[*]%	$[*]	[*]%	$[*]	[*]%	$[*]	$ [*]	$ [*]	[*]%	$[*]	$ [*]

Scenario 1 Revenue achieved within the same revenue band- no true-up required

Scenario 2 Revenue lower than forecasted and achieves a lower revenue band − true-up to Flex required

Scenario 3 Revenue higher than forecasted and achieves a higher revenue band − true to Asyst required

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Exhibit 10.60

Asyst Technologies, Inc. Executive Deferred Compensation Plan

Amended and Restated November 6, 2008

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Asyst Technologies, Inc. Executive Deferred Compensation Plan

Effective November 6, 2008

Purpose

The purpose of this Deferred Compensation Plan is to provide specified benefits to a select group of management and highly compensated Employees who contribute materially to the continued growth, development, and future business success of Asyst Technologies, Inc. The Plan shall be unfunded for tax purposes and for purposes of Title I of ERISA.

The Plan was originally effective March 1, 1998 as the Asyst Technologies, Inc. Executive Deferred Compensation Plan and was amended February 1, 2004 and is now further amended and restated effective November 6, 2008 for the purpose of making changes required as a result of the enactment of Code Section 409A.

The Plan as amended and restated shall apply only to amounts that were not "earned and vested" (as defined in Internal Revenue Service ("IRS") Regulation 1.409A-6(a)(2)) prior to January 1, 2005. Amounts that were "earned and vested" as of December 31, 2004 shall be subject to the terms of the Plan as it existed on October 3, 2004, which shall remain in full force and effect for that purpose and shall not be "materially modified" (as described IRS Regulation 1.409A-6(a)(1)).

ARTICLE 1
Definitions

For purposes of the Plan, unless otherwise clearly apparent from the context, the following phrases or terms shall have the following indicated meanings:

1.1 "Account Balance" shall mean, with respect to a Participant, a credit on the records of the Company equal to the sum of (i) the Retirement Account balance and (ii) the In Service Account balance. Base Salary deferrals, Bonus deferrals and Commission, plus investment return as outlined in Section 3.6, shall be directed to the Retirement Account and In Service Account as indicated on each Class Year' s Election Form. The Account Balance shall be a bookkeeping entry only and shall be utilized solely as a device for the measurement and determination of the amounts to be paid to a Participant, or his or her Beneficiary, pursuant to the Plan.

1.2 "Affiliated Group" means (i) the Company and (ii) all entities with which the Company would be considered a single employer under Code Sections 414(b) and 414(c), provided that in applying Code Sections 1563(a)(1), (2) and (3) for purposes of determining whether a controlled group of corporations exists under Code Section 414(b), the language "at least 50 percent" shall be used instead of "at least 80 percent" each place it appears in Code Sections 1563(a)(1), (2) and (3), and in applying Treasury Regulation Section 1.414(c)-2 for purposes of determining whether trades or businesses (whether or not incorporated) are under common control for purposes of Code Section 414(c), the language "at least 50 percent" shall be used instead of "at least 80 percent" each place it appears in Treasury Regulation Section 1.414(c)-2. The term "Affiliated Group" shall be

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interpreted in a manner consistent with the definition of "service recipient" contained in Code Section 409A.

1.3 "Annual Installment Method" shall be an annual installment payment over the number of years selected by the Participant in accordance with the Plan, calculated as follows: (i) for the first annual installment, the vested Account Balance of the Participant shall be calculated as of the date of payment in accordance with Article V, and (ii) for remaining annual installments, the vested Account Balance of the Participant shall be calculated on every applicable anniversary of the first annual installment. Each annual installment shall be calculated by multiplying this balance by a fraction, the numerator of which is one and the denominator of which is the remaining number of annual payments due the Participant. By way of example, if the Participant elects a ten (10) year Annual Installment Method, the first payment shall be 1/10 of the vested Account Balance, calculated as described in this definition. The following year, the payment shall be 1/9 of the vested Account Balance, calculated as described in this definition.

For purposes of Section 409A an annual installment payment shall be considered a "single payment" as defined in IRS regulation 1.409A-2(b)(2)(iii).

1.4 "Base Salary" shall mean the annual base rate of cash compensation plus any bonus which does not qualify as "performance based compensation" under IRS regulation 1.409A-1(e)(1) payable by the Affiliated Group during a calendar year, excluding commissions, overtime, fringe benefits, stock options, relocation expenses, incentive payments, non-monetary awards, fees, automobile and other allowances, and prior to reduction for compensation voluntarily deferred or contributed by the Participant pursuant to all qualified or non-qualified plans of the Affiliated Group under Code Section 125, 402(e)(3), 402(h), or 403(b). Base Salary payable after the last day of a calendar year solely for services performed during the final payroll period described in Code Section 3401(b) containing December 31 of such year shall be treated as earned during the subsequent calendar year.

1.5 "Beneficiary" shall mean the person or persons, designated in accordance with Article 6, that are entitled to receive benefits under the Plan upon the death of a Participant.

1.6 "Beneficiary Designation Form" shall mean the form established from time to time by the Board that a Participant completes, signs and returns to the Board to designate one or more Beneficiaries.

1.7 "Board" shall mean the board of directors of the Company or a committee appointed by the Board to administer the Plan.

1.8 "Bonus" shall mean (i) any compensation relating to services performed during any fiscal year running from April 1 to March 31 payable to a Participant as an Employee under the Company' s written bonus or cash compensation incentive plans, excluding stock options and restricted stock and (ii) which qualifies as "performance-based compensation" under IRS regulation 1.409A-1(e)(1).

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1.9 “Change in Control” shall mean the occurrence of a “change in the ownership,” a “change in the effective control,” or a “change in the ownership of a substantial portion of the assets” of the Company within the meaning of Code Section 409A.

1.10 “Class Year” shall mean the designation of the Account Balance by year in which the Deferral Amounts are received by the Plan.

1.11 “Code” shall mean the Internal Revenue Code of 1986, as it may be amended from time to time.

1.12 “Company” shall mean Asyst Technologies, Inc. and any successor to all or substantially all of the Company’ s assets or business.

1.13 “Company Contribution Account” shall mean (i) the sum of the Participant’ s Annual Company Contribution Amounts, plus (ii) amounts credited in accordance with all the applicable crediting provisions of the Plan that relate to the Participant’ s Company Contribution Account, less (iii) all distributions made to the Participant or his or her Beneficiary pursuant to the Plan that relate to the Participant’ s Company Contribution Account.

1.14 “Company Contribution Amount” shall mean, for any one Plan Year, the amount determined in accordance with Section 3.3. All Company Contribution Amounts shall be deposited into the appropriate Class Year’ s Retirement Account.

1.15 “Commissions” shall mean any payment under a sales incentive plan.

1.16 “Death Benefit” shall mean the benefit set forth in Sections 5.3 and 5.4

1.17 “Deferral Amount” shall mean that portion of a Participant’ s Base Salary and Bonus that a Participant elects to have, and is deferred, in accordance with Article 3, for any one Plan Year. In the event of a Participant’ s Disability, death or a Termination of Employment prior to the end of a Plan Year, such year’ s Deferral Amount shall be the actual amount withheld prior to such event.

1.18 “Deferral Election” shall mean a Participant’ s election on an Election Form to defer a portion of his Base Salary, Bonus or Commission, in accordance with the provisions of Article 3.

1.19 “Disability” shall mean the occurrence of circumstances under which a Participant meets one of the following requirements (a) the Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, or (b) the Participant is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months,

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receiving income replacement benefits for a period of not less than 3 months under an accident and health plan covering employees of the Participant' s employer.

1.20 "Disability Benefit" shall mean the benefit set forth in Section 5.5.

1.21 "Election Form" shall mean the form established from time to time by the Board that a Participant completes, signs and returns to the Board to make a Deferral Election under the Plan.

1.22 "Employee" shall mean a person who is an employee of the Company.

1.23 "ERISA" shall mean the Employee Retirement Income Security Act of 1974, as it may be amended from time to time.

1.24 "In-Service Account" shall mean (i) the sum of that portion of a Participant' s Deferral Amount that a Participant elects to have distributed while in service of the Company in accordance with Article 4, plus (ii) amounts credited in accordance with all the applicable crediting provisions of the Plan, less (iii) all distributions made to the Participant or his or her Beneficiary pursuant to the Plan that relate to his or her In-Service Account.

1.25 "In-Service Benefit" shall mean the benefit set forth in Section 4.1

1.26 "Participant" shall mean any Employee (i) who is selected to participate in the Plan, (ii) who elects to participate in the Plan, (iii) who signs an Election Form and a Beneficiary Designation Form, (iv) whose signed Election Form and Beneficiary Designation Form are accepted by the Board, (v) who commences participation in the Plan, and (vi) whose participation in the Plan has not terminated. A spouse or former spouse of a Participant shall not be treated as a Participant in the Plan or have an account balance under the Plan, even if he or she has an interest in the Participant' s benefits under the Plan as a result of applicable law or property settlements resulting from legal separation or divorce.

1.27 "Plan" shall mean the Asyst Technologies, Inc. Executive Deferred Compensation Plan, as amended from time to time.

1.28 "Plan Year" shall mean a period beginning on January 1 of each calendar year and continuing through December 31 of such calendar year.

1.29 "Retirement", "Retire(s)" or "Retired" shall mean, with respect to an Employee, severance from employment from the Company for any reason other than a leave of absence, death or Disability on or after the attainment of age sixty (60) or, if earlier, age fifty-five and 5 Years of Service.

1.30 "Retirement Account" shall mean (i) that portion of a Participant' s Deferral Amount that a Participant elects to have distributed upon termination in accordance with Article 5, plus

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(ii) amounts credited in accordance with all the applicable crediting provisions of the Plan, less (iii) all distributions made to the Participant or his or her Beneficiary pursuant to the Plan that relate to his or her Retirement Account.

1.31 "Retirement Benefit" shall mean the benefit set forth in Section 5.1.

1.32 "Termination Benefit" shall mean the benefit set forth in Section 5.2.

1.33 "Termination of Employment" shall mean a termination of employment with the Affiliated Group in such a manner as to constitute a "separation from service" as defined under Code Section 409A, voluntarily or involuntarily, for any reason other than Disability, or death. For this purpose, the employment relationship is treated as continuing while a Participant is on military leave, sick leave, or other bona fide leave of absence if the period of such leave does not exceed six months or, if longer, so long as the individual retains a right to reemployment with the Affiliated Group under an applicable statute or by contract. A leave of absence constitutes a bona fide leave of absence only if there is a reasonable expectation that the Participant will return to perform services for the Affiliated Group. If the period of leave exceeds six months and the Participant does not retain a right to reemployment under an applicable statute or by contract, the employment relationship is deemed to terminate on the first day immediately following such six-month period. A Termination of Employment will occur if there is a reasonable expectation that the level of services by the Participant for the Affiliated Group will permanently decrease to 20% or less of the average level of services during the previous 36 months (or, if shorter, the actual period of services).

1.34 "Trust" shall mean one or more rabbi trusts established by the Company in accordance with Article 12 of the Plan as amended from time to time.

1.35 "Unforeseeable Emergency" shall mean a severe financial hardship to the Participant resulting from (i) an illness or accident of the Participant or Beneficiary or his spouse or dependent (as defined in Code Section 152(a) without regard to Code Sections 152(b)(1), 152(b)(2), and 152(d)(1)(B)), (ii) loss of the Participant' s property due to casualty (including the need to rebuild a home following damage to the home not otherwise covered by insurance), or (iii) other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant. The term "Unforeseeable Emergency" shall be interpreted in a manner consistent with the definition of "unforeseeable emergency" contained in Code Section 409A.

1.36 "Year of Service" shall mean the completion of twelve consecutive months of service.

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ARTICLE 2
Selection, Enrollment, Eligibility

2.1 **Selection by Board**. Participation in the Plan shall be limited to those Employees who are determined by the Board to be a member of a select group of management or highly compensated employees and who is designated by the Board to be an eligible Employee.

2.2 **Enrollment Requirements**. As a condition to participation, each selected Employee shall complete, execute and return to the Board an Election Form and a Beneficiary Designation Form, all within 30 days (or such shorter time as the Board may determine) after he or she is selected to participate in the Plan. In addition, the Board shall establish from time to time such other enrollment requirements as it determines in its sole discretion are necessary.

2.3 **Eligibility; Commencement of Participation**. Provided an Employee selected to participate in the Plan has met all enrollment requirements set forth in the Plan and required by the Board, including returning all required documents to the Board within thirty (30) days (or such shorter time as the Board may determine) after he or she is selected to participate in the Plan, that Employee shall commence participation in the Plan on the first day of the pay period following the date on which the Employee completes 30 calendar days of employment and all enrollment requirements. If an Employee fails to meet all such requirements within the period required, that Employee shall not be eligible to participate in the Plan until the first day of the Plan Year following the delivery to and acceptance by the Board of the required documents.

2.4 **Termination of Deferrals.** If the Board determines in good faith that a Participant no longer qualifies as a member of a select group of management or highly compensated employees, as membership in such group is determined in accordance with Sections 201(2), 301(a)(3) and 401(a)(1) of ERISA, the Participant' s entitlement to defer Base Salary and Bonus shall cease with respect to calendar years following the calendar year in which such determination is made, although the Participant shall remain subject to all terms and conditions of the Plan for as long as he remains a Participant.

ARTICLE 3
Deferral Elections

3.1 **Elections to Defer Base Salary, Bonus or Commission**.

(a) **Deferral Election**.

(i) **New Participant**. In connection with a Participant' s commencement of participation in the Plan, a Participant may elect to defer Base Salary, Bonus or Commissions, by filing with the Board an Election Form that conforms to the requirements of Article 2 within the time period specified in Section 2.3, and the Deferral Election shall become irrevocable at the end of such time period. The Deferral Election shall apply only to Base Salary

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earned during the first Plan Year beginning with the first payroll period that begins immediately after the date the Participant has completed and returned a complete and signed Election Form. The Deferral Election shall apply only to that portion of the Bonus earned after the Deferral Election becomes irrevocable. The Deferral Election shall apply only to Commissions actually paid during the first Plan Year beginning with the first payroll period that begins immediately after the date the Participant has completed and returned a complete and signed Election Form. If a Participant does not make a deferral election with respect to the first Plan Year with respect to which the Participant is eligible to participate in the Plan, the Participant may elect to defer Base Salary, Bonus or Commissions for any subsequent Plan Year by filing with the Board an Election Form that conforms with the requirements of Article 2 before the start of that Plan Year.

(ii) **Annual Deferral Election**. Unless Section 3.1(a)(i) applies, each Participant may elect to defer Base Salary, Bonus or Commissions for a Plan Year by filing a Deferral Election with the Board within the timeframes specified by the Board for the Plan Year for which such Base Salary or Bonus is earned and Commissions are paid. However, the Deferral Election with respect to Base Salary becomes irrevocable as of such December 31 preceding the Plan Year for which such Base Salary is earned, with respect to a Bonus that qualifies as "Performance Based Compensation" as defined in IRS regulation 1.409A-1(e) becomes irrevocable as of the date six months prior to the end of the performance period or such earlier dates as specified by the Board and with respect to Commissions becomes irrevocable as of such December 31 preceding the Plan Year for which such Commission is actually paid.

(b) **Amount of Deferral**. A Participant shall designate on the Deferral Election form the amount of Base Salary, Bonus or Commissions that is to be deferred in accordance with this Article 3. The amount, in whole percentages or dollar amount, shall not exceed 75 percent of the Participant's Base Salary, 100 percent of the Participant's Bonus, or 100 percent of the Participant's Commissions; provided that the total amount deferred by a Participant shall be limited in any calendar year, if necessary, to satisfy FICA, income tax, and employee benefit plan withholding requirements as determined in the sole and absolute discretion of the Board.

(c) **Duration of Deferral Election**. A Participant's Deferral Election shall apply only to Base Salary or Bonus earned and Commissions paid for services performed during the Plan Year to which the Deferral Election relates. A Participant must indicate a new Deferral Election for any subsequent Plan Year by filing a new Election Form with the Board prior to the beginning of such Plan Year or at such time as the Board may require, which Deferral Election shall be effective on the first day of the next following Plan Year. If a Participant fails to complete a new

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Election Form for any subsequent Plan Year the deferral election for that subsequent Plan Year will be deemed to be zero.

(d) **Class Year Elections:** Each Plan Year' s Deferral Election will be maintained in separate and distinct accounts by Retirement Account and In Service Account and by calendar year in which the contribution is received. Unique distribution elections apply to each Class Year.

3.2 **Withholding of Deferral Amounts**. For each Plan Year, the Base Salary portion of the Deferral Amount shall be withheld from each regularly scheduled Base Salary payroll in equal amounts, as adjusted from time to time for increases and decreases in Base Salary. The Bonus portion of the Deferral Amount shall be withheld at the time the Bonus is or otherwise would be paid to the Participant, whether or not this occurs during the Plan Year. The Commission portion of the Deferral Amount shall be withheld from each Commission payment received.

3.3 **Company Contribution Amount**. For each Plan Year, the Board, in its sole discretion, may, but is not required to, credit any amount it desires to any Participant' s Company Contribution Account under the Plan, which amount shall equal the Annual Company Contribution Amount for that Participant for that Plan Year. The amount so credited to a Participant may be smaller or larger than the amount credited to any other Participant, and the amount credited to any Participant for a Plan Year may be zero, even though one or more other Participants receive an Annual Company Contribution Amount for that Plan Year.

3.4 **Vesting**. A Participant shall at all times be 100% vested in his or her Deferral Amount plus investment return as outlined in Section 3.6. A Participant shall vest in his or her Company Contribution Amount, plus investment return as outlined in Section 3.6, in accordance with the following schedule:

Years of Service	Vested Percentage
Less than 1	0 %
1 but less than 2	20 %
2 but less than 3	40 %
3 but less than 4	60 %
4 but less than 5	80 %
5 or more	100%

Notwithstanding the above schedule, a Participant will become 100% vested in the Company Contribution Amount, plus investment return outlined in Section 3.6, upon death, Disability or Retirement.

3.5 **In-Service Accounts and Retirement Accounts**. The Company shall establish an In-Service Account and a Retirement Account for each Participant under the Plan. Each

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Participant’ s Deferral Account shall be further divided into separate subaccounts (“investment fund subaccounts”), each of which corresponds to an investment fund elected by the Participant. A Participant’ s Deferral Account shall be credited as follows:

(a) After amounts are withheld and deferred from a Participant’ s Base Salary, Bonus or Commissions, the Company shall credit the investment fund subaccounts of the Participant’ s Deferral Account with an amount equal to the amount of Base Salary or Bonus, or both, deferred by the Participant as of the date that the Base Salary, Bonus or Commissions would have been paid to the Participant, and the portion of the Participant’ s deferred Base Salary, Bonus or Commissions that the Participant has deemed to be invested in a certain type of investment fund shall be credited to the investment fund subaccount corresponding to that investment fund.

(b) Each business day, each of the Participant’ s investment fund subaccounts shall be credited with earnings or losses in an amount equal to that determined by multiplying the balance credited to such investment fund subaccount as of the prior day plus contributions allocated to the investment fund subaccount that day by the rate of net gain or loss for the corresponding investment fund for that day.

(c) Each of the Participant’ s investment fund subaccounts shall be reduced pro rata by the amount of any distributions made to the Participant, as of the date of the distribution.

3.6 **Investment Elections**.

(a) The Board shall select from time to time, in its sole and absolute discretion, commercially available investment funds to be used to determine the amount of earnings or losses to be credited to the Participant’ s Accounts under Section 3.5.

(b) At the time of making a Deferral Election, a Participant shall designate, on the Election Form, the investment fund or funds in which the Participant’ s Deferral Account attributable to deferrals of Base Salary, Bonus or Commissions will be deemed to be invested for purposes of determining the amount of earnings or losses to be allocated to the Deferral Account. The Participant may specify the deemed investment, in whole percentage increments, in one or more of the investment Funds as communicated from time to time by the Board. Effective as of any business day, a Participant may change this investment designation by filing a change of election and making a new designation as designated by the Board.

(c) Notwithstanding any other provision of the Plan that may be interpreted to the contrary, the investment funds selected by the Board or designation of investment funds by a Participant shall not be considered or construed in any manner as an actual investment of the Participant; Account Balance in any such investment fund. In the event that the Company or the Trustee, in its sole and absolute discretion, shall invest funds in any or all of the selected investment funds, no Participant shall

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have any rights in or to such investments. Without limiting the foregoing, a Participant' s Account Balance shall at all times be a bookkeeping entry only and shall not represent any investment made on his or her behalf by the Company or the Trust; the Participant shall remain at all times an unsecured creditor of the Company.

3.7 **FICA and Other Taxes**.

(a) **Deferral Amounts**. For each Plan Year in which a Deferral Amount is being withheld from a Participant, the Company shall withhold from that portion of the Participant' s Base Salary, Bonus or Commissions that is not being deferred, in a manner determined by the Company, the Participant' s share of FICA and other employment taxes on such Deferral Amount. If necessary, the Board may reduce the Deferral Amount in order to comply with this Section 3.7(a).

(b) **Distributions**. The Company, or the trustee of the Trust, shall withhold from any payments made to a Participant under the Plan all federal, state and local income, employment and other taxes required to be withheld by the Company, or the trustee of the Trust, in connection with such payments, in amounts and in a manner to be determined in the sole discretion of the Company and the trustee of the Trust.

ARTICLE 4
In-Service Distributions and Unforeseeable Emergencies

4.1 **In-Service Distributions.** A Participant, in connection with his or her initial commencement of participation in the Plan and each subsequent annual enrollment, may elect on an Election Form the year as well as the percentage of the particular Plan Year' s Deferral Amount to be distributed as an In-Service Distribution. The Participant will receive the percentage of the particular Plan Year' s Deferral Amount in a lump sum. The lump sum payment shall be made in January of the year selected on the Election Form. If a Participant elects to direct a percentage of the particular Plan Year' s Deferral Amount to the In-Service Account but does not indicate the year in which the payment is made, then it will be assumed that no In-Service election was made for that Plan Year and all such deferrals will be directed to the Retirement Account.

If Termination of Employment for any reason, other than death, occurs prior to the year selected for the In-Service Distribution, then the percentage of that Class Year' s Deferral Amount shall be paid to the Participant in accordance with the election made for the Retirement Account for that Class Year. If no Retirement Account is in effect for that Class Year, i.e., the Participant elected to have 100% of that Class Year' s Deferral Amount directed to the In-Service Account, then payment will be made a lump sum as soon as practicable. If Termination of Employment occurs as a result of death, payment will be made in accordance with either Section 5.3 or 5.4.

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4.2 **Change in Time or Form of Payment for In-Service Distribution**. Notwithstanding the methods of payment for each Class Year' s Election pursuant to such Election Form, the Participant may elect to change the time of such payment under a subsequent election that meets the following requirements:

(a) The subsequent election may not take effect until at least 12 months after the date on which the subsequent election is made.

(b) The subsequent election is made not less than 12 months prior to the date of the scheduled payment.

(c) The payment with respect to which the subsequent election is made must be deferred for a period of not less than five years from the date such payment would otherwise have been made.

(d) The subsequent election may not accelerate the time of any payment.

4.3 **Payout/Suspensions for Unforeseeable Emergencies**. If the Participant experiences an Unforeseeable Emergency, the Participant may petition the Board to receive a partial or full payout from the Plan attributable to Deferral Amounts. Company Contribution Amounts are not available for Unforeseeable Emergenices. Any payout will be made starting with the most recently completed Class Year and from that Class Year' s In-Service Account, if any, and progressing to each preceding Class Year as necessary. The Retirement Accounts will be used only upon exhausting all completed prior Class Year In-Service Accounts.

By way of example, if a request for an Unforeseeable Emergency is made in 2010 and 2008 was the initial Class Year for the Participant, payment will come from the 2009 Class Year' s In-Service Account. To the extent the 2009 Class Year' s In-Service Account is insufficient, additional amounts will come from the 2008 Class Year' s In-Service Account. If the previously completed Class Year' s In-Service Accounts are insufficient or if none exist, then the payout or any remaining amount needed shall come from the 2009 Class Year' s Retirement Account and then from the 2008 Class Year' s Retirement Account. Only when all prior Class Years have been exhausted will the payout tap the 2010 Class Year and then from the In-Service Account first.

The payout shall not exceed the lesser of the Participant' s Account Balance, calculated as if such Participant were receiving a Termination Benefit, or the amount reasonably needed to satisfy the Unforeseeable Emergency plus amounts necessary to pay taxes reasonably anticipated as a result of the payout, after taking into account the extent to which such Unforeseeable Emergency is or may be relieved through reimbursement or compensation by insurance or otherwise or by liquidation of the Participant' s assets (to the extent such liquidation would not itself cause severe financial hardship). If, subject to the sole discretion of the Board, the petition for a suspension and/or payout is

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approved, suspension shall take effect upon the date of approval and any payout shall be made within 60 days of the date of approval.

4.4 **Change in Control.** Upon a Change in Control as defined in IRS regulation 1.409A-3(i)(5), a Participant' s Account Balance will be paid in a lump sum.

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ARTICLE 5
Benefits

5.1 **Retirement Benefit**. A Participant who Retires shall receive, as a Retirement Benefit, his or her Account Balance. A Participant, in connection with his or her commencement of participation in the Plan and each subsequent Plan Year shall elect on an Election Form the form of payment with respect to that Plan Year' s Deferral Amount. The Participant may elect payment in a lump sum or pursuant to an Annual Installment Method not to exceed 5 years. Thus, separate Retirement Benefit elections may apply to each Class Year and a Participant can elect different forms of payment for Retirement and for Termination of Employment for each Class Year. If a Participant does not make any election with respect to the payment of the Retirement Benefit, then such benefit shall be payable in a lump sum. The lump sum payment shall be made, or installment payments shall commence, as soon as practicable after Retirement.

5.2 **Termination Benefit**. A Participant who experiences a Termination of Employment prior to Retirement shall receive as a Termination Benefit his or her Account Balance. A Participant, in connection with his or her initial commencement of participation in the Plan and each subsequent Plan Year shall elect on an Election Form the form of payment with respect to that Plan Year' s Deferral Amount. The Participant may elect payment in a lump sum or pursuant to an Annual Installment Method not to exceed 5 years. Thus, separate Termination Benefit elections may apply to each Class Year and a Participant can elect different forms of payment for Termination of Employment and for Retirement for each Class Year. If a Participant does not make any election with respect to the payment of a particular Class Year, then such benefit shall be payable in a lump sum. The lump sum payment shall be made, or installment payments shall commence, as soon as practicable after Termination of Employment.

5.3 **Death Prior to Retirement or Termination of Employment.** The Beneficiary of a Participant who dies prior to Retirement or Termination of Employment shall receive a Death Benefit in accordance with the election made by the Participant on the Election Form at the time of his or her initial commencement of participation in the Plan and each subsequent Plan Year. The Participant may elect a Death Benefit in a lump sum or pursuant to an Annual Installment Method not to exceed 10 years. Thus, separate elections may apply to each Class Year and a Participant can elect different forms of Death Benefit than for Termination of Employment and for Retirement for each Class Year. If a Participant had also elected an In-Service Distribution and the In-Service Distribution has not yet commenced to be paid, the payment to the Beneficiary shall be made as described under this section 5.3 and not as under 4.1.

If a Participant has not made any election with respect to the payment of a particular Class Year, his entire vested Account Balance is less than $25,000 or if the spouse of the Participant is not my sole beneficiary, the entire Account Balance or particular Class

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Year, as appropriate, will be payable to the Participant' s Beneficiary in a lump sum. The lump sum payment shall be made, or installment payments shall commence, as soon as practicable after Termination of Employment.

5.4 **Death After Retirement or Termination of Employment.** If a Participant dies after Retirement or Termination of Employment but before the Account Balance is paid in full, the Participant' s unpaid Retirement Benefit or Termination Benefit shall continue and shall be paid to the Participant' s Beneficiary over the remaining number of years and in the same amounts as that benefit would have been paid to the Participant had the Participant survived.

If a Participant has not made any election with respect to the payment of a particular Class Year, his entire vested Account Balance is less than $25,000 or if the spouse of the Participant is not my sole beneficiary, the entire Account Balance or particular Class Year, as appropriate, will be payable to the Participant' s Beneficiary in a lump sum. The lump sum payment shall be made, or installment payments shall commence, as soon as practicable after Termination of Employment.

5.5 **Disability Benefit**. A Participant suffering a Disability shall, for benefit purposes under the Plan, be deemed to have experienced a Termination of Employment. The Disability Benefit shall be paid in the same form as elected for Termination of Employment for each Class Year. The lump sum payment shall be made, or installment payments shall commence, as soon as practicable after Disability.

5.6 **Change in Time or Form of Payment for Termination Benefit**. Notwithstanding the method of payment elected by a Participant on an Election Form with respect to the Base Salary, Bonus or Commissions deferred pursuant to such Election Form, the Participant may elect to change the time or form of such payment under a subsequent election that meets the following requirements:

(a) The subsequent election may not take effect until at least 12 months after the date on which the subsequent election is made.

(b) The first payment with respect to which the subsequent election is made must be deferred for a period of not less than five years from the date such payment would otherwise have been made for any Termination Benefit or Retirement Benefit. This five year deferral shall not apply to any change in the Death Benefit or upon the occurrence of a Disability.

(c) The subsequent election may not accelerate the time of any payment.

The form of payment elected in a subsequent election must be a lump sum or an Annual Installment Method of between 2 and 5 years for Termination of Employment and Retirement and must be a lump sum or an Annual Installment Method of between 2 and 10 years for the Death Benefit.

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5.7 **Limitation on Key Employees**. Notwithstanding any other provision of the Plan to the contrary, the payment of a Termination Benefit with respect to a “key employee” of the Company, within the meaning of Code Section 416(i)(1), if at that time any stock of the Company is publicly traded on an established securities market or otherwise, shall not be made within six months following his separation from service with the Company, except in the event of death. As of the restatement date of this plan, this provision does not apply to the Company.

5.8 **Involuntary Cash Out Limit.** If a Participant’ s total Account Balance is less than or equal to the deferral limit in effect under section 402(g) of the Code for the calendar year in which the Participant experiences a Retirement or Termination of Employment, then, despite the election made by the Participant, the Company may, at its discretion, pay the Account Balance in a lump sum as soon as practicable.

ARTICLE 6
Beneficiary Designation

6.1 **Beneficiary**. Each Participant shall have the right, at any time, to designate his or her Beneficiary(ies) (both primary as well as contingent) to receive any benefits payable under the Plan to a beneficiary upon the death of a Participant. The Beneficiary designated under the Plan may be the same as or different from the Beneficiary designation under any other plan of the Company in which the Participant participates. Notwithstanding the preceding sentences, if the designated Beneficiary of a married Participant is not the Participant’ s spouse, the spouse must consent in writing to the Participant’ s naming a non-spouse Beneficiary. The consent of the spouse to a non-spouse Beneficiary shall be irrevocable by the spouse. In the event an unmarried Participant marries, such Participant’ s designated Beneficiary shall be the Participant’ s spouse regardless of an existing Beneficiary designation which shall be deemed canceled as of the date of marriage unless consented to in writing by the Participant’ s spouse.

6.2 **Beneficiary Designation Change**. A Participant shall designate his or her Beneficiary by completing and signing the Beneficiary Designation Form, and returning it to the Board. A Participant shall have the right to change a Beneficiary by completing, signing and otherwise complying with the terms of the Beneficiary Designation Form, the Board’ s rules and procedures, as in effect from time to time and the requirements relative to the designation of a Participant’ s spouse as Beneficiary in accordance with Section 6.1. Upon the acceptance by the Board of a new Beneficiary Designation Form, all Beneficiary designations previously filed shall be canceled. The Board shall be entitled to rely on the last Beneficiary Designation Form filed by the Participant and accepted by the Board prior to his or her death.

If a Participant is married and has named someone other than his or her spouse as the primary Beneficiary, and the Participant is a resident of Arizona, California, Idaho, Nevada, New Mexico, Texas or Washington, the Participant’ s spouse must sign a consent to designation.

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6.3 **Acknowledgment**. No designation or change in designation of a Beneficiary shall be effective until received and acknowledged in writing by the Board.

6.4 **No Beneficiary Designation**. If a Participant fails to designate a Beneficiary as provided in Sections 6.1, 6.2 and 6.3 above or, if all Beneficiaries predecease the Participant or die prior to complete distribution of the Participant' s benefits, then the Participant' s Beneficiary shall be deemed to be his or her surviving spouse. If the Participant has no surviving spouse, the benefits remaining under the Plan to be paid to a Beneficiary shall be payable to the Participant' s estate.

6.5 **Doubt as to Beneficiary**. If the Board has any doubt as to the proper Beneficiary to receive payments pursuant to the Plan, the Board shall have the right, exercisable in its discretion, to cause the Company to withhold such payments until this matter is resolved to the Board' s satisfaction.

6.6 **Discharge of Obligations**. The payment of benefits under the Plan to a Beneficiary shall fully and completely discharge the Company and the Board from all further obligations under the Plan with respect to the Participant, and that Participant' s participation in the Plan shall terminate upon such full payment of benefits.

ARTICLE 7
Leave of Absence

7.1 **Paid Leave of Absence**. If a Participant is authorized by the Company for any reason to take a paid leave of absence from the employment of the Company, the Participant shall continue to be considered employed by the Company and the Deferral Amount shall continue to be withheld during such paid leave of absence in accordance with Section 3.1.

7.2 **Unpaid Leave of Absence**. If a Participant is authorized by the Company for any reason to take an unpaid leave of absence from the employment of the Company, the Participant shall continue to be considered employed by the Company and the Participant shall be excused from making deferrals until the Participant returns to a paid employment status. Upon such return, deferrals shall resume for the remaining portion of the Plan Year in which the return occurs, based on the deferral election, if any, made for that Plan Year. If no election was made for that Plan Year, no deferral shall be withheld.

ARTICLE 8
Termination, Amendment or Modification

8.1 **Termination**. Although the Company anticipates that it will continue the Plan for an indefinite period of time, there is no guarantee that the Company will continue the Plan or will not terminate the Plan at any time in the future. Accordingly, the Company reserves the right to terminate the Plan at any time with respect to any or all of its participating Employees, by action of the Board. Upon the termination of the Plan,

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further deferrals under the Plan shall terminate but all Account Balances shall remain subject to the terms of the Plan and the elections made in the applicable Election Forms.

Notwithstanding the previous paragraph, upon termination of the plan and at the discretion of the Company, Account Balances may be distributed in a consistent manner to all Participants in compliance with IRS Regulation 1.409A-3(j)(4)(ix)(C), specifically:

(a) The termination and liquidation does not occur as a result of downturn in the financial health of the Company;

(b) The Company terminates and liquidates all similar arrangements sponsored by the Company that would be aggregated with any other arrangements under §1.409A-1(c) if the Participants had deferrals of compensation under all of the arrangements that are terminated;

(c) No payments are made within 12 months of the date the Company takes all necessary action to irrevocably terminate and liquidate the plan other than payments that would be payable under the terms of the plan if the action to terminate and liquidate the plan had not occurred;

(d) All payments are made within 24 months of the date the Company takes all necessary action to irrevocably terminate and liquidate the plan; and

(e) The Company does not adopt a new plan that would be aggregated with any terminated and liquidated plan under §1.409A-1(c) if the same Participant participated in both plans, at any time within three years following the date the Company takes all necessary action to irrevocably terminate and liquidate the plan.

8.2 **Amendment**. The Company may, at any time, amend or modify the Plan in whole or in part by the action of the Board; provided, however, that: (i) no amendment or modification shall be effective to decrease or restrict the value of a Participant' s Account Balance in existence at the time the amendment or modification is made, calculated as if the Participant had experienced a Termination of Employment as of the effective date of the amendment or modification, and (ii) no amendment or modification of this Section 8.2 of the Plan shall be effective. The amendment or modification of the Plan shall not affect any Participant or Beneficiary who has become entitled to the payment of benefits under the Plan as of the date of the amendment or modification. The Company specifically reserves the right to amend the Plan to conform the provisions of the Plan to the guidance issued by the Secretary of the Treasury with respect to Code Section 409A, in accordance with such guidance.

8.3 **Effect of Payment**. The full payment of the applicable benefit under Articles 4 or 5 of the Plan shall completely discharge all obligations to a Participant and his or her Beneficiaries under the Plan and the Participant' s participation in the Plan shall terminate.

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ARTICLE 9
Administration

9.1 **Administrative Duties**. To the extent that ERISA applies to the Plan, the Company shall be the “named fiduciary” of the Plan and the “plan administrator” of the Plan. The Board shall be responsible for the general administration of the Plan. The Board will, subject to the terms of the Plan, have the authority to: (i) approve for participation employees who are recommended for participation by the president and Chief Executive Officer of the Company, (ii) adopt, alter, and repeal administrative rules and practices governing the Plan, (iii) interpret the terms and provisions of the Plan, and (iv) otherwise supervise the administration of the Plan. All decisions by the Board will be made with the approval of not less than a majority of its members. The Board may delegate any of its authority to any other person or persons that it deems appropriate.

9.2 **Agents**. In the administration of the Plan, the Board may, from time to time, employ agents and delegate to them such administrative duties as it sees fit (including acting through a duly appointed representative) and may from time to time consult with counsel who may be counsel to the Company.

9.3 **Binding Effect of Decisions**. All decisions by the Board, and by any other person or persons to whom the Board has delegated authority, shall be final and conclusive and binding upon all persons having any interest in the Plan.

9.4 **Indemnity of Board**. The Company shall indemnify and hold harmless the members of the Board and any Employee to whom the duties of the Board may be delegated against any and all claims, losses, damages, expenses or liabilities arising from any action or failure to act with respect to the Plan, except in the case of willful misconduct by the Board, any of its members, or any such Employee.

9.5 **Information**. To enable the Board to perform its functions, the Company shall supply full and timely information to the Board on all matters relating to the compensation of its Participants, the date and circumstances of the Disability, death or Termination of Employment of its Participants, and such other pertinent information as the Board may reasonably require.

ARTICLE 10
Other Benefits and Agreements

10.1 **Coordination with Other Benefits**. The benefits provided for a Participant and Participant’ s Beneficiary under the Plan are in addition to any other benefits available to such Participant under any other plan or program for employees of the Company. The Plan shall supplement and shall not supersede, modify or amend any other such plan or program except as may otherwise be expressly provided.

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ARTICLE 11
Claims Procedures

11.1 **Procedures for Handling Claims**. In accordance with the provisions of Section 503 of ERISA, the Company shall provide a procedure for handling claims for benefits under the Plan. The procedure shall be in accordance with the regulations issued by the Secretary of Labor and provide adequate written notice within a reasonable period of time with respect to a claim denial. The procedure shall also provide for a reasonable opportunity for a full and fair review by the Company of any claim denial.

ARTICLE 12
Trust

12.1 **Establishment of the Trust**. The Company may establish one or more Trusts to which the Company may transfer such assets as the Company determines in its sole discretion to assist in meeting its obligations under the Plan.

12.2 **Interrelationship of the Plan and the Trust**. The provisions of the Plan and the Participant' s Election Forms shall govern the rights of a Participant to receive distributions pursuant to the Plan. The provisions of the Trust shall govern the rights of the Company, Participants and the creditors of the Company to the assets transferred to the Trust.

12.3 **Distributions From the Trust**. The Company' s obligations under the Plan may be satisfied with Trust assets distributed pursuant to the terms of the Trust, and any such distribution shall reduce the Company' s obligations under the Plan.

ARTICLE 13
Miscellaneous

13.1 **Status of Plan**. The Plan is intended to be a plan that is not qualified within the meaning of Code Section 401(a) and that "is unfunded and is maintained by an employer primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employee" within the meaning of Sections 201(2), 301(a)(3) and 401(a)(1) of ERISA. The Plan shall be administered and interpreted to the extent possible in a manner consistent with that intent.

13.2 **Unsecured General Creditor**. Participants and their Beneficiaries, heirs, successors and assigns shall have no legal or equitable rights, interests or claims in any property or assets of the Company. For purposes of the payment of benefits under the Plan, any and all of the Company' s assets shall be, and remain, the general, unpledged unrestricted assets of the Company. The Company' s obligation under the Plan shall be merely that of an unfunded and unsecured promise to pay money in the future.

13.3 **Company' s Liability**. The Company' s liability for the payment of benefits shall be defined only by the Plan and the Participant' s Election Forms. The Company shall have

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no obligation to a Participant under the Plan except as expressly provided in the Plan and his or her Election Forms.

13.4 **Nonassignability**. Neither a Participant nor any other person shall have any right to commute, sell, assign, transfer, pledge, anticipate, mortgage or otherwise encumber, transfer, hypothecate, alienate or convey in advance of actual receipt, the amounts, if any, payable hereunder, or any part thereof, which are, and all rights to which are expressly declared to be, unassignable and non-transferable. No part of the amounts payable shall, prior to actual payment, be subject to seizure, attachment, garnishment or sequestration for the payment of any debts, judgments, alimony or separate maintenance owed by a Participant or any other person, be transferable by operation of law in the event of a Participant' s or any other person' s bankruptcy or insolvency or be transferable to a spouse as a result of a property settlement or otherwise.

13.5 **Not a Contract of Employment**. The terms and conditions of the Plan shall not be deemed to constitute a contract of employment between the Company and the Participant, either expressed or implied. Such employment is hereby acknowledged to be an "at will" employment relationship that can be terminated at any time for any reason, or no reason, with or without cause, and with or without notice, unless expressly provided in a written employment agreement. Nothing in the Plan shall be deemed to give a Participant the right to be retained in the service of the Company, or to interfere with the right of the Company to discipline or discharge the Participant at any time.

13.6 **Furnishing Information**. A Participant or his or her Beneficiary will cooperate with the Board by furnishing any and all information requested by the Board and take such other actions as may be requested in order to facilitate the administration of the Plan and the payments of benefits hereunder, including but not limited to taking such physical examinations as the Board may deem necessary.

13.7 **Terms**. Whenever any words are used herein in the masculine, they shall be construed as though they were in the feminine in all cases where they would so apply; and whenever any words are used herein in the singular or in the plural, they shall be construed as though they were used in the plural or the singular, as the case may be, in all cases where they would so apply.

13.8 **Captions**. The captions of the articles, sections and paragraphs of the Plan are for convenience only and shall not control or affect the meaning or construction of any of its provisions.

13.9 **Governing Law**. Subject to ERISA, the provisions of the Plan shall be construed and interpreted according to the internal laws of the State of California without regard to its conflicts of laws principles.

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13.10 **Notice**. Any notice or filing required or permitted to be given to the Board under the Plan shall be sufficient if in writing and hand-delivered, or sent by registered or certified mail, to the address below:

ASYST TECHNOLOGIES, INC.
46897 BAYSIDE PKWY
FREMONT, CA 94538-6572

Such notice shall be deemed given as of the date of delivery or, if delivery is made by mail, as of the date shown on the postmark on the receipt for registration or certification.

Any notice or filing required or permitted to be given to a Participant under the Plan shall be sufficient if in writing and hand-delivered, or sent by mail, to the last known address of the Participant.

13.11 **Successors**. The provisions of the Plan shall bind and inure to the benefit of the Company and its successors and assigns and the Participant and the Participant' s Beneficiaries.

13.12 **Spouse' s Interest**. The interest in the benefits hereunder of a spouse of a Participant who has predeceased the Participant shall automatically pass to the Participant and shall not be transferable by such spouse in any manner, including but not limited to such spouse' s will, nor shall such interest pass under the laws of intestate succession.

13.13 **Validity**. In case any provision of the Plan shall be illegal or invalid for any reason, said illegality or invalidity shall not affect the remaining parts hereof, but the Plan shall be construed and enforced as if such illegal or invalid provision had never been inserted herein.

13.14 **Incompetent**. If the Board determines in its discretion that a benefit under the Plan is to be paid to a minor, a person declared incompetent or to a person incapable of handling the disposition of that person' s property, the Board may direct payment of such benefit to the guardian, legal representative or person having the care and custody of such minor, incompetent or incapable person. The Board may require proof of minority, incompetence, incapacity or guardianship, as it may deem appropriate prior to distribution of the benefit. Any payment of a benefit shall be a payment for the account of the Participant and the Participant' s Beneficiary, as the case may be, and shall be a complete discharge of any liability under the Plan for such payment amount.

13.15 **Court Order**. The Board is authorized to make any payments directed by court order in any action in which the Plan or the Board has been named as a party. In addition, if a court determines that a spouse or former spouse of a Participant has an interest in the Participant' s benefits under the Plan in connection with a property settlement or otherwise, the Board, in its sole discretion, shall have the right, notwithstanding any election made by a Participant, to immediately distribute the spouse' s or former spouse' s interest in the Participant' s benefits under the Plan to that spouse or former spouse.

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13.16 **Insurance**. The Company, on its own behalf or on behalf of the trustee of the Trust, and, in its sole discretion, may apply for and procure insurance on the life of the Participant, in such amounts and in such forms as the Trust may choose. The Company or the trustee of the Trust, as the case may be, shall be the sole owner and beneficiary of any such insurance. The Participant shall have no interest whatsoever in any such policy or policies, and at the request of the Company shall submit to medical examinations and supply such information and execute such documents as may be required by the insurance company or companies to whom the Company has applied for insurance.

13.17 **No Acceleration of Benefits**. The acceleration of the time or schedule of any payment under the Plan is not permitted, except as provided in regulations by the Secretary of the Treasury.

13.18 **Compliance with Code Section 409A**. The Plan is intended to provide for the deferral of compensation in accordance with Code Section 409A for compensation earned, vested, or deferred after December 31, 2004. Notwithstanding any provisions of the Plan or any Election Form to the contrary, no otherwise permissible election under the Plan shall be given effect that would result in the taxation of any amount under Code Section 409A.

IN WITNESS WHEREOF, the Company has signed this Plan document on ____________________, __________.

ASYST TECHNOLOGIES, INC.

By: ____

Title: ____

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Exhibit 10.61

Amended & Restated
ASYST TECHNOLOGIES, INC.
INDEMNITY AGREEMENT

This Indemnity Agreement (“Agreement”) is made and entered effective as of the December 31, 2008, by and between Asyst Technologies, Inc., a California corporation (the “Corporation”), and [___] (“Indemnitee”).

RECITALS

Whereas, it is essential to the Corporation to retain and attract as directors and officers the most capable persons available;

Whereas, Indemnitee is a director and/or officer of the Corporation;

Whereas, both the Corporation and Indemnitee recognize the increased risk of litigation and other claims currently being asserted against directors and officers of corporations;

Whereas, the shareholders of the Corporation have adopted provisions in the Articles of Incorporation (the “Articles”) and the Bylaws (the “Bylaws”) of the Corporation providing for the indemnification of the directors, executive officers, officers, employees and other agents of the Corporation, including persons serving at the request of the Corporation in such capacities with other corporations or enterprises, as authorized by the California Corporations Code, as amended;

Whereas, the Articles, the Bylaws and the California Corporations Code, by their non-exclusive nature, permit contracts between the Corporation and its directors, executive officers, officers, employees, agents and other affiliates with respect to indemnification of such persons; and

Whereas, in recognition of Indemnitee’ s need for (i) substantial protection against personal liability based on Indemnitee’ s reliance on the aforesaid Articles and Bylaws, (ii) specific contractual assurance that the protection promised by the Bylaws will be available to Indemnitee (regardless of, among other things, any amendment to or revocation of the Bylaws or any change in the composition of the Corporation Board of Directors or acquisition transaction relating to the Corporation), and (iii) an inducement to continue to provide effective services to the Corporation as a director and/or officer, the Corporation wishes to provide in this Agreement for the indemnification of and the advancing of expenses to Indemnitee to the fullest extent (whether partial or complete) permitted under California law and as set forth in this Agreement, and, to the extent insurance is maintained, to provide for the continued coverage of Indemnitee under the Corporation’ s directors’ and officers’ liability insurance policies.

Now, Therefore, the parties hereto agree as follows:

AGREEMENT

1. **Services to the Corporation.** Indemnitee will continue to serve, at the will of the Corporation or under separate contract, if any such contract exists, as a director, executive officer, officer, executive, employee, agent or other fiduciary of the Corporation or an affiliate thereof (including any employee benefit plan of the Corporation) faithfully and to the best of Indemnitee’ s ability so long as Indemnitee is duly appointed, elected or employed and qualified in accordance with the provisions of the Bylaws or other applicable charter documents of the Corporation or such affiliate; provided, however, that Indemnitee may at any time and for any reason resign from such position (subject to any contractual obligation that Indemnitee may have assumed apart from this Agreement) and that the Corporation or any affiliate shall have no obligation under this Agreement to continue Indemnitee’ s office, employment, agency, service or affiliation in any such position (or at all).

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2. **Indemnity.** Subject to a determination pursuant to Section 7 hereof, and except and to the extent as specifically excluded in Section 3 hereof, the Corporation hereby agrees fully to defend, hold harmless and indemnify Indemnitee:

a. against any and all expenses (including attorneys' fees), witness fees, damages, judgments, fines and amounts paid in settlement, and any other amounts that Indemnitee becomes legally obligated to pay because of any claim or claims made against Indemnitee ("Expenses") in connection with any threatened, pending or completed action, suit or proceeding, whether civil, criminal, arbitrational, administrative, regulatory or investigative (including an action, suit or proceeding by or in the right of the Corporation) to which Indemnitee is, was or at any time becomes a party, or is threatened to be made a party, by reason of the fact that Indemnitee (x) is, was or at any time becomes a director, executive officer, officer, executive, employee, agent or other fiduciary of the Corporation or an affiliate thereof (including any employee benefit plan of the Corporation), or (y) is or was serving or at any time served or serves at the request of the Corporation as a director, executive officer, officer, executive, employee, agent or other fiduciary of the Corporation or an affiliate thereof (including any employee benefit plan of the Corporation), of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise ("Indemnifiable Event"); and

b. otherwise to the fullest extent not prohibited by the Articles, the Bylaws, the Code or any other law, statute or administrative or regulatory rule then applicable to the Corporation.

3. **Limitations on Indemnity.** The Corporation will not defend, hold harmless or indemnify Indemnitee, and has no obligation, duty or liability whatsoever to Indemnitee, hereunder or otherwise, with respect to and to the extent of any claim or claims made in connection with the matters set forth in subsections (a) through (k) (whether the Corporation has provided Indemnitee notice of such matters or whether the Corporation has suspended or terminated Indemnitee' s employment on the basis of any such matters):

a. on account of any claim against Indemnitee for an accounting of profits made from the purchase or sale by Indemnitee of securities of the Corporation, pursuant to the provisions of Section 16(b) of the Securities Exchange Act of 1934 and amendments thereto or similar provisions of any federal, state or local statutory law;

b. on account of Indemnitee' s conduct from which Indemnitee derived an improper personal benefit or gain;

c. on account of Indemnitee' s conduct contrary to the best interests of the Corporation or its shareholders or that involved the absence of good faith on the part of Indemnitee;

d. on account of Indemnitee' s conduct that constituted intentional misconduct or a knowing and culpable violation of law;

e. on account of Indemnitee' s conduct that showed a reckless disregard for the Indemnitee' s duty to the Corporation or its shareholders in circumstances in which Indemnitee was aware, or should reasonably have been aware, in the ordinary course of performing Indemnitee' s duties, of a risk of serious or intended harm to the Corporation or its shareholders;

f. on account of Indemnitee' s conduct that constituted a pattern of inattention that amounted to an abdication of the Indemnitee' s duty to the Corporation or its shareholders;

g. on account of Indemnitee' s conduct which constituted a violation of the Indemnitee' s duties under Sections 310 or 316 of the California Corporations Code;

h. for which payment is actually made to Indemnitee under a valid and collectible insurance policy or under a valid and enforceable indemnity clause, bylaw or agreement, except in respect of any excess beyond payment under such insurance, clause, bylaw or agreement;

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i. if indemnification is not lawful under law, statute or administrative rule or governmental regulation or order applicable to the Corporation, including the California Corporations Code, as amended (collectively, the "Code") (and, in this respect, both the Corporation and Indemnitee have been here advised that the Securities and Exchange Commission believes that indemnification for liabilities arising under the federal securities laws is against public policy and is, therefore, unenforceable and that claims for indemnification should be submitted to appropriate courts for adjudication);

j. with respect to any claim by or in the right of the Corporation:

i. if the Indemnitee is adjudged to be liable to the Corporation in performance of the Indemnitee' s duty to the Corporation and its shareholders, unless and only to the extent that the court in which such claim is or was pending shall determine upon application that, in view of all of the circumstances of the case, the Indemnitee is fairly and reasonably entitled to indemnity for expenses, and then only to the extent and in the event that the court shall determine;

ii. for expenses incurred in defending a pending claim which is settled or otherwise disposed of without court approval; or

iii. for amounts paid in settling or otherwise disposing of a pending claim without court approval; and

k. to the extent, but only to the extent, that indemnification with respect to such claim (x) would be inconsistent with the Articles or Bylaws, or a resolution of the shareholders or agreement of the Corporation prohibiting or otherwise limiting such indemnification and in effect at the time of the accrual of the action or (y) would be inconsistent with any condition expressly imposed by a court or administrative or regulatory authority or agency having competent jurisdiction over the Corporation or a relevant aspect of the Corporation' s operations in approving a settlement, unless Indemnitee has been successful on the merits or unless the indemnification has been approved by the shareholders of the Corporation in accordance with Section 153 of the California Corporations Code (with the shares of the Indemnitee not being entitled to vote thereon).

Notwithstanding anything in this Agreement to the contrary, Indemnitee shall not be entitled to indemnification pursuant to this Agreement in connection with any proceeding initiated by Indemnitee against, or any proceeding between Indemnitee and, the Corporation or its directors, executive officers, officers, employees or other agents, unless (i) such indemnification is expressly required by law to be provided by the Corporation, (ii) such indemnification was authorized by the Board of Directors of the Corporation, (iii) the Corporation has joined in or the Board has authorized the initiation of such proceeding (iv) such indemnification is provided by the Corporation, in its sole discretion, pursuant to the powers vested in the Corporation under the Code, or (v) the proceeding is one to enforce indemnification rights as provided in Section 5, below.

4. **Continuation of Indemnity.** All agreements, obligations and liabilities of the Corporation contained herein shall continue during the period Indemnitee is a director, executive officer, officer, executive, employee, agent or other fiduciary of the Corporation or an affiliate thereof (including any employee benefit plan of the Corporation) (or is serving or had served at the request of the Corporation as a director, executive officer, officer, executive, employee, agent or other fiduciary of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise) and shall continue thereafter so long as Indemnitee shall be subject to any possible claim or threatened, pending or completed action, suit or proceeding, whether civil, criminal, arbitrational, administrative or investigative, by reason of the fact that Indemnitee had served in the capacity referred to herein.

5. **Notification and Defense of Claim.** Not later than thirty (180) days after receipt by Indemnitee of notice of the commencement of any Indemnifiable Event asserting an indemnified matter for which Indemnitee seeks the benefits or protections provided under this Agreement, Indemnitee will, if a claim for indemnification under this Agreement in respect thereof is to be made against the Corporation, provide written notice to the Corporation of the commencement thereof in reasonably sufficient detail to demonstrate the facts and circumstances establishing an

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Indemnifiable Event. Failure to provide the Corporation with reasonably prompt and timely notice will relieve it from any obligation or liability whatsoever which the Corporation may have to Indemnitee under this Agreement. Within sixty (60) days of receipt of any such timely notice, the Corporation will provide notice to Indemnitee in writing to indicate whether and to what extent it will provide indemnification under this Agreement. With respect to any such Indemnifiable Event as to which Indemnitee notifies the Corporation of the commencement thereof:

a. the Corporation will be entitled to participate therein at its own expense.

b. except as otherwise provided below, the Corporation may, at its option and jointly with any other indemnifying party similarly notified and electing to assume such defense, assume the defense thereof, with counsel chosen by the Corporation but reasonably satisfactory to Indemnitee. After written notice from the Corporation to Indemnitee of its election to assume the defense thereof, the Corporation will not be liable to Indemnitee under this Agreement for any legal or other expenses subsequently incurred by Indemnitee in connection with the defense thereof except for reasonable costs of investigation or otherwise, as provided below. Indemnitee shall have the right to employ separate counsel in such action, suit or proceeding, but the fees and expenses of such counsel incurred after notice from the Corporation of its assumption of the defense thereof shall be at the sole expense and liability of Indemnitee, without right or recourse against the Corporation, unless and to the extent: (i) the employment of counsel by Indemnitee has been authorized in writing by the Corporation or (ii) the Corporation shall not in fact have employed counsel to assume the defense of such action, in each of which cases the fees and expenses reasonably and actually incurred of Indemnitee' s separate counsel shall be at the expense of the Corporation.

c. the Corporation shall not be liable to indemnify Indemnitee under this Agreement for any amounts paid in settlement of any action, suit or proceeding claim effected by Indemnitee or any third party without the Corporation' s written consent. The Corporation shall be permitted to settle any action, suit or proceeding with respect to an indemnified matter, except that it shall not settle any action, suit or proceeding in any manner which would impose any penalty or limitation on Indemnitee without Indemnitee' s written consent, which may be given or withheld in Indemnitee' s sole discretion.

d. it shall be a defense to any action brought by Indemnitee against the Corporation to enforce this Agreement that it is not permissible under applicable law for the Corporation to indemnify Indemnitee for the amount claimed.

e. for purposes of this Agreement, the termination of any claim, action, suit or proceeding, by judgment, order, settlement (whether with or without court approval), conviction or upon a plea of nolo contendere or its equivalent, shall not create a presumption that Indemnitee did not meet any particular standard of conduct or have any particular belief or that a court has determined that indemnification is not permitted by applicable law. For purposes of any determination of good faith under any applicable standard of conduct, Indemnitee shall be deemed to have acted in good faith if Indemnitee' s action is based on the records or books of account of the Corporation, including financial statements, or on information supplied to Indemnitee by the officers of the Corporation in the course of their duties, or on the advice of legal counsel for the Corporation or the Board or counsel selected by any committee of the Board or on information or records given or reports made to the Corporation by an independent certified public accountant or by an appraiser, investment banker, compensation consultant, or other expert selected with reasonable care by the Corporation or the Board or any committee of the Board. The provisions of the preceding sentence shall not be deemed to be exclusive or to limit in any way the other circumstances in which the Indemnitee may be deemed to have met the applicable standard of conduct.

f. if Indemnitee has provided timely written notice to the Corporation of an Indemnifiable Event in accordance with this Section 5, and the Corporation fails to respond in writing within sixty (60) days thereafter, then Indemnitee shall have the right to enforce its indemnification rights under this Agreement. The Corporation hereby consents to service of process and to appear in any such proceeding. The Corporation shall be precluded from asserting in any such proceeding that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court that the Corporation is bound by all the provisions of this

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Agreement. The remedy provided for in this Section 5 shall be in addition to any other remedies available to Indemnitee at law or in equity.

6. **Expenses.** The Corporation shall advance, prior to the final disposition of any proceeding, promptly following request therefor, all expenses actually and reasonably incurred by Indemnitee in connection with such proceeding within thirty (30) days of receipt of a written undertaking by or on behalf of Indemnitee to repay said amounts if it shall be determined ultimately that Indemnitee is not entitled to be an Indemnifiable Event or indemnifiable under the provisions of this Agreement, the Bylaws, the Articles, the Code or otherwise. Notwithstanding the foregoing, unless otherwise determined pursuant to Section 7, no advance shall be made by the Corporation if a determination is reasonably and promptly made by the Board of Directors by a majority vote of a quorum comprising the then-serving directors who are not parties to the proceeding (or, if no such quorum exists, by independent legal counsel mutually acceptable to both the Corporation and Indemnitee in a written opinion) that the facts known to the decision-making party at the time such determination is made that such person acted in bad faith or in a manner that such person did not believe to be in the best interests of the Corporation and its shareholders, or that the claim is not an indemnified matter hereunder.

a. The Corporation shall indemnify Indemnitee against any and all Expenses that are incurred by Indemnitee in connection with any action brought by Indemnitee for (i) indemnification or advance payment of Expenses by the Corporation under this Agreement or any other agreement or under applicable law or the Corporation' s Articles or Bylaws now or hereafter in effect relating to indemnification for Indemnifiable Events, regardless of whether Indemnitee is ultimately successful in such action, unless as a part of such action a court of competent jurisdiction over such action determines that the material assertions made by Indemnitee as a basis for such action was not made in good faith or was frivolous; and/or (ii) recovery under directors' and officers' liability insurance policies maintained by the Corporation; but only in the event that Indemnitee ultimately is determined to be entitled to such indemnification or insurance recovery, as the case may be.

b. Notwithstanding the foregoing, to the extent the Indemnitee has been successful on the merits or otherwise in the defense of any proceeding which constitutes an Indemnifiable Event under this Agreement, Indemnitee shall be indemnified against all Expenses actually and reasonably incurred by Indemnitee in connection therewith. This section shall not apply to any claim made by Indemnitee for which indemnity is excluded pursuant to this Agreement.

c. If Indemnitee is entitled under any provision of this Agreement to indemnification by the Corporation for some or a portion of Expenses, but not, however, for the total amount thereof, the Corporation shall nevertheless indemnify Indemnitee for the portion thereof to which Indemnitee is entitled.

7. **Determination by the Corporation.** To the extent required by the Code, promptly after receipt of a request for indemnification hereunder made by Indemnitee (and in any event within 90 days from such request), the Corporation shall make a reasonable, good faith determination as to whether indemnification of Indemnitee is proper under the Code by means of:

a. a majority vote of a quorum comprising the then-serving directors who are not parties to such proceeding;

b. if such quorum is not obtainable, by independent legal counsel in a written opinion; or

c. approval or ratification by the affirmative vote of a majority of the shares of the Corporation represented and voting at a duly held meeting at which a quorum is present (which shares voting affirmatively also constitute at least a majority of the required quorum) or by written consent of a majority of the outstanding shares entitled to vote; where in each case the shares owned by the person to be indemnified shall not be considered entitled to vote thereon.

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Such determination shall be reasonably made in good faith by the decision-making party based upon the facts known to the decision-making party at the time such determination is made and the reasonable understanding of the decision-making party of the scope and limits of this Agreement and the respective rights and obligations of the Corporation and Indemnitee hereunder.

8. **Enforcement by Arbitration Only.** Any right to indemnification or advances granted by this Agreement to Indemnitee, and any other dispute between Indemnitee and the Corporation arising from or relating to any right or obligation hereunder, shall be resolved exclusively by binding non-appealable arbitration under the auspices of the American Arbitration Association ("AAA"), and pursuant to the AAA civil arbitration and discovery rules then in-effect.

a. neither the Corporation nor Indemnitee shall be liable to, or entitled to recover from, the other, for any claim, cause or action, suit or proceeding relating to any right or obligation hereunder, any incidental, special, consequential or exemplary damages of any kind, including punitive damages. The Corporation shall be entitled to raise by pleading as an affirmative defense to any action for which a claim for indemnification is made hereunder that Indemnitee is not entitled to indemnification.

b. the arbitrator also will not have jurisdiction or authority to award attorneys' fees or costs to either party for any claim, cause, action, suit or proceeding unless and to the extent a statute at issue which is the basis for the claim, cause, action, suit or proceeding expressly authorizes the award of attorneys' fees and costs to the prevailing party. In this instance only, the arbitrator shall have the authority to make an award only of reasonable attorneys' fees and costs to the prevailing party, and to the extent and in the manner permitted by the statute applicable to such claim, cause, action, suit or proceeding; however, any award of fees and costs will be limited to the amount of reasonable fees and costs actually incurred and which bear a reasonable relation to the prevailing party's actual recovery.

c. neither the failure of the Corporation (including its Board of Directors, its shareholders or independent legal counsel) to have made a determination prior to the commencement of such enforcement action that indemnification of Indemnitee is proper in the circumstances, nor an actual determination by the Corporation (including its Board of Directors, its shareholders or independent legal counsel) that such indemnification is improper shall be a defense to the action, be admissible as evidence of an intention or expectation of indemnity hereunder, or create a presumption that Indemnitee is or is not entitled to indemnification under this Agreement or otherwise.

d. in the event entered between the parties (and as thereafter amended from time to time), the terms and conditions of the Agreement to Arbitrate Disputes and Claims shall govern such arbitration, be binding on the Corporation and Indemnitee, shall be deemed incorporated herein by reference as a material part of this Agreement, and (to the extent expressly contrary) shall supersede the foregoing.

9. **Subrogation.** In the event of payment under this Agreement, the Corporation shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all documents required and shall do all acts that may be necessary to secure such rights and to enable the Corporation effectively to bring suit to enforce such rights.

10. **Liability Insurance.** For the duration of Indemnitee's service as a director and/or officer of the Corporation, and thereafter for so long as Indemnitee shall be subject to any pending or possible Indemnifiable Event by reason of (or arising in part out of) an Indemnifiable Event, the Corporation shall use commercially reasonable efforts (taking into account the scope and amount of coverage available relative to the cost thereof) to cause to be maintained in effect policies of directors' and officers' liability insurance providing coverage for directors and/or officers of the Corporation that is at least substantially comparable in scope and amount to that provided by the Corporation's current policies of directors' and officers' liability insurance. Notwithstanding the foregoing, the Corporation shall not be required to maintain said policies of directors' and officers' liability insurance during any time period in which such insurance is not reasonably available or if it is determined in good faith by the then directors of the Corporation either that: (a) the premium cost of such insurance is substantially disproportionate to the

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amount of coverage provided thereunder, or (b) the protection provided by such insurance is so limited by exclusions, deductions or otherwise that there is insufficient benefit to warrant the cost of maintaining such insurance.

11. **Non-Exclusivity of Rights.** The rights conferred on Indemnitee by this Agreement shall not be exclusive of any other right which Indemnitee may have or hereafter acquired under any statute, provision of the Code or of the Articles or Bylaws, agreement, vote of shareholders or directors, or otherwise, both as to action in his official capacity and as to action in another capacity while holding office.

12. **Survival of Rights.**

a. The rights conferred on Indemnitee by this Agreement shall continue after Indemnitee has ceased to be a director, executive officer, officer, executive, employee, agent or other fiduciary of the Corporation or an affiliate thereof (or to serve at the request of the Corporation as a director, executive officer, officer, executive, employee, agent or other fiduciary of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise), and shall inure to the benefit of Indemnitee' s heirs, executors and administrators.

b. The Corporation shall require and cause any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Corporation, expressly to assume and agree. by written agreement in form and substance satisfactory to Indemnitee, to perform this Agreement in the same manner and to the same extent that the Corporation would be required to perform if no such succession had taken place. The indemnification provided under this Agreement shall continue as to Indemnitee for any action taken or not taken while serving in an indemnified capacity pertaining to an Indemnifiable Event even though Indemnitee may have ceased to serve in such capacity at the time of any proceeding, and shall continue thereafter so long as Indemnitee shall be subject to any possible claim or threatened, pending or completed action, suit or proceeding, whether civil or criminal, arbitrational, administrative or investigative, by reason of the fact that Indemnitee was serving in the capacity referred to herein..

13. **Severability/Separability.**

a. Each of the provisions of this Agreement is a separate and distinct agreement and independent of the others. Accordingly, if any provision (or portion thereof) of this Agreement shall be held by a court of competent jurisdiction to be invalid, void or otherwise unenforceable, (a) the remaining provisions shall remain enforceable to the fullest extent permitted by law; (b) such provision or provisions shall be deemed reformed to the extent necessary to conform to applicable law and to give the maximum effect to the intent of the parties hereto; and (c) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of this Agreement containing any provision held to be invalid, void or otherwise unenforceable, that is not itself invalid, void or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, void or unenforceable.

b. If this Agreement shall be invalidated in its entirety on any ground, then the Corporation shall nevertheless indemnify Indemnitee to the fullest extent provided by the Articles, the Bylaws, the Code or any other applicable law.

14. **No Duplication of Payments.** The Corporation shall not be liable under this Agreement to make any payment in connection with any claim made against Indemnitee to the extent Indemnitee has otherwise received payment (under any insurance policy, Bylaw or otherwise) of the amounts otherwise indemnifiable hereunder.

15. **Governing Law/Jurisdiction/Venue.** This Agreement shall be interpreted and enforced in accordance with the laws of the State of California as if a contract entered into in California, between California residents and to be performed entirely within California. The Indemnitee and the Corporation intend that any disputes arising from or relating to any right or obligation hereunder be resolved exclusively by binding non-appealable arbitration, as provided in Section 8. However, if for any reason a party should otherwise be required to commence litigation in a civil proceeding, the Corporation and Indemnitee hereby irrevocably and unconditionally (i) agree that

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any action or proceeding arising out of or in connection with this Agreement may be brought in the Superior Courts of the State of California, (ii) consent to submit to the jurisdiction of the Superior Courts of the State of California for purposes of any action or proceeding arising out of or in connection with this Agreement, (iii) waive any objection to the laying of venue of any such action or proceeding in the Superior Courts of the State of California, and (iv) waive, and agree not to plead or to make, any claim that any such action or proceeding brought in the Superior Courts of the State of California has been brought in an improper or inconvenient forum.

16. **Amendment and Termination; Waiver.** No amendment, modification, termination or cancellation of this Agreement shall be effective unless in writing signed by both parties hereto. No waiver of any of the provisions of this Agreement shall be binding unless in the form of a writing signed by the party against whom enforcement of the waiver is sought, and no such waiver shall operate as a waiver of any other provisions hereof (whether or not similar), nor shall such waiver constitute a continuing waiver. Except as specifically provided herein, no failure to exercise or any delay in exercising any right or remedy hereunder shall constitute a waiver thereof.

17. **Contribution.** To the fullest extent permissible under applicable law, whether or not the indemnification provided for in this Agreement is available to Indemnitee for any reason whatsoever, the Corporation shall pay all or a portion of the amount that would otherwise be incurred by Indemnitee for Expenses in connection with any claim relating to an Indemnifiable Event, as is deemed fair and reasonable in light of all of the circumstances of such proceeding in order to reflect (i) the relative benefits received by the Corporation and Indemnitee as a result of the event(s) and/or transaction(s) giving cause to such proceeding; and/or (ii) the relative fault of the Corporation (and its directors, officers, employees and agents) and Indemnitee in connection with such event(s) and/or transaction(s).

18. **Identical Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute but one and the same Agreement.

19. **Headings.** The headings of the sections of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction hereof.

20. **Notices.** All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given (i) upon delivery if delivered by hand to the party to whom such communication was directed or (ii) upon the third business day after the date on which such communication was mailed if mailed by certified or registered mail with postage prepaid:

a. if to Indemnitee, at the address indicated below Indemnitee' s signature hereunder (or such last address provided by Indemnitee to the Corporation).

b. if to the Corporation, to

Asyst Technologies, Inc.
46897 Bayside Parkway
Fremont, CA 94538
Attn: Chief Executive Officer
General Counsel

or to such other address as may have been later furnished to Indemnitee by the Corporation.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on and as of the day and year first above written.

ASYST TECHNOLOGIES, INC.

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By: /s/ Stephen S. Schwartz
Stephen S. Schwartz
Chief Executive Officer Chair, Board of Directors

INDEMNITEE

____

Address:

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Exhibit 10.62

Amended and Restated
ASYST TECHNOLOGIES, INC.
CHANGE IN CONTROL AGREEMENT

THIS CHANGE IN CONTROL AGREEMENT (this "Agreement") is made and entered into as of December 31, 2008 (the "Effective Date"), by and between Asyst Technologies, Inc., a California corporation (including, in the event of merger, acquisition, Change in Control or corporate dissolution or succession, any parent or successor entities, "Asyst"), and [__________] (the "Executive").

WHEREAS, Asyst considers it essential to foster the continued employment of key management personnel and recognizes the distraction and disruption that the possibility of a Change in Control (as defined in Section **1(g)**, below) may raise, to the detriment of Asyst and its stockholders; and

WHEREAS, Asyst has determined to amend, extend and restate certain protections provided by this Agreement in order to reinforce and encourage the continued attention and dedication of key management personnel to their assigned duties in the face of a possible Change in Control.

NOW, THEREFORE, in consideration of the promises and the mutual covenants contained herein, Asyst and the Executive hereby agree as follows:

This Agreement shall specifically supersede and replace that Change-in-Control Agreement between Asyst and Executive, dated [__________], which agreement is deemed cancelled as of the Effective Date.

1. DEFINITIONS.

(a) "**Annual Base Salary**" shall mean, as of any point in time, the annual

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base salary of Executive, as may be adjusted from time to time by Asyst.

(b) "**Anticipatory Involuntary Termination**" shall mean a termination (x) by Asyst of Executive' s employment for any reason other than for Causeor (y) by Executive for Good Reason, that occurs within the 12 months prior to the date on which a Change in Control occurs, and it is reasonably demonstrated by Executive that such termination of employment (I) was at the request of, was due to or resulted from a third party that had taken steps reasonably calculated to effect such Change in Control or (II) otherwise arose in connection with or was due to or resulted from an anticipation of a Change in Control, and such Change in Control is consummated.

(c) "**Base Salary**" shall mean, as of any point in time, the current portion of the Annual Base Salary.

(d) "**Beneficial Owner**" shall have the meaning defined in Rule 13d-3 under the Securities Exchange Act of 1934 (as amended).

(e) "**Beneficiary**" shall mean (i) the person or persons named by Executive pursuant to Section **15,** below, or (ii) in the event of his or her death, if no person is designated Beneficiary and survives Executive, his or her estate.

(f) "**Board**" shall mean the Board of Directors of Asyst.

(g) "**Cause**" shall mean the occurrence, without the Board' s express written consent, and when substantiated and demonstrated in advance of any termination by Asyst of the Executive by formal action, as manifested by delivery to Executive of a copy of the resolution duly adopted by the affirmative vote of not less than a super-majority of its members (excluding Executive, if Executive is a member of the Board) at a meeting of the Board called and held for

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such purpose (after reasonable notice is provided to Executive and Executive is given an opportunity, together with counsel for Executive, to be heard before the Board) finding that, in the good faith determination of the Board, Executive is guilty of any one of the following specific material acts or omissions by Executive:

(i) Executive' s conviction in a court of law of, or entry of a guilty plea or plea of no contest to, a felony charge (whether subject to appeal);

(ii) willful or continued failure by Executive to perform his or her material duties or obligations under this Agreement and/or as an officer or senior executive of Asyst;

(iii) willful or continued engagement by Executive in misconduct that is demonstrably and materially injurious to Asyst;

(iv) gross negligence by Executive during the performance of the duties of his or her position resulting in demonstrable and material injury to Asyst;

(v) entry by a court or governmental or regulatory agency of the United States, or a political subdivision thereof, of an order barring Executive from serving as an officer or director of a public company;

(vi) willful or continued breach by Executive of a material duty or obligation under Asyst' s Code of Business Conduct then in effect; or

(vii) willful or continued breach by Executive of his or her confidentiality obligations to Asyst, under this Agreement or otherwise.

For the purposes of this definition, no act or failure to act on the part of Executive shall be deemed "willful" to the extent (x) caused by Disability or (y) unless it is done, or

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omitted to be done, by him or her in bad faith or without reasonable belief that his or her act or omission was in the best interest of Asyst. Such formal action by resolution of the Board by a super-majority of its members shall expressly provide in reasonable detail the specific acts, circumstances and bases for the Board' s good faith for Cause determination that is the bases for the Executive' s termination. In addition, any termination by Asyst of Executive that is attributed to an occurrence which was with the Board' s express written consent, or which was not substantiated and demonstrated in advance of any termination of the Executive by formal action by a super-majority of its members, shall be deemed without Cause.

(h) "**Change in Control**" shall mean occurrence of any of the following:

(i) acquisition by an individual, an entity or a group (excluding Asyst or an employee benefit plan of Asyst, or a corporation controlled by Asyst' s shareholders) of 30 percent or more of Asyst' s common stock or voting securities;

(ii) change in composition of the Board (other than by retirement or voluntary termination of service) occurring within a rolling two-year period, as a result of which fewer than a majority of the directors at the end of such rolling two-year period are Incumbent Directors ("Incumbent Directors" shall mean directors who either are members of the Board (x) as of the beginning of such rolling two-year period or (y) prior to any Business Combination are elected, or nominated for election, to the Board with the affirmative votes of at least a majority of such directors at the time of such election or nomination, but shall not include an individual not otherwise an Incumbent Director whose election or nomination is in connection with an actual or threatened proxy contest); or

(iii) consummation of a complete liquidation or dissolution of Asyst or

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a merger, consolidation, transfer or sale of all or substantially all of Asyst' s assets (collectively, a "Business Combination"), but which shall not include a Business Combination (x) in which the shareholders of Asyst receive 50 percent or more of the stock resulting from the Business Combination, (y) in which at least a majority of the board of directors of the resulting corporation comprise Incumbent Directors and (z) after which no individual, entity or group (excluding any corporation resulting from the Business Combination or any employee benefit plan of such corporation or of Asyst) owns 30 percent or more of the stock of the resulting corporation, who did not own such stock immediately before the Business Combination.

(i) "**Code**" shall mean the Internal Revenue Code of 1986, as from time to time amended.

(j) "**Committee**" shall mean the Compensation Committee of the Board.

(k) "**Date of Termination**" shall mean, with respect to any actual or purported termination of Executive' s employment during the Term of Agreement, the following:

(i) if his or her employment terminates by death, the date of death; or

(ii) if his or her employment terminates for any other reason, the date specified in the Notice of Termination, whether provided by Asyst or Executive. Anything in the foregoing to the contrary notwithstanding, for purposes of the payment of any Deferred Compensation Benefits (as hereinafter defined), "Date of Termination" shall mean the date Executive experiences a Separation from Service (as hereinafter defined).

(l) "**Disability**" shall mean Executive' s inability reasonably to perform the essential duties as an officer or senior executive of Asyst by reason of a physical or mental disability or infirmity, with or without reasonable accommodation, as determined in writing by a

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physician reasonably acceptable to Asyst and Executive, which disability or infirmity has continued for more than six consecutive months or an aggregate of nine months in any 12-month period.

(m) "**Effective Date**" shall mean the date indicated in the first paragraph of this Agreement.

(n) "**Fiscal Year**" shall mean the 12-month fiscal period then in effect as determined and reported by Asyst.

(o) "**Good Reason**" shall mean the occurrence, without Executive' s prior express written consent, of any one of the following specific material acts or omissions by Asyst (but shall not include acts or omissions whose affect on Executive is *de minimis* or not material), subject to the opportunity to correct, cure or remedy the Good Reason as provided in Section **4**, below:

(i) Executive' s removal from his or her position as an executive of Asyst or a substantial adverse alteration in the nature of his or her authority, duties or responsibilities as an executive of Asyst (including (x) the assignment to Executive of any duties substantially inconsistent with his or her position as an executive of Asyst, or (y) a substantial change in the reporting of Executive (including, solely as a result of the Company ceasing to be a publicly traded company), or any other action by Asyst that results in substantial diminution in such authority, duties or responsibilities, excluding for this purpose an isolated, insubstantial or inadvertent action that is remedied promptly by Asyst, after receipt of a notice from Executive as provided in Sections **4 and 20**, below, describing such isolated, insubstantial or inadvertent action**;**

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(ii) reduction by Asyst in Executive' s Base Salary and/or annual target bonus as in effect on the Effective Date, or as the same may be adjusted from time to time, except for across-the-board reductions similarly and proportionately affecting all senior executives of Asyst; provided, however, that such across-the-board reductions are not made as a result of, or in contemplation of, a Change in Control;

(iii) failure by Asyst to continue in effect any compensation plan or other senior executive incentive program in which Executive participates and that is material to his or her total compensation, except pursuant to an across-the-board elimination, deferral or reduction similarly and proportionately affecting all senior executives of Asyst; provided, however, that such across-the-board elimination, deferral or reduction is not made as a result of, or in contemplation of, a Change in Control;

(iv) relocation of Asyst' s principal place of business or the Executive' s principal place of work to a location more than 30 miles from the location of such office on the Effective Date;

(v) imposition of substantially increased travel as a requirement or obligation of employment or the Executive' s continuing responsibilities; or

(vi) failure of a successor to all or substantially all of the business and/or assets of Asyst, and/or such entity as succeeds, constitutes or comprises Asyst following a Change in Control, expressly in writing to assume and agree to perform this Agreement in full and in the same manner and to the same extent that Asyst is required to perform it.

(p) "**Letter of Intent**" shall mean an executed (or if execution is not contemplated, an indication by the parties memorialized in writing to the contemplated

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transaction manifesting their approval) letter of intent, term sheet or similar document setting forth the material terms of a contemplated transaction that would constitute, if consummated, a Change in Control.

(q) "**Notice of Termination**" shall mean delivery of written notice by one party and receipt thereof by the other party in accordance with Sections **4** and **20,** below.

(r) "**Involuntary Termination**" shall mean a termination of Executive' s employment (x) by Asyst without Cause, (y) due to Executive' s death or disability or (z) by Executive for Good Reason, in each of the foregoing cases, within two years following the date a Change in Control occurs.

(s) "**Performance-Based Awards**" shall mean any equity awards or other long-term incentive awards for which the vesting is based on the accomplishment of certain performance criteria, including, without limitation, the restricted stock awards granted to Executive under the Company' s 2001 Non-Officer Equity Plan or 2003 Equity Incentive Plan. Awards for which the vesting is based on continued service only shall not be considered Performance-Based Awards.

(t) "**Section 409A**" shall mean Section 409A of the Code, as amended, and any final regulations and guidance promulgated thereunder.

(u) "**Target Bonus**" shall mean the annual target bonus for the Executive for a given fiscal year under Asyst' s performance-based annual incentive compensation plan (which annual target bonus is typically expressed as a percentage of the Executive' s Annual Base Salary in effect for such fiscal year).

2. TERM OF AGREEMENT

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The Term of this Agreement shall commence on the Effective Date and shall terminate on March 31, 2011, unless it is earlier terminated by Asyst for Cause or voluntarily by Executive, or to the specific extent otherwise amended or extended by written agreement of the parties; provided, however, that, if a Change in Control shall occur or Letter of Intent has been received and/or executed (or otherwise agreed to) on or prior to March 31, 2011, the Term of Agreement shall continue in effect until the later of (x) 24 months after the date on which such Change in Control occurs or Letter of Intent has been received and/or executed (or otherwise agreed to) or (y) March 31, 2011.

(a) Termination for Cause. Executive understands, acknowledges and agrees that Asyst may terminate his or her employment for Cause at any time, upon two (2) weeks written notice. During the period of such notice, the Executive may be relieved of his or her daily, general and specific responsibilities. Asyst is not required to provide Executive any opportunity or period to correct, cure or remedy the event or condition that constitutes Cause in order to reinstate his or her employment.

(b) Voluntary Termination by Executive. Asyst understands, acknowledges and agrees that Executive may terminate his or her employment voluntarily at any time, upon two (2) weeks written notice.

(c) Entitlement upon Termination by Asyst for Cause or Voluntarily by Executive. In the event the Executive' s employment is terminated by Asyst for Cause or voluntarily by Executive, Executive understands, acknowledges and agrees that he or she will be entitled to the following compensation and benefits as Executive' s sole compensation, and Asyst shall have, sue or owe no other obligation or liability to Executive, under this Agreement or

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otherwise, in respect of the conduct or termination of Executive’ s employment.

(i) Base Salary through the Date of Termination;

(ii) payment in lieu of any accrued but unused vacation in accordance with Asyst’ s policy and procedures and applicable laws;

(iii) any annual performance bonus for any completed fiscal year, deemed earned, due and payable but not yet paid to Executive;

(iv) any deferred compensation deemed earned and due under any incentive compensation plan of Asyst or any deferred compensation agreement then in effect;

(v) any other right, compensation, payment or benefit, including without limitation long-term incentive compensation, benefits under equity awards, and employee benefits that have vested through the Date of Termination or to which Executive may then be entitled in accordance with the applicable terms of each award or plan; and

(vi) reimbursement of any reasonable and appropriate business expenses incurred by Executive through the Date of Termination but not yet paid to Executive.

3. ENTITLEMENT UPON TERMINATION BY ASYST WITHOUT CAUSE, DUE TO DEATH OR DISABILITY OR BY THE EXECUTIVE FOR GOOD REASON IN CONNECTION WITH CHANGE IN CONTROL. In the event, during the Term of the Agreement, that Executive’ s employment is terminated as a result of an Involuntary Termination or an Anticipatory Involuntary Termination (to the extent permitted in Section 5(a) hereof), then the Executive shall be entitled to the following rights, compensation, payments and benefits:

(a) General Entitlement

(i) Base Salary through the Date of Termination;

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(ii) payment in lieu of any accrued but unused vacation in accordance with Asyst' s policy and procedures and applicable laws;

(iii) any annual bonus deemed earned, due and payable but not yet paid to Executive;

(iv) any deferred compensation deemed earned and due under any incentive compensation plan of Asyst or any deferred compensation agreement then in effect;

(v) any other right, compensation, payment or benefit, including without limitation long-term incentive compensation, benefits under equity awards, and employee benefits that have vested through the Date of Termination or to which Executive may then be entitled in accordance with the applicable terms of each award or plan; and

(vi) reimbursement of any reasonable and appropriate business expenses incurred by Executive through the Date of Termination but not yet paid to Executive.

(b) Change in Control Entitlement

(i) an amount in cash representing an annual bonus under Asyst' s performance-based annual incentive compensation plan for the Fiscal Year in which Executive' s termination occurs, prorated to the Date of Termination utilizing as the pro ration factor a fraction, the numerator of which is the number of days in the current Fiscal Year through the Date of Termination and the denominator of which is 365. Such annual bonus payment shall be based on the then-current annual Target Bonus for Executive, and shall assume 100 percent achievement of individual and corporate performance targets and objectives;

(ii) an amount in cash equal to two times Executive' s Annual Base Salary, at the rate in effect immediately before the Date of Termination;

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(iii) an amount in cash equal to two times the average of Executive' s annual Target Bonus for Executive for the three most recently completed Fiscal Years (assuming 100 percent achievement of individual and corporate performance targets and objectives with respect to such Target Bonus, regardless of whether any such Target Bonus amount was actually paid) preceding the Date of Termination. For example:

(A) if, as of the Date of Termination, the Executive' s Target Bonuses for the three most recently completed fiscal years were FY-1 – 50 percent, FY-2 – 75 percent, and FY-3 – 75 percent, respectively, then the average of Executive' s Target Bonuses for the three most recently completed Fiscal Years would be 67 percent, and the amount in cash payable to the Executive would be two times Executive' s Annual Base Salary multiplied by 67 percent.

(iv) continuing Asyst-paid coverage under the life, disability, accident, medical, health, dental and vision insurance programs covering senior executives of Asyst generally, then in-effect, to the extent permitted under COBRA coverage or the terms of other such programs, for the two-year period from such termination or, if earlier, through such date as Executive becomes eligible for substantially similar coverage under the employee benefit plans of a new employer; provided that Executive agrees that the period of such continuation coverage under such plans shall count against any obligation by the plan or Asyst to provide continuation coverage pursuant to COBRA; provided, however, that any portion the benefit coverage contemplated in this Section 3(b)(iv) that is exempt from Section 409A as a separation payment (including reimbursements and in-kind benefits) shall not extend beyond the last day of the second calendar year in which Executive experiences a Separation from Service (as hereinafter

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defined), and any related reimbursements for such expenses shall not be paid following the third calendar year following the calendar year in which Executive experiences a Separation from Service; and provided further, however, that, in order to comply with Section 409A, any portion of the benefit continuation coverage, which is not excludible from Executive' s income for Federal income tax purposes, that is provided in any given calendar year shall not affect the amount of such benefits that the Company is obligated to pay or provide in any other calendar year, Executive' s right to have the Company provide such benefits may not be liquidated or exchanged for any other benefit, and to the extent the benefit is provided in the form of reimbursement, any reimbursement of such benefits must be made no later than the end of the calendar year next following the calendar year in which such expenses were incurred, and the provision of such benefits shall otherwise comply with the requirements of Section 409A applicable to reimbursement arrangements; and

(v) accelerated, immediate and unconditional vesting of all unvested stock options and other equity awards (including Performance-Based Awards) previously granted to Executive and, for the one-year period following the Date of Termination, the right to exercise any such stock options and other equity rights held by Executive.

(c) Asyst shall provide Executive 30 days' Notice of Termination of Executive' s employment without Cause, and Executive shall comply with Section **4**, below, regarding the Notice of Termination of his or her employment for Good Reason.

4. CONDITIONS ON EXECUTIVE' S RIGHT TO TERMINATE EMPLOYMENT FOR GOOD REASON. Executive' s right to terminate his or her employment for Good Reason shall not be affected by Executive' s incapacity due to physical or

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mental illness. In order for Executive to terminate his or her employment for Good Reason, and to be eligible to receive the rights, payments and benefits provided under subsections **3(a)** and **(b)**, above, Executive must satisfy the following requirements:

(a) Executive must deliver a Notice of Termination to Asyst, which written notice shall indicate the specific provision or provisions in the definition of Good Reason relied upon as a basis for termination and shall describe the specific facts and circumstances in sufficient detail to identify the specific act, omission, event or condition that constitutes Good Reason as the basis for such termination of Executive' s employment. Executive must deliver such Notice of Termination no later than 90 days of Executive' s initial determination of the existence of such specific act, omission, event or condition that constitutes Good Reason as the basis for such termination of Executive' s employment.

(b) Upon receipt of such written notice, Asyst must have at least 30 days to correct, cure or remedy the event or condition that constitutes Good Reason and fail to do so in that period. If Asyst corrects, cures or remedies the Good Reason, Executive' s Notice of Termination shall be deemed withdrawn and Asyst shall not be required to provide or pay the rights, payments or benefits under subsections **3(a)** and **(b)**, above.

(c) Executive must not have consented to the event or condition that constitutes Good Reason. Executive' s continued employment shall not constitute consent to, or a waiver of rights by Executive with respect to, any act or omission constituting Good Reason as the basis for such termination of Executive' s employment.

(d) Notwithstanding any other provision, in no event may Executive terminate his or her employment for Good Reason as of a Date of Termination that is more than two years following the initial existence of the specific event or condition that constitutes Good Reason.

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5. TIMING AND DETERMINATION OF AMOUNT OF PAYMENT.

(a) Generally, amounts to be paid to the Executive upon termination of employment under this Agreement other than amounts payable upon an Anticipatory Involuntary Termination, which shall be paid in accordance with the last sentence of this subsection **5(a)**, shall be paid in a cash lump sum within 60 business days after the Date of Termination, except that (x) the payment of any equity awards may be made (in Asyst' s sole discretion) in shares and (y) in the event it is determined that the Executive is a "Specified Employee" as defined in Section 409A(a)(2)(B)(i) of the Internal Revenue Code of 1986, as amended (the "Code," and such employee, a "Specified Employee"), any payment to be made under this Agreement that is "nonqualified deferred compensation" subject to Section 409A of the Code shall be delayed as provided in Section **16**, below. In the event of an Anticipatory Involuntary Termination, any payments that are Deferred Compensation Benefits (as hereinafter defined) shall be paid in a cash lump sum within 30 business days following the date of the Change in Control and only to the extent the Change in Control is a "change in control event" within the meaning of Section 409A; provided, however, that if Executive is a Specified Employee and the Delayed Payment Date (as hereinafter defined) is later than the date of the Change in Control, the payment of the Deferred Compensation Benefits shall be paid in a cash lump sum on the Delayed Payment Date. The payment of any amounts upon an Anticipatory Involuntary Termination that are not Deferred Compensation Benefits shall be paid within 60 days following the date of the Change in Control regardless of whether the Change in Control is a "change in control event" within the meaning of Section 409A.

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(b) Determination of Amount of Payment.

(i) for purposes any payments contemplated under Section 3(b)(i) through (iii), above, such payments shall be calculated on the basis of the Executive’ s Annual Base Salary in-effect immediately before the Date of Termination, but unadjusted for any reduction then in-effect for Executive (whether with respect to Executive only or with respect to an across-the-board reduction similarly and proportionately affecting all senior executives of Asyst); and

(ii) notwithstanding the foregoing subsection **5(b)(i)**, in the event that any rights, compensation, payments or benefits received or to be received by Executive pursuant to this Agreement (“Payments”) would (x) constitute a “parachute payment” within the meaning of Section 280G of the Code and (y) but for subsection **5(a)**, be subject to the excise tax imposed by Section 4999 of the Code (the “Excise Tax”), then such Payments shall be reduced to the maximum amount that would result in no portion of the payments being subject to Excise Tax, but only if and to the extent that such a reduction would result in Executive’ s receipt of Payments that are greater than the net amount that he would receive hereunder (after application of the Excise Tax) if no reduction were made.

(c) Tax Reductions. The amount of required reduction, if any, shall be the smallest amount so that Executive’ s net proceeds with respect to the Payments (after taking into account payment of any Excise Tax) shall be maximized, as determined by Executive. Executive’ s determination of any required reduction pursuant to subsection **5(b)** shall be conclusive and binding upon Asyst, which shall reduce Payments accordingly only upon written notice from Executive indicating the amount of such reduction, if any; provided, however, that,

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anything to the contrary in the foregoing notwithstanding, in order to comply with Section 409A, payments or benefits that constitute Deferred Compensation Benefits shall be reduced or eliminated last in time. If the Internal Revenue Service (the "IRS") determines that a Payment is subject to Excise Tax, then the following paragraph shall apply.

(d) Liability for Excise Taxes. Notwithstanding any reduction described in the immediately preceding paragraph (or in the absence of any such reduction), if the IRS determines that Executive is liable for Excise Tax as a result of receipt of Payments, then Asyst shall allow Executive to pay back to Asyst, within 30 days after final IRS determination, an amount of the Payments equal to the "Repayment Amount." The Repayment Amount shall be the smallest such amount, if any, as shall be required to be paid to Asyst so that Executive' s net proceeds with respect to the Payments (after taking into account payment of the Excise Tax imposed on such Payments) shall be maximized. Notwithstanding the foregoing, the Repayment Amount shall be zero if a Repayment Amount of more than zero would not eliminate the Excise Tax imposed on the Payments. If the Excise Tax is not eliminated pursuant to this paragraph, Executive shall pay it.

(e) Release. Asyst may require in its sole discretion, and at any time as a condition of receiving any right, compensation, payment or benefit under this Agreement in conjunction with a Change in Control, that (x) Executive execute at the time of such termination of employment and abide by the terms of a general release of claims against Asyst and its affiliates and agents substantially in the form attached hereto as Exhibit A ("General Release"), and (y) reaffirm in an executed document Executive' s confidentiality obligations to Asyst consistent with this Agreement and the terms of Asyst' s standard Proprietary or Confidential

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Information and Inventions Assignment Agreement then in effect; provided, however, that, in order to comply with Section 409A, any of the foregoing requirements shall be completed by Executive (after taking into consideration any revocation period mandated under applicable law), within such time that the payments or benefits contemplated under this Agreement are made (or are commenced to be made) within the period contemplated in this Section **5**, it being understood that Executive shall forfeit the right to payments and benefits under this Agreement if the foregoing requirements are not completed in time to make the payments within the requisite period.

6. CONFIDENTIAL INFORMATION.

(a) Acknowledgments. Executive acknowledges that:

(i) as a result of his or her employment with Asyst, Executive has obtained and will obtain secret and confidential information concerning the business of Asyst, including, without limitation, the identity of customers and sources of supply, their needs and requirements, the nature and extent of contracts with them, and related cost, price and sales information;

(ii) Asyst will suffer damage that will be difficult to compute if, during the Term of Employment or thereafter, Executive should divulge secret and confidential information relating to the business of Asyst heretofore or hereafter acquired by him or her in the course of his or her employment with Asyst; and

(iii) the provisions of this Section **6** are reasonable and necessary for the protection of the business of Asyst.

(b) Confidential Information. Executive agrees that he will not at any time,

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either during the Term of Employment or thereafter, divulge to any person, firm or corporation any confidential information obtained or learned by him or her during the course of employment with Asyst with regard to the operational, financial, business or other affairs of Asyst, its officers and directors, including, without limitation, trade "know how," secrets, customer lists, sources of supply, pricing policies, operational methods or technical processes. In this regard, Executive agrees to execute and at all times be bound by Asyst' s standard Proprietary or Confidential Information and Inventions Assignment Agreement, as may be amended by Asyst from time to time (the "Proprietary Information and Inventions Agreement"). To the specific extent the terms of the Proprietary Information and Inventions Agreement conflict with the terms of this Agreement, such terms of this Agreement will control.

(c) Remedies and Sanctions. In the event that Executive is found to be in violation of this Section **6** (including the Proprietary Information and Inventions Agreement), Asyst shall be entitled to relief as provided in Section **7,** below.

7. INJUNCTIVE RELIEF.

(a) If Executive commits a breach, or threatens to commit a breach, of any material provision of Section **6,** above, Asyst shall have the right and remedy to seek to have the provisions of this Agreement specifically enforced by any court having equity jurisdiction, it being acknowledged and agreed by Executive that the services rendered hereunder to Asyst are of a special, unique and extraordinary character and that any such breach or threatened breach will cause irreparable injury to Asyst, for which monetary damages will not provide an adequate remedy. The rights and remedies enumerated in this subsection **(a)** shall be independent of the other and shall be severally enforceable, and such rights and remedies shall be in addition to, and not in lieu of, any other damages, rights and remedies available to Asyst under law or equity.

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(b) If any provision of Section **6**, above, is held to be unenforceable because of the scope, duration or area of its applicability, the tribunal making such determination shall have the power to modify such scope, duration or area, or all of them, and any such provision shall then be applicable in such modified form.

8. WITHHOLDING TAXES.

All payments to Executive or his or her Beneficiary under or pursuant to this Agreement shall be subject to further withholding or deductions on account of federal, state and local taxes as required by law. If any payment under this Agreement is insufficient to provide the amount of such withholdings or deductions, Asyst may withhold or deduct from any subsequent or other payment due Executive or his or her Beneficiary. In this regard, Asyst may withhold or deduct from any payments hereunder the amount that Asyst, in its reasonable judgment, determines it is required to withhold or deduct for any federal, state or local income or employment taxes.

9. ASSIGNABILITY, SUCCESSORS, BINDING AGREEMENT.

(a) This Agreement, and its terms, conditions and obligations, shall be binding on any successor-in-interest to Asyst, whether through merger, acquisition, consolidation, assignment, corporate dissolution or otherwise. In addition to any obligations imposed by law upon any successor to Asyst, Asyst will use its best efforts to obtain from any such successor to all or substantially all of the business and/or assets of Asyst a written agreement in which such successor expressly assumes and agrees to perform this Agreement in the same manner and to the same extent that Asyst is required to perform it. Notwithstanding

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such assumption, Asyst shall remain liable and responsible for fulfillment of the terms and conditions of this Agreement, and in no event shall any such assignment and assumption of this Agreement adversely affect Executive' s rights hereunder upon a Change in Control.

(b) This Agreement shall inure to the benefit of and be enforceable by the parties' personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees, assignees and legatees, including the Beneficiary.

10. REPRESENTATIONS.

The parties respectively represent and warrant that each is fully authorized and empowered to enter into this Agreement and that the performance of its or his or her obligations, as the case may be, under this Agreement will not violate any agreement between such party and any other person, firm or organization. Asyst represents and warrants that this Agreement has been duly authorized by all necessary corporate action and is valid, binding and enforceable in accordance with its terms.

11. ENTIRE AGREEMENT.

Except to the extent otherwise expressly provided herein, this Agreement contains the entire understanding and agreement between the parties concerning the subject matter hereof and supersedes any prior agreements, whether written or oral, between the parties concerning the subject matter hereof; provided, however, that the terms and conditions of the Agreement to Arbitrate Disputes and Claims, Indemnification Agreement, Code of Business Conduct, and Proprietary Information and Inventions Agreement shall remain in full force and effect, and not superseded by this Agreement (except and to the extent expressly provided to the contrary herein).

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(a) In the event of a conflict between this Agreement and terms of any benefit plan, grant or award, the provisions of this Agreement shall govern the determination of the parties' respective rights, obligations and liabilities.

12. AMENDMENT OR WAIVER.

No provision in this Agreement may be amended unless and to the extent such amendment is agreed to in writing and signed by both Executive and an authorized officer of Asyst. No waiver by either party of any breach by the other party of any condition, obligation, performance or provision contained in this Agreement shall be deemed a waiver of a similar or dissimilar condition or provision at the same or any prior or subsequent time. Any waiver must be in writing and signed by the party to be charged with the waiver.

13. SEVERABILITY.

In the event that any provision or portion of this Agreement shall be determined to be invalid or unenforceable for any reason, in whole or in part, the remaining provisions of this Agreement shall be unaffected thereby and shall remain in full force and effect to the fullest extent permitted by law.

14. SURVIVAL.

The respective rights and obligations of the parties under this Agreement shall survive any termination of Executive's employment with Asyst.

15. BENEFICIARIES/REFERENCES.

Executive shall be entitled to designate (and change, to the extent permitted under any applicable law) a beneficiary or beneficiaries to receive any compensation or benefit under this Agreement upon his or her death by giving Asyst written notice thereof in the form attached

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as Exhibit B. In the event of Executive' s death or of a judicial determination of his or her incompetence, reference in this Agreement to Executive shall be deemed to refer, as appropriate, to his or her beneficiary, estate or other legal representative.

16. COMPLIANCE WITH SECTION 409A.

(a) It is the intent of the parties to this Agreement that all of the payments and benefits set forth in this Agreement shall either qualify for exemption from or comply with the requirements of Section 409A, so that none of the payments and benefits will result in adverse tax consequences, including tax penalties under Section 409A, and any ambiguities herein will be interpreted to so comply.

(b) Asyst agrees to use reasonable and good faith efforts to administer its performance-based annual cash incentive plan or any other annual incentive plan, long term incentive plan or equity award in which Executive participates in a manner that qualifies for exemption from or complies with Section 409A.

(c) It is the intent of the parties that a termination by Asyst without Cause or a termination by Executive for Good Reason shall constitute an involuntary separation of service under 409A and that the payments and benefits in Sections **3(a)** and **(b)**, above, shall, to the extent possible, qualify for the short term deferral exception, the separation pay plan exception or other applicable exception to Section 409A, and any ambiguities herein will be interpreted to so comply. Each payment under Section **3(b)** shall be deemed a separate payment under this Agreement. To the extent that any of the payments and benefits under Section **3(b)** is determined to constitute deferred compensation subject to 409A (the "Deferred Compensation Benefit"), they will be subject to the following restrictions:

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(i) anything in this Agreement to the contrary notwithstanding, any Deferred Compensation Benefit shall be paid or provided to Executive only if and as of the date Executive experiences a “separation from service” as defined in the final Treasury Regulations promulgated under Section 409A (a “Separation from Service”).

(ii) anything in this Agreement to the contrary notwithstanding, if Executive is a Specified Employee on the Date of Termination, and as determined in accordance with the applicable standards of Section 409A and the Treasury Regulations thereunder, as applied on a consistent basis, then the parties agree that to the extent the Deferred Compensation Benefit is subject to the “six-month delay rule” in Section 409A(a)(2)(B)(i), the Deferred Compensation Severance Benefit that would otherwise have been due within the first six (6) months following the Date of Termination will be provided or paid in a lump sum one (1) day following the earlier of (which date, shall be referred to as the “Delayed Payment Date”):

(A) the last day of the sixth (6th) complete calendar month following the Date of Termination; or

(B) Executive’ s death. Any remaining installments following the Delayed Payment Date shall be made in accordance with the original payment schedule.

(d) The parties agree to work in good faith to use reasonable efforts to amend or modify this Agreement as may be necessary to ensure that all payments and benefits provided under this Agreement are made in a manner that qualifies for exemption from or complies with Section 409A.

(e) Notwithstanding the foregoing or elsewhere in this Agreement, Asyst

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makes no representations or warranties that the compensation or benefits provided under this Agreement will be exempt from Section 409A of the Code and makes no undertakings to preclude Section 409A of the Code from applying to the benefits provided under this Agreement. To the extent that any of the payments and benefits in Sections **3(b)**, above, or otherwise under this Agreement, is determined to constitute deferred compensation subject to 409A, Executive will have sole liability for any additional tax, assessment or penalty imposed under Section 409A, and Asyst shall have no obligation to hold harmless, indemnify, compensate or "gross up" Executive for any such additional tax, assessment or penalty.

17. MITIGATION.

Asyst agrees that Executive is not required to seek other employment following the Term of Employment, or to attempt in any way to reduce any amounts payable to him or her under this Agreement. Further, the amount of any cash payment payable under this Agreement shall not be reduced by any compensation earned by Executive as the result of employment by another employer, by retirement benefits, by offset against any amount claimed to be owed by him or her to Asyst, or otherwise.

18. GOVERNING LAW/JURISDICTION/VENUE.

This Agreement shall be governed by and construed, interpreted and enforced in accordance with the laws of the State of California, without reference to principles of conflict of laws. The parties intend that any disputes arising from or relating to any right or obligation hereunder be resolved exclusively by binding non-appealable arbitration, as provided in Section **19**, below. However, if for any reason a party should otherwise be required to commence litigation in a civil proceeding, Asyst and the Executive hereby irrevocably and unconditionally

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(i) agree that any action or proceeding arising out of or in connection with this Agreement may be brought in the Superior Courts of the State of California, (ii) consent to submit to the jurisdiction of the Superior Courts of the State of California for purposes of any action or proceeding arising out of or in connection with this Agreement, (iii) waive any objection to the laying of venue of any such action or proceeding in the Superior Courts of the State of California, and (iv) waive, and agree not to plead or to make, any claim that any such action or proceeding brought in the Superior Courts of the State of California has been brought in an improper or inconvenient forum.

19. RESOLUTION OF DISPUTES.

(a) Arbitration. Any right or benefit, or obligation or liability, granted or arising under this Agreement, and any other dispute between Executive and Asyst arising from or relating to Executive's employment or termination of employment, shall be subject to and resolved exclusively by binding non-appealable arbitration under the auspices of the American Arbitration Association ("AAA"), and pursuant to the AAA civil arbitration and discovery rules then in-effect. Neither Executive nor Asyst shall be liable to, or entitled to recover from, the other for any claim, cause or action, suit or proceeding relating to any right or obligation hereunder, any incidental, special, consequential or exemplary damages of any kind, including punitive damages (and the arbitrator will be without jurisdiction or authority to award such damages). The arbitrator also will not have jurisdiction or authority to award attorneys' fees or costs to either party for any claim, cause, action, suit or proceeding unless and to the extent a statute at issue which is the basis for the claim, cause, action, suit or proceeding expressly authorizes the award of attorneys' fees and costs to the prevailing party. In this instance only,

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the arbitrator shall have the authority to make an award only of reasonable attorneys' fees and costs to the prevailing party, and to the extent and in the manner permitted by the statute applicable to such claim, cause, action, suit or proceeding; however, any award of fees and costs will be limited to the amount of reasonable fees and costs actually incurred and which bear a reasonable relation to the prevailing party' s actual recovery.

(i) in the event entered between the parties (and as thereafter amended from time to time), the terms and conditions of the Agreement to Arbitrate Disputes and Claims shall govern such arbitration, be binding on the parties, shall be deemed incorporated herein by reference as a material part of this Agreement, and (to the extent expressly contrary) shall supersede the foregoing.

(b) Continuation of Payments. Pending the outcome or resolution of any dispute between the Parties, Asyst shall continue to pay Executive all amounts, and provide on his or her behalf all benefits, expressly provided and due him or her under this Agreement.

20. NOTICES.

Any notice, consent or waiver given to either party shall be in writing and shall be deemed to have been given when delivered either personally, by fax, by overnight delivery service or sent by certified or registered mail, postage prepaid, return receipt requested, duly addressed to the Party concerned at the address indicated below or to such changed address as the Party may subsequently give notice of.

If to Asyst:

Asyst Technologies, Inc.
46897 Bayside Parkway
Fremont, CA 94538
Attention: General Counsel
Tel: (510) 661-5000
Fax: (510) 661-5166

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With a copy to:

Chair, Compensation Committee
Board of Directors
Asyst Technologies, Inc.
46897 Bayside Parkway
Fremont, CA 94538
Tel: (510) 661-5000
Fax: (510) 661-5166

If to Executive, to Executive' s residence last specified by him or her in writing to Asyst for this purpose or, if none, as the residence is last indicated in Asyst' s employment records for Executive.

21. HEADINGS.

The headings of the sections contained in this Agreement are for convenience only and shall not be deemed to control or affect the meaning or construction of any provision of this Agreement.

22. PARTIAL INVALIDITY.

If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions shall nevertheless continue in full force without being impaired or invalidated in any way.

23. NO OTHER COMPENSATION; EMPLOYEE AT WILL.

(a) Except and to the extent specifically provided in Sections **2** and **3**, above, no right, payment, compensation or benefit shall be conferred, due or payable to Executive, and no obligation or liability shall be due or owing by Asyst, under this Agreement or otherwise in respect of the conduct or termination of Executive' s employment in relation to a Change in Control.

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(b) Executive is and shall remain an "employee at will" at all times during the term of this Agreement and shall not have any right or expectation (reasonable or otherwise) to be retained or continue in the employ of Asyst.

(c) Executive understands and expressly agrees, as a material inducement to Asyst to enter this Agreement, that Executive' s only right, claim, cause or action arising from termination or the affect of termination of his or her employment, whether by him, her or Asyst, or whether in the context of a Change in Control, at any time and for any reason, shall be limited to payment and recovery of the specific payments and benefits identified in Sections **2** and **3**, above, and that Executive understands and agrees that he or she shall never raise or assert (and is estopped from ever raising or asserting) any other right, claim, cause or action arising from termination or the affect of termination of his or her employment.

24. COUNTERPARTS.

This Agreement may be executed in counterparts, each of which when so executed and delivered shall be an original, but all such counterparts together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first written above.

Asyst Technologies, Inc.

Dated: ______________________ ______________________

[an officer authorized to sign for the company]
Name: ______________________
Title: ______________________

Dated: ______________________ ______________________

[Executive]

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EXHIBIT A

SEVERANCE AGREEMENT AND RELEASE OF ALL CLAIMS

This Severance Agreement and Release of All Claims ("Agreement and Release") is intended to constitute a binding agreement between you, [__________] ("Employee"), and Asyst Technologies, Inc., on behalf of its subsidiary and affiliated entities ("Asyst" or the "Company"). Please review the terms carefully. By signing below, you are agreeing to end your employment relationship with Asyst on the terms identified below, and in return for the benefits provided herein. We advise you to consult with an attorney or other advisor concerning its terms and obligations and the specific effect on your legal rights. This Agreement and Release is deemed effective as of [____________________] (the "Effective Date").

1. Your employment with Asyst shall terminate on [__________]. You understand you have no recall rights.

2. You and Asyst agree that this Agreement and Release is contractual in nature and not a mere recital, and that this Agreement and Release shall be interpreted as though drafted jointly by the Employee and Asyst.

3. You will be entitled to the current pay and benefits due you through termination of your employment. You understand that, except as provided herein, you will not be entitled to any additional payments or severance or any other benefits from Asyst associated with any claimed work or right to work beyond the date of your termination.

4. During the course of your employment with Asyst, you have had access to or have had possession of confidential and proprietary information or materials of Asyst. You acknowledge and confirm that you have complied during your employment with all the terms of Asyst' s Confidential Information and Inventions Assignment Agreement signed by you and reaffirm that your confidentiality obligations to Asyst are continuing into the future regardless of termination of your employment.

5. You also agree to return promptly all property of Asyst, including pagers, cellular phones, PDAs and any other materials or equipment in your possession or which were provided to you by or through Asyst, except as specifically authorized by Asyst' s C.E.O. You further understand that any use of credit or telephone cards, cellular phones, pagers, PDAs, and other materials or equipment provided to you by or through Asyst will not be authorized beyond your termination date, and any expenses incurred after your termination date will not be eligible for reimbursement except as specifically authorized by Asyst' s C.E.O.

6. You hereby fully waive, release and discharge Asyst, its parent, subsidiary and affiliated entities, and the shareholders, directors, officers, employees, agents and representatives of each (the "Released Parties") from, and agree never to assert against any of the Released Parties any and all claims, liabilities, charges and causes of action of any kind whatsoever which you have, had or may have against them as of the date on which you sign this Agreement, including without limitation any and all claims, liabilities, charges and causes of action relating to:

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(a) your employment, termination of employment or any right, expectation, claim or benefit relating to or arising in any manner from your employment;

(b) any and all rights or claims relating to or in any manner arising under the California Fair Employment and Housing Act (Government Code section 12900 et seq., as amended);

(c) any and all rights or claims relating to or in any manner arising under the Civil Rights Act of 1964 (42 U.S.C. 2000, et seq., as amended);

(d) any and all rights or claims relating to or in any manner arising under the Americans with Disabilities Act (29 U.S.C. 706 et seq., as amended);

(e) any and all rights or claims relating to or in any manner arising under the Age Discrimination in Employment Act of 1967 (29 U.S.C. 621 et seq., as amended);

(f) any and all rights or claims relating to or in any manner arising under the WARN Act (as amended), and any comparable provisions of California or other applicable law;

(g) any and all rights or claims relating to or in any manner arising under the Equal Pay Act of 1963 (as amended);

(h) any and all rights or claims relating to or in any manner arising under the California Labor Code Section 1197.5 (as amended); and

(i) any and all rights or claims otherwise relating to or in any manner arising under federal, state or local statutory, administrative or common law or regulation, including claims for wrongful termination or constructive discharge or demotion, breach of contract (written, oral or implied), breach of the covenant of good faith and fair dealing, violation of public policy, infliction of emotional distress, personal injury, defamation and misrepresentation.

Asyst hereby fully waives, releases and discharges you from, and agrees never to assert against you, any and all claims, liabilities, charges and causes of action of any kind whatsoever which Asyst has, had or may have against you as of the date on which you sign this Agreement, provided, however, that nothing in this Paragraph 6 shall preclude Asyst from enforcing its rights with respect to your obligations under the terms and conditions of (i) this Agreement and Release, (ii) the releases from you contained herein, (iii) the Agreement to Arbitrate Disputes and Claims, and (iv) the continuing obligations and liabilities expressly provided under the Confidential Information and Inventions Assignment Agreement.

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7. Each party waives his, her or its rights under section 1542 of the Civil Code of California, or other comparable provision of applicable law, which states:

> *A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known to him must have materially affected his settlement with the debtor.*

8. This Agreement and Release shall not affect any waiver or release of any claim for workers' compensation benefits and unemployment insurance benefits or any other claims that may not be released under applicable law. Nothing in this Agreement and Release shall preclude you from enforcing your rights with respect to Asyst' s obligations under the terms and conditions of (i) this Agreement and Release, (ii) the releases from Asyst contained herein, (iii) the Agreement to Arbitrate Disputes and Claims, (iv) the continuing obligations and liabilities expressly provided under any Indemnity Agreement between the parties, and (v) claims relating to the validity of this Agreement and Release under the ADEA (as amended).

9. You understand, represent and agree that:

(a) you have had a reasonable opportunity of up to 21 days to consider this Agreement and Release if you wish and to consult an attorney or other advisor before signing this Agreement and Release;

(b) you have read this Agreement and Release in full and understand all of the terms and conditions set forth herein;

(c) you knowingly and voluntarily agree to all of the terms and conditions set forth herein and intend to be legally bound by them;

(d) you may rescind this Agreement and Release only with respect to claims arising under the Age Discrimination in Employment Act of 1967 (29 U.S.C. 621 et seq.) and only if you do so within seven (7) days after signing it (in which case you will forfeit in full and agree immediately to refund, return to and reimburse Asyst any and all benefits provided to you under Paragraph 8, above); and

(e) this Agreement and Release will not become effective or enforceable with respect to claims arising under the Age Discrimination in Employment Act of 1967 (29 U.S.C. 621 et seq.) until seven (7) days after you have signed it.

10. You represent that you have not filed any complaints, claims, grievances or actions against Asyst, its parent, subsidiary and affiliated entities, and the shareholders, directors, officers, employees, agents and representatives of each, or any other of the Released Parties in

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any state, federal or local court or agency, and you covenant not to file any such complaints, claims, grievances, or actions (other than for workers' compensation benefits, unemployment insurance benefits or otherwise not subject to by law to your waiver or releases herein) at any time hereafter. You hereby grant power of attorney to Asyst to dismiss on your behalf any such complaint, claim grievance or action you filed in violation of this Paragraph. Notwithstanding the foregoing, you acknowledge and agree that in the event you successfully assert any claim against Asyst, despite the waivers, releases and other representations provided in this Agreement and Release, that an amount equal to any and all benefits provided to you under Paragraph 3, above, may and shall be off-set and deducted from any recovery from such claim.

11. Asyst represents that it has not filed any complaints, claims, grievances or actions against you in any state, federal or local court or agency, and Asyst covenants not to file any such complaints, claims, grievances, or actions at any time hereafter with respect to the claims released by Asyst hereunder. Asyst hereby grants power of attorney to you to dismiss on Asyst' s behalf any such complaint, claim grievance or action Asyst filed in violation of this Paragraph.

12. You agree not to defame, disparage or criticize Asyst or its shareholders, directors, officers, employees or business or employment practices at any time. Asyst agrees that neither Asyst nor its directors, officers will defame, disparage or criticize you.

13. Except to the extent the Agreement and Release has been publicly disclosed by Asyst, you agree to not to disclose the existence of this Agreement and Release, its terms, or any information relating to this Agreement and Release to anyone other than your spouse (if any), tax preparer, accountant, attorney and other professional adviser or party to whom disclosure is necessary in order to comply with the law. In such event, you will instruct them to maintain the confidentiality of this Agreement and Release just as you must.

14. The parties agree that this Agreement and Release shall be binding upon their successors and assignees. Each represents that it has not transferred to any person or entity any of the rights released or transferred through this Agreement.

15. If a court of competent jurisdiction declares or determines that any provision of this Agreement and Release is invalid, illegal or unenforceable, the invalid, illegal or unenforceable provision(s) shall be deemed not a part of this Agreement, but the remaining provisions shall continue in full force and effect.

16. Each party, upon breach of this Agreement and Release by the other, shall have the right to seek all necessary and proper relief, including, but not limited to, specific performance, from a court or arbitrator of competent jurisdiction.

17. Each party agrees that any differences, disputes or controversies between us arising from this Agreement and Release or from rights or obligations hereunder, or any liabilities asserted or arising from your employment or its termination, shall be exclusively submitted to arbitration subject to the terms and conditions of the Agreement to Arbitrate Disputes and Claims, which said terms and conditions are deemed incorporated in this Agreement and Release in full by this reference and made a material part hereof.

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18. We each, to the fullest extent permitted by law, waive any right or expectation against the other to trial or adjudication by a jury of any claim, cause or action arising hereunder or from the rights, duties or liabilities created hereby.

19. The laws of the State of California shall govern the construction and enforcement of this Agreement and Release and any rights, obligations or liabilities hereunder, without regard to conflicts of laws considerations.

20. You certify and confirm that you do not have in your possession any, and that you have returned to Asyst as of termination of your employment all, property, devices, records, data, notes, reports, proposals, lists, correspondence, specifications, drawings, blueprints, sketches, materials equipment, other documents or property, or reproductions of any aforementioned items belonging to Asyst.

21. You also certify and confirm that you have complied during your employment with all the terms of Asyst' s Confidential Information and Inventions Assignment Agreement, including the reporting of any inventions and original works of authorship (as defined therein), conceived or made by you (solely or jointly with others) covered by that agreement.

22. You further reaffirm your obligations in the Asyst Confidential Information and Inventions Assignment Agreement.

23. You understand that the provisions of this Agreement and Release set forth the entire agreement between you and Asyst concerning your employment, separation benefits and termination of employment, and that this Agreement and Release replaces any other promises, representations or agreement between you and Asyst, whether written or oral, concerning such matters (except as otherwise expressly set forth in this Agreement and Release). You also understand that any benefits provided you under this Agreement and Release are offered on a one-time basis, and are not a part of a funded employee welfare program or established Asyst practice or policy. Any modification of this Agreement and Release, or change to the benefits offered hereunder, must be in writing and executed in advance by you and Asyst, or else such modification will not be binding or effective.

24. In the event that you breach any of your obligations under this Agreement and Release or as otherwise imposed by law, Asyst will be entitled to recover the sums and benefits paid under the Agreement and Release and to obtain all other relief provided by law or equity.

25. The parties agree and represent that they have not relied and do not rely upon any representation or statement regarding the subject matter or effect of this Agreement and Release made by any other party to this Agreement and Release or any party' s agents, attorneys or representatives.

I, THE UNDERSIGNED, HAVE HAD A SUFFICIENT OPPORTUNITY TO CONSIDER THIS AGREEMENT AND RELEASE AND HAVE BEEN ADVISED IN WRITING THAT I MAY CONSULT WITH AN ATTORNEY CONCERNING ITS TERMS AND EFFECT PRIOR TO EXECUTING THIS AGREEMENT AND RELEASE.

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I, THE UNDERSIGNED, HAVE READ THIS AGREEMENT AND RELEASE AND UNDERSTAND THAT I ENTER THIS AGREEMENT AND RELEASE INTENDING TO AND DO WAIVE, SETTLE AND RELEASE ALL CLAIMS I HAVE OR MIGHT HAVE AGAINST ASYST TO THE FULL EXTENT PERMITTED BY LAW. I SIGN THIS AGREEMENT AND RELEASE VOLUNTARILY AND KNOWINGLY.

ACKNOWLEDGED, UNDERSTOOD AND AGREED:

EMPLOYEE:	ASYST TECHNOLOGIES, INC.
______________________________	By: ______________________________ Name: Title:
Date: ______________________________	Date: ______________________________

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EXHIBIT B

Beneficiary Designation

Pursuant to Section **15** of that Change in Control Agreement (the "Agreement"), made and entered into as of [__________, 20___], between **myself** and **Asyst Technologies, Inc.**, a California corporation, with its principal office located at 46897 Bayside Parkway, Fremont, CA 94538 (together with its successors and assigns permitted under this Agreement, "Asyst"), I hereby make and provide notice to Asyst of the following Beneficiary Designation (which shall be binding on Asyst and in effect, unless, until and only to the extent superceded by a subsequent written Beneficiary Designation provided to Asyst in conformity with the requirements of the Agreement):

If I die prior to distribution or payment to me of any claimed right, compensation, payment or benefit due or payable to me under the Agreement, such right, compensation, payment or benefit shall be automatically transferred and/or due, distributed and paid to those beneficiaries designated below who survive me, subject to the provisions of the Agreement (if applicable) [*check one box only*]:

- ☐ Entirely to the spouse to whom I am currently married. [*Please provide name and address below.*] If my spouse does not survive me, payment is to be made to [*check one box only*]:
- ☐ All of my children who survive me in equal shares. [*Please provide names and addresses below.*]
- ☐ All of the persons named below who survive me in equal shares.
- ☐ To all of my children who survive me in equal shares. [*Please provide names and addresses below.*]
- ☐ To all of my siblings who survive me in equal shares. [*Please provide names and addresses below.*]
- ☐ Entirely to the first person named below who survives me.

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☐ To all of the persons named below who survive me in equal shares.

☐ Other [*please use a separate sheet if necessary*]:

____

____

____

____

____

The term "children" means natural or legally adopted children but excludes stepchildren (if not adopted).

The term "siblings" means brothers and sisters, whether natural or adoptive, but excludes stepbrothers and stepsisters.

The names and addresses of my beneficiaries are as follows [*please use a separate sheet if necessary*]:

1. Name: Relationship:
Address: Email:
Telephone:

2. Name: Relationship:
Address: Email:
Telephone:

3. Name: Relationship:
Address: Email:
Telephone:

4. Name: Relationship:
Address: Email:
Telephone:

5. Name: Relationship:
Address: Email:
Telephone:

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This beneficiary designation is to take effect on the date when it is received by the person responsible for administering the Agreement at Asyst Technologies, Inc., and it supersedes any prior designations that I may have made under the Agreement.

Executive

____________________________,___ ________________________________

(Date) (signature)

Please file this form with Human Resources and the General Counsel, Asyst Technologies, Inc.

Received by: ____

Date of receipt: _____________________________________, 200__________

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EXHIBIT 31.1

I, Stephen S. Schwartz, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Asyst Technologies, Inc. for the fiscal quarter ended December 31, 2008;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The Registrant' s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the Registrant' s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the Registrant' s internal control over financial reporting that occurred during the Registrant' s most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Registrant' s internal control over financial reporting; and

5. The Registrant' s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant' s auditors and the audit committee of the Registrant' s board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant' s ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant' s internal control over financial reporting.

Date: February 6, 2009

/S/ STEPHEN S. SCHWARTZ

Stephen S. Schwartz,
Ph.D. Chief Executive Officer

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EXHIBIT 31.2

I, Aaron L. Tachibana, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Asyst Technologies, Inc. for the fiscal quarter ended December 31, 2008;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The Registrant' s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the Registrant' s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the Registrant' s internal control over financial reporting that occurred during the Registrant' s most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Registrant' s internal control over financial reporting; and

5. The Registrant' s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant' s auditors and the audit committee of the Registrant' s board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant' s ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant' s internal control over financial reporting.

Date: February 6, 2009

By: /S/ AARON L. TACHIBANA
Aaron L. Tachibana
Chief Financial Officer

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EXHIBIT 32.1

Certification

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350), Stephen S. Schwartz, Chief Executive Officer of Asyst Technologies, Inc. (the "Company"), and Aaron L. Tachibana, Chief Financial Officer of the Company, each hereby certifies that, to the best of his knowledge:

1. The Company' s Quarterly Report for the period ended December 31, 2008, to which this Certification is attached as Exhibit 32.1 (the "Periodic Report") fully complies with the requirements of section 13(a) or section 15(d) of the Securities Exchange Act of 1934, and

2. The information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: February 6, 2009

/S/ STEPHEN S. SCHWARTZ	/S/ AARON L. TACHIBANA
Stephen S. Schwartz, Ph.D. Chief Executive Officer	Aaron L. Tachibana Chief Financial Officer

This certification is not deemed to be "filed" for purposes of section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liability of that section. This certification is not deemed to be incorporated by reference into any filing under the Securities Act of 1933 or Securities Exchange Act of 1934, except to the extent that the Company specifically incorporates it by reference.

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