

BROOKS AUTOMATION INC

Form 10-Q

August 06, 2009

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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: June 30, 2009**

**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 0-25434  
BROOKS AUTOMATION, INC.**

(Exact name of registrant as specified in its charter)

Delaware

04-3040660

(State or other jurisdiction of  
incorporation or organization)

(I.R.S. Employer  
Identification No.)

15 Elizabeth Drive  
Chelmsford, Massachusetts  
(Address of principal executive offices)

01824  
(Zip Code)

Registrant's telephone number, including area code: (978) 262-2400

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 has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). 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  Smaller reporting company   
(Do not check if a 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

**APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PRECEDING FIVE YEARS**

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Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes  No

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practical date, July 31, 2009:

Common stock, \$0.01 par value 64,391,566 shares

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BROOKS AUTOMATION, INC.  
CONSOLIDATED BALANCE SHEETS  
(unaudited)

(In thousands, except share and per share data)

	June 30, 2009	September 30, 2008
Assets		
Current assets		
Cash and cash equivalents	\$ 52,936	\$ 110,269
Marketable securities	35,313	33,077
Accounts receivable, net	28,108	66,844
Insurance receivable for litigation	343	8,772
Inventories, net	91,404	105,901
Prepaid expenses and other current assets	9,149	13,783
Total current assets	217,253	338,646
Property, plant and equipment, net	78,393	81,604
Long-term marketable securities	26,159	33,935
Goodwill	48,138	119,979
Intangible assets, net	14,909	58,452
Equity investment in joint ventures	28,730	26,309
Other assets	3,502	4,713
Total assets	\$ 417,084	\$ 663,638
Liabilities, minority interests and stockholders' equity		
Current liabilities		
Accounts payable	\$ 15,700	\$ 37,248
Deferred revenue	2,884	3,553
Accrued warranty and retrofit costs	5,621	8,174
Accrued compensation and benefits	13,071	18,174
Accrued restructuring costs	8,030	7,167
Accrued income taxes payable	2,702	3,151
Accrual for litigation settlement	7,750	7,750
Accrued expenses and other current liabilities	14,063	17,634
Total current liabilities	62,071	102,851
Accrued long-term restructuring	2,707	5,496
Income taxes payable	10,649	10,649
Long-term pension liability	6,243	6,243
Other long-term liabilities	2,699	2,238
Total liabilities	84,369	121,234
Contingencies (Note 14)		
Minority interests	471	409

Stockholders' equity		
Preferred stock, \$0.01 par value, 1,000,000 shares authorized, no shares issued and outstanding		
Common stock, \$0.01 par value, 125,000,000 shares authorized, 77,740,154 shares issued and 64,278,285 shares outstanding at June 30, 2009, 77,044,737 shares issued and 63,582,868 shares outstanding at September 30, 2008	777	770
Additional paid-in capital	1,794,287	1,788,891
Accumulated other comprehensive income	16,277	18,063
Treasury stock at cost, 13,461,869 shares at June 30, 2009 and September 30, 2008	(200,956)	(200,956)
Accumulated deficit	(1,278,141)	(1,064,773)
 Total stockholders' equity	 332,244	 541,995
 Total liabilities, minority interests and stockholders' equity	 \$ 417,084	 \$ 663,638

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

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BROOKS AUTOMATION, INC.  
CONSOLIDATED STATEMENTS OF OPERATIONS  
(unaudited)  
(In thousands, except per share data)

	Three months ended June 30,		Nine months ended June 30,	
	2009	2008	2009	2008
Revenues				
Product	\$ 31,510	\$ 105,774	\$ 116,479	\$ 367,157
Services	12,366	18,242	38,142	52,339
Total revenues	43,876	124,016	154,621	419,496
Cost of revenues				
Product	29,301	78,308	115,078	266,798
Services	10,617	16,851	36,477	48,953
Impairment of long-lived assets	408		20,924	
Total cost of revenues	40,326	95,159	172,479	315,751
Gross profit (loss)	3,550	28,857	(17,858)	103,745
Operating expenses				
Research and development	7,549	10,270	24,492	34,255
Selling, general and administrative	19,559	25,636	72,400	84,635
Impairment of goodwill			71,800	
Impairment of long-lived assets			14,588	
Restructuring charges	2,327	2,571	12,293	5,677
Total operating expenses	29,435	38,477	195,573	124,567
Operating loss from continuing operations	(25,885)	(9,620)	(213,431)	(20,822)
Interest income	536	1,237	2,079	6,252
Interest expense	60	93	258	536
Loss on investment			1,185	2,931
Other (income) expense, net	(114)	1,244	35	426
Loss from continuing operations before income taxes and minority interests	(25,295)	(9,720)	(212,830)	(18,463)
Income tax provision	148	843	728	2,398
Loss from continuing operations before minority interests	(25,443)	(10,563)	(213,558)	(20,861)
Minority interests in income of consolidated subsidiaries	240	(13)	63	(5)
Equity in earnings of joint ventures	(59)	224	253	447
Loss from continuing operations	(25,742)	(10,326)	(213,368)	(20,409)

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Gain on sale of discontinued operations, net of income taxes				371
Income from discontinued operations, net of income taxes				371
Net loss	\$ (25,742)	\$ (10,326)	\$ (213,368)	\$ (20,038)
Basic loss per share from continuing operations	\$ (0.41)	\$ (0.17)	\$ (3.40)	\$ (0.31)
Basic income per share from discontinued operations				0.01
Basic net loss per share	\$ (0.41)	\$ (0.17)	\$ (3.40)	\$ (0.31)
Diluted loss per share from continuing operations	\$ (0.41)	\$ (0.17)	\$ (3.40)	\$ (0.31)
Diluted income per share from discontinued operations				0.01
Diluted net loss per share	\$ (0.41)	\$ (0.17)	\$ (3.40)	\$ (0.31)
Shares used in computing income (loss) per share				
Basic	63,011	62,483	62,835	65,196
Diluted	63,011	62,483	62,835	65,196

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



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BROOKS AUTOMATION, INC.  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
(unaudited)  
(In thousands)

	Nine months ended June 30,	
	2009	2008
Cash flows from operating activities		
Net loss	\$ (213,368)	\$ (20,038)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:		
Depreciation and amortization	20,841	25,867
Impairment of goodwill	71,800	
Impairment of long-lived assets	35,512	
Stock-based compensation	5,007	5,612
Amortization of discount on marketable securities	70	(782)
Undistributed earnings of joint ventures	(253)	(447)
Minority interests	63	(5)
(Gain) loss on disposal of long-lived assets	(12)	925
Loss on investment	1,185	2,931
Gain on sale of software division, net		(371)
Changes in operating assets and liabilities, net of acquisitions and disposals:		
Accounts receivable	38,432	32,220
Inventories	14,324	(5,138)
Prepaid expenses and other current assets	5,199	2,469
Accounts payable	(21,533)	(18,344)
Deferred revenue	(658)	(1,578)
Accrued warranty and retrofit costs	(2,558)	(2,454)
Accrued compensation and benefits	(4,313)	(6,906)
Accrued restructuring costs	(1,902)	(1,356)
Accrued expenses and other current liabilities	(757)	(5,974)
Net cash (used in) provided by operating activities	(52,921)	6,631
Cash flows from investing activities		
Purchases of property, plant and equipment	(10,843)	(17,235)
Purchases of marketable securities	(53,316)	(137,156)
Sale/maturity of marketable securities	58,903	174,973
Proceeds from the sale of software division		1,500
Proceeds from the sale of long-lived assets	1,093	
Purchases of intangible assets	(38)	(75)
Net cash (used in) provided by investing activities	(4,201)	22,007
Cash flows from financing activities		
Treasury stock purchases		(90,194)
Proceeds from issuance of common stock, net of issuance costs	675	1,473

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Net cash provided by (used in) financing activities	675	(88,721)
Effects of exchange rate changes on cash and cash equivalents	(886)	1,813
Net decrease in cash and cash equivalents	(57,333)	(58,270)
Cash and cash equivalents, beginning of period	110,269	168,232
Cash and cash equivalents, end of period	\$ 52,936	\$ 109,962

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

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**BROOKS AUTOMATION, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (unaudited)**

**1. Basis of Presentation**

The unaudited condensed consolidated financial statements of Brooks Automation, Inc. and its subsidiaries ( Brooks or the Company ) included herein have been prepared in accordance with generally accepted accounting principles. In the opinion of management, all material adjustments which are of a normal and recurring nature necessary for a fair presentation of the results for the periods presented have been reflected, except for the adoption of fair value measurements as discussed in Note 13 in the first nine months of 2009.

Certain information and footnote disclosures normally included in the Company s annual consolidated financial statements have been condensed or omitted and, accordingly, the accompanying financial information should be read in conjunction with the consolidated financial statements and notes thereto contained in the Company s Annual Report on Form 10-K, filed with the United States Securities and Exchange Commission (the SEC ) for the year ended September 30, 2008. Certain reclassifications have been made in the prior period consolidated financial statements to conform to the current presentation.

We evaluated subsequent events through August 6, 2009, the date of financial statement issuance.

**Summary of Significant Accounting Policies***Goodwill and Other Intangible Assets*

As a result of acquisitions, the Company has identified intangible assets and generated significant goodwill. Intangible assets are valued based on estimates of future cash flows and amortized over their estimated useful life. Intangible assets and other long-lived assets are subject to an impairment test if there is an indicator of impairment. Goodwill is subject to annual impairment testing as well as testing upon the occurrence of any event that indicates a potential impairment. The Company conducts its annual goodwill impairment test as of its fiscal year end, or September 30th.

FASB Statement No. 142, Goodwill and Intangible Assets ( FAS 142 ), requires the testing of goodwill for impairment be performed at a level referred to as a reporting unit. A reporting unit is either the operating segment level or one level below, which is referred to as a component . The level at which the impairment test is performed requires an assessment as to whether the operations below the operating segment constitute a self-sustaining business, testing is generally required to be performed at this level; however, if multiple self-sustaining business units exist within an operating segment, an evaluation would be performed to determine if the multiple business units share resources that support the overall goodwill balance.

The Company determines the fair value of the net assets of each reporting unit by using the Income Approach, specifically the Discounted Cash Flow Method ( DCF Method ). The DCF Method includes five year future cash flow projections, which are discounted to present value, and an estimate of terminal values, which are also discounted to present value. Terminal values represent the present value an investor would pay today for the rights to the cash flows of the business for the years subsequent to the discrete cash flow projection period. Given the cyclical nature of the semiconductor equipment industry, a revenue multiple is used to determine terminal value as it represents a more stable multiple over time. The Company considers the DCF Method to be the most appropriate valuation indicator as the DCF analyses are based on management s long-term financial projections. Given the dynamic nature of the cyclical semiconductor equipment market, management s projections as of the valuation date are considered more objective since other market metrics for peer companies fluctuate over the cycle.

Goodwill impairment testing is a two-step process. The first step of the goodwill impairment test, used to identify potential impairment, compares the fair value of each reporting unit to its respective carrying amount, including goodwill. If the fair value of the reporting unit exceeds its carrying amount, goodwill of the reporting unit is not considered impaired. If the reporting unit s carrying amount exceeds the fair value, the second step of the goodwill impairment test must be completed to measure the amount of the impairment loss, if any. The second step compares the implied fair value of goodwill with the carrying value of goodwill. The implied fair value is determined by allocating the fair value of the reporting unit to all of the assets and liabilities of that unit, the excess of the fair value over amounts assigned to its assets and liabilities is the implied fair value of goodwill. The implied fair value



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of goodwill determined in this step is compared to the carrying value of goodwill. If the implied fair value of goodwill is less than the carrying value of goodwill, an impairment loss is recognized equal to the difference.

FASB Statement No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets ( FAS 144 ), requires the testing of long-lived assets, which exclude goodwill and intangible assets that are not amortized, when indicators of impairment are present. For purposes of this FAS 144 test, long-lived assets shall be grouped with other assets and liabilities at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities.

When the Company determines that indicators of potential impairment exist, the next step of the FAS 144 impairment test requires that the potentially impaired long-lived asset group is tested for recoverability. The test for recoverability compares the undiscounted future cash flows of the long-lived asset group to its carrying value. The future cash flow period is based on the future service life of the primary asset within the long-lived asset group. In most cases, the Company has determined that either customer based or technology based intangible assets are the primary asset of each long-lived asset group. If the future cash flows exceed the carrying values of the long-lived assets, the assets are considered not to be impaired. If the carrying values of the long-lived asset group exceed the future cash flows, the assets are considered to be potentially impaired. The next step in the impairment process is to determine the fair value of the individual net assets within the long-lived asset group. If the aggregate fair values of the individual net assets of the group exceed their carrying values, then no impairment loss is recorded. If the aggregate fair values of the individual net assets of the group are less than their carrying values, an impairment is recorded equal to the excess of the aggregate carrying value of the group over the aggregate fair value. The loss is allocated to each asset within the group based on their relative carrying values, with no asset reduced below its fair value.

For a further discussion of all of the Company's significant accounting policies, please see the Company's Annual Report on Form 10-K, filed with the SEC for the year ended September 30, 2008.

**Recently Enacted Accounting Pronouncements**

In September 2006, the FASB issued SFAS No. 157, Fair Value Measurements ( SFAS 157 ). SFAS 157 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles and expands disclosures about fair value measurements. In February 2008, the FASB issued FSP 157-1, Application of FASB Statement No. 157 to FASB Statement No. 13 and Other Accounting Pronouncements That Address Fair Value Measurements for Purposes of Lease Classification or Measurement under Statement 13 ( FSP 157-1 ) and FSP 157-2,

Effective Date of FASB Statement No. 157 ( FSP 157-2 ). FSP 157-1 amends SFAS 157 to remove certain leasing transactions from its scope. As permitted by FSP 157-2, the effective date of SFAS 157 for all non-financial assets and non-financial liabilities, except for items that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually), is the beginning of the Company's first quarter of fiscal 2010. In April 2009, the FASB issued FSP SFAS 157-4, Determining Whether a Market Is Not Active and a Transaction Is Not Distressed ( FSP 157-4 ), which provides guidelines for making fair value measurements more consistent with the principles presented in SFAS 157. FSP 157-4 provides additional authoritative guidance in determining whether a market is active or inactive, and whether a transaction is distressed, is applicable to all assets and liabilities (i.e. financial and nonfinancial) and will require enhanced disclosures. This standard is effective beginning with the Company's fourth quarter of fiscal 2009. The measurement and disclosure requirements related to financial assets and financial liabilities are effective for the Company beginning on October 1, 2008. See Note 13.

In February 2007, the FASB issued SFAS No. 159, The Fair Value Option for Financial Assets and Financial Liabilities Including an Amendment of FASB Statement No. 115 ( SFAS 159 ). SFAS 159 permits entities to choose to measure many financial instruments and certain other items at fair value and report unrealized gains and losses on items for which the fair value option has been elected in earnings at each subsequent reporting date. On October 1, 2008 the Company adopted SFAS 159 and has elected not to measure any additional financial instruments or other items at fair value.

In December 2007, the FASB issued SFAS No. 141 (revised 2007), Business Combinations ( SFAS 141R ). SFAS 141R significantly changes the accounting for business combinations in a number of areas including the treatment of contingent consideration, pre-acquisition contingencies, transaction costs, restructuring costs and income taxes. SFAS

141R applies prospectively to business combinations for which the acquisition date is on or after the beginning of the fiscal year beginning after December 15, 2008. SFAS 141R will be effective for the Company on October 1, 2009, and will be applied to any business combination with an acquisition date, as defined therein, that is subsequent to the effective date.

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In December 2007, the FASB issued SFAS No. 160, *Noncontrolling Interests in Consolidated Financial Statements*. An amendment of ARB No. 51 ( SFAS 160 ). SFAS 160 amends ARB 51 to establish accounting and reporting standards for the noncontrolling interest in a subsidiary and for the deconsolidation of a subsidiary. It clarifies that a noncontrolling interest in a subsidiary is an ownership interest in the consolidated entity that should be reported as equity in the consolidated financial statements. The amount of net income attributable to the noncontrolling interest will be included in consolidated net income on the face of the income statement. SFAS 160 clarifies that changes in a parent's ownership interest in a subsidiary that do not result in deconsolidation are equity transactions if the parent retains its controlling financial interest. In addition, this Statement requires that a parent recognize a gain or loss in net income when a subsidiary is deconsolidated. SFAS 160 is effective for fiscal years beginning after December 15, 2008. At this point in time, the Company believes that there will not be a material impact in connection with SFAS 160 on its financial position or results of operations.

In March 2008, the FASB issued SFAS No. 161, *Disclosures about Derivative Instruments and Hedging Activities*. An amendment of FASB Statement No. 133 ( SFAS 161 ). SFAS 161 amends and expands the disclosure requirements of SFAS 133 with the intent to provide users of financial statements with an enhanced understanding of (a) how and why an entity uses derivative instruments, (b) how derivative instruments and related hedged items are accounted for under SFAS 133 and its related interpretations, and (c) how derivative instruments and related hedged items affect an entity's financial position, financial performance and cash flows. On January 1, 2009 the Company adopted SFAS 161, which had no impact on its financial position or results of operations.

In April 2008, the FASB issued FSP SFAS 142-3, *Determination of the Useful Life of Intangible Assets* ( FSP SFAS 142-3 ). FSP SFAS 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, *Goodwill and Other Intangible Assets* ( SFAS 142 ). FSP SFAS 142-3 improves the consistency between the useful life of a recognized intangible asset under SFAS 142 and the period of expected cash flows used to measure the fair value of the asset under SFAS 141R and other applicable accounting literature. FSP SFAS 142-3 will be effective for the Company on October 1, 2009. The Company does not believe that the adoption of FSP SFAS 142-3 will have a material impact on its financial position or results of operations.

In December 2008, the FASB issued FSP SFAS 132(R)-1, *Employers' Disclosures about Postretirement Benefit Plan Assets* ( FSP SFAS 132R-1 ). FSP SFAS 132R-1 requires enhanced disclosures about the plan assets of a company's defined benefit pension and other postretirement plans. The enhanced disclosures required by this FSP are intended to provide users of financial statements with a greater understanding of: (1) how investment allocation decisions are made, including the factors that are pertinent to an understanding of investment policies and strategies; (2) the major categories of plan assets; (3) the inputs and valuation techniques used to measure the fair value of plan assets; (4) the effect of fair value measurements using significant unobservable inputs (Level 3) on changes in plan assets for the period; and (5) significant concentrations of risk within plan assets. This FSP will be effective for the Company for the fiscal year ending September 30, 2010. The Company is currently evaluating the potential impact of FSP SFAS 132R-1 on its financial position and results of operations.

In April 2009, the FASB issued FSP SFAS 107-1 and APB 28-1, *Interim Disclosures about Fair Value of Financial Instruments* ( FSP SFAS 107-1 ). This FSP amends SFAS 107, *Disclosures about Fair Value of Financial Instruments*, to require disclosures about fair value of financial instruments in interim as well as in annual financial statements. FSP SFAS 107-1 also amends APB 28, *Interim Financial Reporting*, to require those disclosures in all interim financial statements. On April 1, 2009 the Company adopted FSP SFAS 107-1, which had no impact on its financial position or results of operations.

In April 2009, the FASB issued FSP SFAS 115-2 and FSP SFAS 124-2, *Recognition and Presentation of Other-Than-Temporary Impairments*, which amends the other-than-temporary impairment guidance for debt and equity securities. On April 1, 2009 the Company adopted this standard, which had no impact on its financial position or results of operations.

In May 2009, the FASB issued SFAS No. 165, *Subsequent Events* ( SFAS 165 ). SFAS 165 establishes general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or available to be issued. During the quarter ended June 30, 2009, the Company adopted SFAS

165. See the Basis of Presentation section above.

In June 2009, the FASB issued SFAS No. 167, Amendments to FASB Interpretation No. 46(R) ( SFAS 167 ). SFAS 167 requires a qualitative approach to identifying a controlling financial interest in a variable interest entity ( VIE ), and requires ongoing assessment of whether an entity is a VIE and whether an interest in a VIE makes the holder the primary beneficiary of the VIE. SFAS



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167 is effective for fiscal years beginning after November 15, 2009. The Company is currently evaluating the potential impact of SFAS 167 on its financial position and results of operations.

In June 2009, the FASB issued SFAS No. 168, The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles (SFAS 168). SFAS 168 will become the single source for all authoritative GAAP recognized by the FASB to be applied for financial statements issued for periods ending after September 15, 2009. This statement does not change GAAP and will not have an affect on the Company's financial position or results of operations.

**2. Stock Based Compensation**

The following table reflects compensation expense recorded during the three and nine months ended June 30, 2009 and 2008 in accordance with SFAS 123R (in thousands):

	Three months ended		Nine months ended	
	June 30,		June 30,	
	2009	2008	2009	2008
Stock options	\$ 47	\$ 149	\$ 252	\$ 659
Restricted stock	1,463	751	4,421	4,459
Employee stock purchase plan	103	169	334	494
	\$ 1,613	\$ 1,069	\$ 5,007	\$ 5,612

The Company uses the Black-Scholes valuation model for estimating the fair value of the stock options granted under SFAS No. 123R. The fair value per share of restricted stock is equal to the number of shares granted and the excess of the quoted price of the Company's common stock over the exercise price of the restricted stock on the date of grant. Restricted stock with market-based vesting criteria is valued using a lattice model.

*Stock Option Activity*

The following table summarizes stock option activity for the nine months ended June 30, 2009:

	Number of	Weighted- Average	Weighted	Aggregate
	Options	Remaining Contractual Term	Average Exercise Price	Intrinsic Value (In Thousands)
Outstanding at September 30, 2008	1,816,025		\$ 19.92	
Forfeited/expired	(604,182)		24.44	
Outstanding at June 30, 2009	1,211,843	1.7 years	\$ 17.66	\$ 1
Vested and unvested expected to vest at June 30, 2009	1,209,279	1.6 years	\$ 17.67	\$ 1
Options exercisable at June 30, 2009	1,151,968	1.6 years	\$ 17.90	\$ 1

The aggregate intrinsic value in the table above represents the total intrinsic value, based on the Company's closing stock price of \$4.48 as of June 30, 2009, which would have been received by the option holders had all option holders exercised their options as of that date.

No stock options were granted during the three and nine months ended June 30, 2009 and 2008. There were no stock option exercises in the three and nine months ended June 30, 2009. The total intrinsic value of options exercised during the three and nine month period ended June 30, 2008 was \$0 and \$32,000, respectively. The total cash received from employees as a result of employee stock option exercises during the three and nine months ended June 30, 2008 was \$0 and \$388,000, respectively.

As of June 30, 2009 future compensation cost related to nonvested stock options is approximately \$0.3 million and will be recognized over an estimated weighted average period of 1.2 years.

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A summary of the status of the Company's restricted stock as of June 30, 2009 and changes during the nine months ended June 30, 2009 is as follows:

	<b>Nine months ended June 30, 2009</b>	
	<b>Shares</b>	<b>Weighted Average Grant-Date Fair Value</b>
Outstanding at September 30, 2008	984,500	\$ 13.33
Awards granted	715,000	4.28
Awards vested	(284,455)	12.32
Awards canceled	(82,795)	13.87
Outstanding at June 30, 2009	1,332,250	\$ 8.81

The fair value of restricted stock awards vested during the three months ended June 30, 2009 and 2008 was \$1.0 million and \$0.4 million, respectively. The fair value of restricted stock awards vested during the nine months ended June 30, 2009 and 2008 was \$3.4 million and \$4.2 million, respectively.

As of June 30, 2009, the unrecognized compensation cost related to nonvested restricted stock is \$7.6 million and will be recognized over an estimated weighted average amortization period of 1.5 years.

*Employee Stock Purchase Plan*

There were no shares purchased under the employee stock purchase plan during the three months ended June 30, 2009. There were 172,437 shares purchased under the employee stock purchase plan during the nine months ended June 30, 2009 for aggregate proceeds of \$0.7 million. There were 106,200 shares purchased under the employee stock purchase plan during the nine months ended June 30, 2008 for aggregate proceeds of \$1.1 million.

**3. Goodwill**

The Company evaluates its goodwill for impairment as of each fiscal year end. The goodwill test as of September 30, 2008 indicated that the Company's goodwill was potentially impaired, and after completing the analysis, the Company recorded an impairment charge to goodwill of \$197.9 million. In addition to the FAS 142 impairment charge recorded at September 30, 2008, the Company recognized a long-lived asset impairment charge of \$5.7 million. The impairment charges were the result of management's expectation that future cash flows would be adversely impacted as a result of the global economic slowdown. In response to this downturn, the Company has restructured its business, which has resulted in a change to the Company's reporting units and operating segments. In accordance with the requirements of FAS 142, the Company reallocated goodwill to each of its newly formed reporting units as of March 31, 2009, based on such factors as the relative fair values of each reporting unit. The Company reallocated goodwill to five of its seven reporting units as of March 31, 2009. This reallocation, in conjunction with the continued downturn in the semiconductor markets indicated that a potential impairment may exist. As such, the Company tested its goodwill and other long-lived assets for impairment at March 31, 2009.

The methodologies used to determine the fair value of the net assets of each reporting unit as of March 31, 2009 did not change from those used as of September 30, 2008, or those used as of September 30, 2007. The material assumptions used in the DCF Method include: discount rates and revenue forecasts. Discount rates are based on a weighted average cost of capital (WACC), which represents the average rate a business must pay its providers of debt and equity capital. The WACC used to test goodwill is derived from a group of comparable companies. The average WACC used in the March 31, 2009 reallocation of goodwill was 16.2%, as compared to 12.8% for the goodwill test as of September 30, 2008. This increase was primarily the result of significantly increased costs of equity capital driven by increased volatility in equity markets. Management determines revenue forecasts based on its best estimate of near term revenue expectations which are corroborated by communications with customers, and longer-term projection trends, which are validated by published independent industry analyst reports. Revenue forecasts materially impact the

amount of cash flow generated during the five year discrete cash flow period, and also impact the terminal value as that value is derived from

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projected revenue. The revenue forecasts used in the assessment of goodwill as of March 31, 2009 were decreased from the levels forecasted for the goodwill impairment test as of September 30, 2008 due to further market deterioration.

For three of five reporting units containing goodwill at March 31, 2009, the Company determined that the carrying amount of its net assets exceeded their respective fair values, indicating that a potential impairment existed for each of those three reporting units. After completing the second step of the goodwill impairment test, the Company recorded a goodwill impairment of \$71.8 million as of March 31, 2009.

In accordance with the requirements of FAS 144, the Company is required to test certain long-lived assets when indicators of impairment are present. The Company determined that impairment indicators were present for certain of its long-lived assets as of March 31, 2009. The Company tested the long-lived assets in question for recoverability by comparing the sum of the undiscounted cash flows attributable to each respective asset group to their carrying amounts, and determined that the carrying amounts were not recoverable. Management then evaluated the fair values of each long-lived asset of the potentially impaired long-lived asset group to determine the amount of the impairment, if any. The fair value of each intangible asset was based primarily on an income approach, which is a present value technique used to measure the fair value of future cash flows produced by the asset. The Company estimated future cash flows over the remaining useful life of each intangible asset, which ranged from approximately 3 to 8 years, and used a discount rate of approximately 16%. As a result of this analysis, the Company determined that it had incurred an impairment loss of \$35.1 million as of March 31, 2009, and allocated that loss among the long-lived assets of the impaired asset group based on the carrying value of each asset, with no asset reduced below its respective fair value. The impairment charge was allocated as follows: \$19.6 million related to completed technology intangible assets; \$1.2 million to trade name intangible assets; \$13.4 million to customer relationship intangible assets and \$0.9 million to property, plant and equipment. Further, during the three months ended June 30, 2009 the Company recorded an additional impairment charge of \$0.4 million for property, plant and equipment related to a recently vacated manufacturing facility. The total impairment charges related to long-lived assets for the three and nine months ended June 30, 2009 are summarized as follows (in thousands):

	Periods ended June 30, 2009	
	Three months	Nine months
Reported as cost of sales:		
Completed technology intangible asset impairment	\$	\$ 19,608
Property, plant and equipment impairment	408	1,316
Subtotal, reported as cost of sales	408	20,924
Reported as operating expense:		
Trade name intangible asset impairment		1,145
Customer relationship intangible asset impairment		13,443
Subtotal, reported as operating expense		14,588
	\$ 408	\$ 35,512

The changes in the carrying amount of goodwill by reportable segment for the nine months ended June 30, 2009 is as follows (in thousands):

Critical	Systems	Global Customer
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	<b>Solutions</b>	<b>Solutions</b>	<b>Operations</b>	<b>Total</b>
Balance at September 30, 2008	\$ 70,211	\$ 4,816	\$ 44,952	\$ 119,979
Adjustments to goodwill:				
Impairment	(22,032)	(4,816)	(44,952)	(71,800)
Resolution of tax contingencies	(41)			(41)
Balance at June 30, 2009	\$ 48,138	\$	\$	\$ 48,138

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Components of the Company's identifiable intangible assets are as follows (in thousands):

	June 30, 2009			September 30, 2008		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Patents	\$ 6,915	\$ 6,804	\$ 111	\$ 6,877	\$ 6,753	\$ 124
Completed technology	43,502	34,823	8,679	64,761	31,357	33,404
Trademarks and trade names	3,779	2,980	799	4,925	2,509	2,416
Customer relationships	18,860	13,540	5,320	36,500	13,992	22,508
	\$ 73,056	\$ 58,147	\$ 14,909	\$ 113,063	\$ 54,611	\$ 58,452

**4. Income Taxes**

The Company is subject to U.S. federal income tax and various state, local and international income taxes in various jurisdictions. The amount of income taxes paid is subject to the Company's interpretation of applicable tax laws in the jurisdictions in which it files. In the normal course of business, the Company is subject to examination by taxing authorities throughout the world. The Company has income tax audits in progress in various state and international jurisdictions in which it operates. In the Company's U.S. and international jurisdictions, the years that may be examined vary, with the earliest tax year being 2002. Based on the outcome of these examinations, or the expiration of statutes of limitations for specific jurisdictions, it is reasonably possible that the related unrecognized tax benefits could change from those recorded in the Company's statement of financial position. The Company anticipates that several of these audits may be finalized within the next 12 months. The Company currently anticipates that approximately \$0.2 million will be realized in the fourth quarter of fiscal year 2009 as a result of the expiration of certain non-U.S. statute of limitations, all of which will impact the Company's fiscal year 2009 effective tax rate.

**5. Earnings (Loss) per Share**

Below is a reconciliation of weighted average common shares outstanding for purposes of calculating basic and diluted earnings (loss) per share (in thousands):

	Three months ended		Nine months ended	
	June 30, 2009	June 30, 2008	June 30, 2009	June 30, 2008
Weighted average common shares outstanding used in computing basic earnings (loss) per share	63,011	62,483	62,835	65,196
Dilutive common stock options and restricted stock awards				
Weighted average common shares outstanding for purposes of computing diluted earnings (loss) per share	63,011	62,483	62,835	65,196

Approximately 1,339,000 and 1,966,000 options to purchase common stock and 1,248,000 and 536,000 shares of restricted stock were excluded from the computation of diluted earnings (loss) per share attributable to common stockholders for the three months ended June 30, 2009 and 2008, respectively, as their effect would be anti-dilutive. In addition, approximately 1,544,000 and 2,172,000 options to purchase common stock and 1,072,000 and 461,000 shares of restricted stock were excluded from the computation of diluted earnings (loss) per share attributable to common stockholders for the nine months ended June 30, 2009 and 2008, respectively, as their effect would be

anti-dilutive. These options and restricted stock could, however, become dilutive in future periods.



**Table of Contents****6. Comprehensive Income (Loss)**

The calculation of the Company's comprehensive income (loss) for the three and nine months ended June 30, 2009 and 2008 is as follows (in thousands):

	Three months ended		Nine months ended	
	June 30,		June 30,	
	2009	2008	2009	2008
Net loss	\$ (25,742)	\$ (10,326)	\$ (213,368)	\$ (20,038)
Change in cumulative translation adjustment	817	34	2,266	6,794
Unrealized gain (loss) on marketable securities	584	(258)	765	(888)
Actuarial losses arising under SFAS No. 158	(4,817)		(4,817)	
Recapture of temporary impairment loss				1,978
	\$ (29,158)	\$ (10,550)	\$ (215,154)	\$ (12,154)

**7. Segment Information**

In the second quarter of fiscal 2009 the Company realigned its management structure and its underlying internal financial reporting structure. The Company's new reporting structure reports financial results in three segments: Critical Solutions; Systems Solutions; and Global Customer Operations. These segment disclosures were refined to reflect the Company's restructuring programs. These refinements resulted in changes to the previously disclosed split of revenues and gross margins among segments and between products and services.

The Critical Solutions Group segment provides a variety of products critical to technology equipment productivity and availability. Those products include robots and robotic modules for atmospheric and vacuum applications and cryogenic vacuum pumping, thermal management and vacuum measurement solutions used to create, measure and control critical process vacuum applications.

The Systems Solutions Group segment provides a range of products and engineering and manufacturing services that enable our customers to effectively develop and source high quality, high reliability, process tools for semiconductor and adjacent market applications.

The Global Customer Operations segment provides an extensive range of support services including on and off-site repair services; on and off-site diagnostic support services; and installation services to enable the Company's customers to maximize process tool uptime and productivity. This segment also provides services and spare parts for the Company's Automated Material Handling Systems (AMHS) product line. Revenues from the sales of spare parts that are not related to a repair or replacement transaction, or are not AMHS products, are included within the product revenues of the other operating segments.

The Company evaluates performance and allocates resources based on revenues, operating income (loss) and returns on invested assets. Operating income (loss) for each segment includes selling, general and administrative expenses directly attributable to the segment. Other unallocated corporate expenses (primarily certain legal costs associated with the Company's past equity incentive-related practices and costs to indemnify a former executive in connection with these matters), amortization of acquired intangible assets (excluding completed technology) and restructuring, goodwill, and long-lived asset impairment charges are excluded from the segments' operating income (loss). The Company's non-allocable overhead costs, which include various general and administrative expenses, are allocated among the segments based upon various cost drivers associated with the respective administrative function, including segment revenues, segment headcount, or an analysis of the segments that benefit from a specific administrative function. Segment assets exclude investments in joint ventures, marketable securities and cash equivalents.

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Financial information for the Company's business segments is as follows (in thousands):

	Critical Solutions	Systems Solutions	Global Customer Operations	Total
Three months ended June 30, 2009				
Revenues				
Product	\$ 16,800	\$ 14,227	\$ 483	\$ 31,510
Services			12,366	12,366
	\$ 16,800	\$ 14,227	\$ 12,849	\$ 43,876
Gross profit	\$ 913	\$ 1,082	\$ 1,963	\$ 3,958
Segment operating loss	\$ (12,477)	\$ (6,309)	\$ (2,979)	\$ (21,765)
Three months ended June 30, 2008				
Revenues				
Product	\$ 57,594	\$ 46,479	\$ 1,701	\$ 105,774
Services			18,242	18,242
	\$ 57,594	\$ 46,479	\$ 19,943	\$ 124,016
Gross profit	\$ 18,328	\$ 7,986	\$ 2,543	\$ 28,857
Segment operating income (loss)	\$ 2,308	\$ (5,481)	\$ (2,709)	\$ (5,882)
Nine months ended June 30, 2009				
Revenues				
Product	\$ 69,920	\$ 45,111	\$ 1,448	\$ 116,479
Services			38,142	38,142
	\$ 69,920	\$ 45,111	\$ 39,590	\$ 154,621
Gross profit (loss)	\$ 7,564	\$ (6,576)	\$ 2,078	\$ 3,066
Segment operating loss	\$ (34,532)	\$ (34,818)	\$ (13,789)	\$ (83,139)
Nine months ended June 30, 2008				
Revenues				
Product	\$ 201,429	\$ 160,512	\$ 5,216	\$ 367,157
Services			52,339	52,339
	\$ 201,429	\$ 160,512	\$ 57,555	\$ 419,496
Gross profit	\$ 69,941	\$ 27,942	\$ 5,862	\$ 103,745
Segment operating income (loss)	\$ 17,309	\$ (15,617)	\$ (9,070)	\$ (7,378)
Assets				
June 30, 2009	\$ 138,778	\$ 70,152	\$ 56,488	\$ 265,418
September 30, 2008	\$ 203,626	\$ 119,029	\$ 126,629	\$ 449,284

A reconciliation of the Company's reportable segment gross profit to the corresponding consolidated amounts for the three and nine month periods ended June 30, 2009 and 2008 is as follows (in thousands):

Three months ended June 30,	Nine months ended June 30,
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	2009	2008	2009	2008
Segment gross profit from continuing operations	\$ 3,958	\$ 28,857	\$ 3,066	\$ 103,745
Impairment of long-lived assets	(408)		(20,924)	
Total gross profit (loss) from continuing operations	\$ 3,550	\$ 28,857	\$ (17,858)	\$ 103,745

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A reconciliation of the Company's reportable segment operating income (loss) to the corresponding consolidated amounts for the three and nine month periods ended June 30, 2009 and 2008 is as follows (in thousands):

	Three months ended		Nine months ended	
	June 30,		June 30,	
	2009	2008	2009	2008
Segment operating loss from continuing operations	\$ (21,765)	\$ (5,882)	\$ (83,139)	\$ (7,378)
Other unallocated corporate expenses	1,004	(620)	6,421	2,508
Amortization of acquired intangible assets	381	1,787	4,266	5,259
Impairment of goodwill			71,800	
Impairment of long-lived assets	408		35,512	
Restructuring charges	2,327	2,571	12,293	5,677
Total operating loss from continuing operations	\$ (25,885)	\$ (9,620)	\$ (213,431)	\$ (20,822)

A reconciliation of the Company's reportable segment assets to the corresponding consolidated amounts as of June 30, 2009 and September 30, 2008 is as follows (in thousands):

	June 30,	September
	2009	30,
		2008
Segment assets	\$ 265,418	\$ 449,284
Investments in cash equivalents, marketable securities, joint ventures, and other unallocated corporate net assets	151,666	214,354
Total assets	\$ 417,084	\$ 663,638

**8. Restructuring-Related Charges and Accruals**

The Company recorded charges to operations of \$2,327,000 and \$12,293,000 in the three and nine months ended June 30, 2009, respectively, in connection with the Company's fiscal 2009 restructuring plan. These charges through the first nine months of fiscal 2009 consist of \$10,849,000 of severance costs for workforce reductions of approximately 440 employees in operations, service and administrative functions across all the main geographies in which the Company operates, facility closure costs of \$566,000, primarily to close one of the Company's manufacturing operations located in the United States, and other restructuring costs of \$878,000. The restructuring charges by segment for the three months ended June 30, 2009 were: Critical Solutions \$0.3 million, Systems Solutions \$1.2 million and Global Customer Operations (\$0.2) million. The restructuring charges by segment for the nine months ended June 30, 2009 were: Critical Solutions \$3.4 million, Systems Solutions \$3.6 million and Global Customer Operations \$3.1 million. In addition, the Company incurred \$1.0 million and \$2.2 million of restructuring charges for the three and nine months ended June 30, 2009, respectively, that were related to general corporate functions that support all of the Company's segments.

The Company recorded a charge to operations of \$2,571,000 and \$5,677,000 in the three and nine months ended June 30, 2008, respectively. These charges through the nine months ended June 30, 2008 included severance of \$5,586,000 for workforce reductions of approximately 230 employees, along with a net charge of \$91,000 for excess facility costs.

The activity for the three and nine months ended June 30, 2009 and 2008 related to the Company's restructuring-related accruals is summarized below (in thousands):

Activity	Three Months Ended June 30, 2009
Balance	Balance

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	March 31, 2009	Expense	Utilization	June 30, 2009
Facilities and other	\$ 7,674	\$ 1,359	\$ (1,765)	\$ 7,268
Workforce-related	6,812	968	(4,311)	3,469
	\$ 14,486	\$ 2,327	\$ (6,076)	\$ 10,737

	Activity Balance March 31, 2008	Three Months Ended June 30, 2008			Balance June 30, 2008
Facilities and other	\$ 11,519	\$ (423)	\$ (894)	\$ 10,202	
Workforce-related	2,865	2,994	(1,655)	4,204	
	\$ 14,384	\$ 2,571	\$ (2,549)	\$ 14,406	

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	Activity		Nine Months Ended June 30, 2009	
	Balance September 30, 2008	Expense	Utilization	Balance June 30, 2009
Facilities and other	\$ 9,658	\$ 1,444	\$ (3,834)	\$ 7,268
Workforce-related	3,005	10,849	(10,385)	3,469
	\$ 12,663	\$ 12,293	\$ (14,219)	\$ 10,737

	Activity		Nine Months Ended June 30, 2008	
	Balance September 30, 2007	Expense	Utilization	Balance June 30, 2008
Facilities and other	\$ 12,804	\$ 91	\$ (2,693)	\$ 10,202
Workforce-related	2,907	5,586	(4,289)	4,204
	\$ 15,711	\$ 5,677	\$ (6,982)	\$ 14,406

The Company expects the majority of the remaining severance costs totaling \$3,469,000 will be paid over the next twelve months. The expected facilities costs, totaling \$7,268,000, net of estimated sub-rental income, will be paid on leases that expire through September 2011.

**9. Gain (Loss) on Investment**

During the three months ended December 31, 2008, the Company recorded a charge of \$1.2 million to write-down its minority equity investment in a Swiss public company to its fair value as of the balance sheet date. This write-down reflects an other than temporary impairment of this investment. After giving effect to foreign exchange, the remaining balance of this investment at June 30, 2009 increased by \$0.3 million to \$0.8 million.

**10. Employee Benefit Plans**

In connection with the acquisition of Helix Technology Corporation ( Helix ) in October 2005, the Company assumed the responsibility for the Helix Employees Pension Plan (the Plan ). The Company froze the benefit accruals and future participation in this plan as of October 31, 2006. During the three months ended June 30, 2009, the Plan was remeasured to reflect a \$0.7 million settlement loss on distribution payments made to terminated employees. In addition, the Company increased its pension liability by \$5.5 million to \$6.5 million, primarily to reflect lower pension asset values determined in connection with the remeasurement. The Company's consolidated balance sheet includes \$0.3 million on the Plan liability as current, with the balance recorded as long-term as of June 30, 2009.

The components of the Company's net pension cost related to the Plan for the three and nine months ended June 30, 2009 and 2008 is as follows (in thousands):

	Three months ended June 30,		Nine months ended June 30,	
	2009	2008	2009	2008
Service cost	\$ 25	\$ 37	\$ 75	\$ 110
Interest cost	171	183	514	548
Settlement loss	710		710	
Expected return on assets	(199)	(227)	(597)	(680)

Net periodic pension cost	\$ 707	\$ (7)	\$ 702	\$ (22)
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**Table of Contents****11. Other Balance Sheet Information**

Components of other selected captions in the Consolidated Balance Sheets are as follows (in thousands):

	June 30, 2009	September 30, 2008
Accounts receivable	\$ 29,593	\$ 68,210
Less allowances	1,485	1,366
	\$ 28,108	\$ 66,844
Inventories, net		
Raw materials and purchased parts	\$ 69,088	\$ 64,651
Work-in-process	13,202	26,789
Finished goods	9,114	14,461
	\$ 91,404	\$ 105,901

The Company provides for the estimated cost of product warranties, primarily from historical information, at the time product revenue is recognized and retrofit accruals at the time retrofit programs are established. While the Company engages in extensive product quality programs and processes, including actively monitoring and evaluating the quality of its component suppliers, the Company's warranty obligation is affected by product failure rates, utilization levels, material usage, service delivery costs incurred in correcting a product failure, and supplier warranties on parts delivered to the Company. Product warranty and retrofit activity on a gross basis for the three and nine months ended June 30, 2009 and 2008 is as follows (in thousands):

Balance March 31, 2009 \$6,667	Activity Three Months Ended June 30, 2009		Balance June 30, 2009 \$5,621
	Accruals \$1,500	Settlements \$(2,546)	
Balance March 31, 2008 \$9,564	Activity Three Months Ended June 30, 2008		Balance June 30, 2008 \$8,503
	Accruals \$3,208	Settlements \$(4,269)	
Balance September 30, 2008 \$8,174	Activity Nine Months Ended June 30, 2009		Balance June 30, 2009 \$5,621
	Accruals \$6,459	Settlements \$(9,012)	
Balance September 30, 2007 \$10,986	Activity Nine Months Ended June 30, 2008		Balance June 30, 2008 \$8,503
	Accruals \$9,112	Settlements \$(11,595)	



## 12. Joint Ventures

The Company participates in a 50% joint venture, ULVAC Cryogenics, Inc., or UCI, with ULVAC Corporation of Chigasaki, Japan. UCI manufactures and sells cryogenic vacuum pumps, principally to ULVAC Corporation. For the three months ended June 30, 2009 and 2008, the Company recorded income (loss) associated with UCI of \$0.0 million and \$0.2 million, respectively. For the nine months ended June 30, 2009 and 2008, the Company recorded income (loss) of \$0.3 million and \$0.2 million, respectively. At June 30, 2009, the carrying value of UCI in the Company's consolidated balance sheet was \$25.6 million. For the three months ended June 30, 2009 and 2008, royalty payments received by the Company from UCI were \$0.1 million and \$0.2 million, respectively. For the nine months ended June 30, 2009 and 2008, royalty payments received by the Company from UCI were \$0.5 million and \$0.5 million, respectively.

The Company participates in a 50% joint venture with Yaskawa Electric Corporation ( Yaskawa ) to form a joint venture called Yaskawa Brooks Automation, Inc. ( YBA ) to exclusively market and sell Yaskawa's semiconductor robotics products and Brooks

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automation hardware products to semiconductor customers in Japan. For the three months ended June 30, 2009 and 2008, the Company recorded income (loss) associated with YBA of (\$0.1) and \$0.0 million, respectively. For the nine months ended June 30, 2009 and 2008, the Company recorded income (loss) associated with YBA of (\$0.0) and \$0.3 million, respectively. At June 30, 2009, the carrying value of YBA in the Company's consolidated balance sheet was \$3.1 million. For the three months ended June 30, 2009 and 2008, revenues earned by the Company from YBA were \$1.9 million and \$7.2 million, respectively. For the nine months ended June 30, 2009 and 2008, revenues earned by the Company from YBA were \$5.5 million and \$16.5 million, respectively. The amount due from YBA included in accounts receivable at June 30, 2009 and September 30, 2008 was \$2.9 million and \$8.6 million, respectively. For the three months and nine months ended June 30, 2009, the Company incurred charges from YBA for products or services of \$0.1 million and \$0.5 million, respectively. For the three months and nine months ended June 30, 2008, the Company incurred charges from YBA for products or services of \$0.3 million and \$1.2 million, respectively. At June 30, 2009 and September 30, 2008 the Company owed YBA \$0 and 0.2 million, respectively, in connection with accounts payable for unpaid products and services.

These investments are accounted for using the equity method. Under this method of accounting, the Company records in income its proportionate share of the earnings of the joint ventures with a corresponding increase in the carrying value of the investment.

**13. Fair Value Measurements**

In September 2006, the FASB issued SFAS No. 157, Fair Value Measurements, ( SFAS 157 ), which is effective for fiscal years beginning after November 15, 2007 and for interim periods within those years. This statement defines fair value, establishes a framework for measuring fair value and expands the related disclosure requirements. This statement applies under other accounting pronouncements that require or permit fair value measurements. The statement indicates, among other things, that a fair value measurement assumes that the transaction to sell an asset or transfer a liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market for the asset or liability. SFAS 157 defines fair value based upon an exit price model.

Relative to SFAS 157, the FASB issued FASB Staff Positions (FSP) 157-1, 157-2 and 157-4. FSP 157-1 amends SFAS 157 to exclude SFAS No. 13, Accounting for Leases, ( SFAS 13 ) and its related interpretive accounting pronouncements that address leasing transactions, while FSP 157-2 delays the effective date of the application of SFAS 157 to fiscal years beginning after November 15, 2008 for all non-financial assets and non-financial liabilities that are recognized or disclosed at fair value in the financial statements on a nonrecurring basis. FSP 157-4 provides additional authoritative guidance in determining whether a market is active or inactive, and whether a transaction is distressed, is applicable to all assets and liabilities (i.e. financial and nonfinancial) and will require enhanced disclosures.

The Company adopted SFAS 157 as of October 1, 2008, with the exception of the application of the statement to non-recurring non-financial assets and non-financial liabilities. Non-recurring non-financial assets and non-financial liabilities for which the Company has not applied the provision of SFAS 157 include those measured at fair value in goodwill impairment testing, indefinite lived intangible assets measured at fair value for impairment testing, asset retirement obligations initially measured at fair value, and those initially measured at fair value in a business combination.

SFAS 157 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

- Level 1 Quoted prices in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions for the asset and liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

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Assets and liabilities of the Company measured at fair value on a recurring basis as of June 30, 2009, are summarized as follows (in thousands):

Description	June 30, 2009	Fair Value Measurements at Reporting Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Cash Equivalents	\$ 29,668	\$ 29,668	\$	\$
Available-for-sale securities	61,472	17,750	43,722	
Other Assets	762	762		
Total Assets	\$ 91,902	\$ 48,180	\$ 43,722	\$

**Cash Equivalents**

Cash equivalents of \$29.7 million, consisting of Money Market Funds, are classified within Level 1 of the fair value hierarchy because they are valued using quoted market prices in active markets.

**Available-For-Sale Securities**

Available-for-sale securities of \$17.8 million, consisting of highly rated Corporate Bonds, are classified within Level 1 of the fair value hierarchy because they are valued using quoted market prices in active markets of identical assets or liabilities. Available-for-sale securities of \$43.7 million, consisting of Asset Backed Securities, Municipal Bonds, and Government Agencies are classified within Level 2 of the fair value hierarchy because they are valued using matrix pricing and benchmarking. Matrix pricing is a mathematical technique used to value securities by relying on the securities' relationship to other benchmark quoted prices.

**Other Assets**

Other assets of \$0.8 million, consisting of an investment in Common Stock, are classified within Level 1 of the fair value hierarchy because they are valued using quoted market prices in active markets.

**14. Contingencies***Regulatory Proceedings Relating to Equity Incentive Practices and the Restatement*

All pending inquiries and investigations of the Company by agencies of the United States Government pertaining to the Company's past equity incentive-related practices have now been concluded, as described more fully in the Company's Annual Report on Form 10-K for the year ended September 30, 2008.

On July 25, 2007, a criminal indictment was filed in the United States District Court for the District of Massachusetts charging Robert J. Therrien, the former Chief Executive Officer and Chairman of the Company, with income tax evasion. Trial commenced on March 9, 2009. On April 9, 2009, the jury returned a verdict of not guilty, concluding that proceeding. A separate civil complaint was filed by the SEC on July 25, 2007 against Mr. Therrien in the United States District Court for the District of Massachusetts charging him with violations of federal securities laws. This matter was stayed by the court pending the outcome of the criminal matter. The Company is not aware of any action having been taken by the court or the parties to re-open this action.

*Private Litigation*

All private class action and derivative action matters commenced against the Company relating to past equity incentive-related practices have been concluded or dismissed, as described more fully in the Company's Annual Report on Form 10-K for the year ended September 30, 2008.

On August 22, 2006, an action captioned as *Mark Levy v. Robert J. Therrien and Brooks Automation, Inc.*, was filed in the United States District Court for the District of Delaware, seeking recovery, on behalf of the Company,



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of the Securities Exchange Act of 1934 for alleged short-swing profits earned by Mr. Therrien due to the loan and stock option exercise in November 1999 referenced above, and a sale by Mr. Therrien of Brooks stock in March 2000. The complaint seeks disgorgement of all profits earned by Mr. Therrien on the transactions, attorneys fees and other expenses. On February 20, 2007, a second Section 16(b) action, concerning the same loan and stock option exercise in November 1999 discussed above and seeking the same remedy, was filed in the United States District Court of the District of Delaware, captioned *Aron Rosenberg v. Robert J. Therrien and Brooks Automation, Inc.* On April 4, 2007, the court issued an order consolidating the *Levy* and *Rosenberg* actions. Brooks is a nominal defendant in the consolidated action and any recovery in this action, less attorneys fees, would go to the Company. On July 14, 2008, the court denied Mr. Therrien's motion to dismiss this action. Discovery has commenced in this matter and is currently ongoing.

Litigation is inherently unpredictable and the Company cannot predict the outcome of the legal proceedings described above with any certainty. Should there be an adverse judgment against the Company, it may have a material adverse impact on its financial statements. Because of uncertainties related to both the amount and range of losses in the event of an unfavorable outcome in the lawsuits listed above or in certain other pending proceedings for which loss estimates have not been recorded, the Company is unable to make a reasonable estimate of the losses that could result from these matters and hence has recorded no accrual in its financial statements as of June 30, 2009.

**Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations**

Certain statements in this Quarterly Report on Form 10-Q constitute forward-looking statements which involve known risks, uncertainties and other factors which may cause the actual results, our performance or our achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include the Risk Factors which are set forth in our Annual Report on Form 10-K and which are incorporated herein by reference. Precautionary statements made in our Annual Report on Form 10-K should be read as being applicable to all related forward-looking statements whenever they appear in this report.

**Overview**

We are a leading provider of automation, vacuum and instrumentation solutions and are a highly valued business partner to original equipment manufacturers (OEM) and equipment users throughout the world. We serve markets where equipment productivity and availability is a critical factor for our customers' success. Our largest served market is the semiconductor manufacturing industry, which represented 77% of our consolidated revenues for fiscal year 2008. We also provide unique solutions to customers in data storage, advanced display, analytical instruments and solar markets. We develop and deliver differentiated solutions that range from proprietary products to highly respected manufacturing services.

The demand for semiconductors and semiconductor manufacturing equipment is cyclical, resulting in periodic expansions and contractions. Demand for our products has been impacted by these cyclical industry conditions. During fiscal 2006 and throughout most of fiscal 2007, we benefited from an industry expansion. From the fourth quarter of fiscal 2007 and throughout fiscal 2008, we experienced what we believed to be a cyclical reduction in demand for our products. As we entered fiscal 2009, we experienced further reductions in demand for our products as a result of the global economic slowdown and inventory holdings of our products by some of our major customers. Our revenues for the first nine months of 2009 declined 63.1% from the same period in fiscal 2008. Recent market conditions for semiconductor manufacturing equipment have improved. Our net sales for our third quarter of fiscal 2009 increased 17.6% from the second quarter of fiscal 2009.

Throughout fiscal 2008 and 2009, we have implemented a number of cost reduction programs to align our cost structure with the current demand environment. Since the end of fiscal 2007, we have reduced our headcount by approximately 43% and closed redundant facilities. We may take further restructuring actions as we continue to review the resources required to operate our business.

In connection with our restructuring programs, we have realigned our management structure and our underlying internal financial reporting structure. Effective as of the beginning of our second quarter of 2009, we implemented a new internal reporting structure which includes three segments: Critical Solutions, Systems Solutions and Global Customer Operations.



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The Critical Solutions Group segment provides a variety of products critical to technology equipment productivity and availability. Those products include robots and robotic modules for atmospheric and vacuum applications and cryogenic vacuum pumping, thermal management and vacuum measurement solutions used to create, measure and control critical process vacuum applications.

The Systems Solutions Group segment provides a range of products and engineering and manufacturing services that enable our customers to effectively develop and source high quality, high reliability, process tools for semiconductor and adjacent market applications.

The Global Customer Operations segment provides an extensive range of support services including on and off-site repair services; on and off-site diagnostic support services; and installation services to enable the Company's customers to maximize process tool uptime and productivity. This segment also provides services and spare parts for our Automated Material Handling Systems ( AMHS ) product line. Revenues from the sales of spare parts that are not related to a repair or replacement transaction, or are not AMHS products, are included within the product revenues of the other operating segments.

As a result of our acquisitions, we have identified intangible assets and generated significant goodwill. Intangible assets are valued based on estimates of future cash flows and amortized over their estimated useful life. Goodwill is subject to annual impairment testing as well as testing upon the occurrence of any event that indicates a potential impairment. Intangible assets and other long-lived assets are subject to an impairment test if there is an indicator of impairment. We conduct our annual goodwill impairment test as of our fiscal year end, or September 30th.

In response to the global economic downturn, we have restructured our business, which has resulted in a change to the Company's reporting units and operating segments. FASB Statement No. 142, Goodwill and Intangible Assets ( FAS 142 ), requires goodwill to be reallocated amongst the newly formed reporting units. The recent changes to our internal reporting structure and to how we operate our business resulted in the identification of seven reporting units, which include components of our business that are one level below the operating segment level. As of March 31, 2009, we re-allocated our goodwill to five of the seven newly identified reporting units principally based on the relative fair values of these reporting units. This reallocation, in conjunction with the continued downturn in the semiconductor markets has indicated that a potential impairment may exist. As such, we tested goodwill and other long-lived assets for impairment at March 31, 2009. We recorded a goodwill impairment charge of \$71.8 million as of March 31, 2009. The details of this goodwill impairment charge are discussed further under the Impairment Charges caption.

FASB Statement No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets ( FAS 144 ), requires the testing of long-lived assets, which exclude goodwill and intangible assets that are not amortized, when indicators of impairment are present. We recorded an impairment charge of \$35.1 million related to certain long-lived assets as of March 31, 2009, and we recorded an additional impairment charge of \$0.4 million for certain long-lived assets as of June 30, 2009. We discuss these charges in further detail under the Impairment Charges caption.

**Three and Nine Months Ended June 30, 2009, Compared to Three and Nine Months Ended June 30, 2008 Revenues**

We reported revenues of \$43.9 million for the three months ended June 30, 2009, compared to \$124.0 million in the same prior year period, a 64.6% decrease. The total decrease in revenues of \$80.1 million impacted our segments as follows: Critical Solutions Group segment revenues decreased by \$40.8 million, Systems Solutions Group segment revenues decreased by \$32.2 million and our Global Customer Operations segment revenues decreased by \$7.1 million. These decreases were the result of lower volume shipments in response to declining demand.

We reported revenues of \$154.6 million for the nine months ended June 30, 2009, compared to \$419.5 million in the same prior year period, a 63.1% decrease. The total decrease in revenues of \$264.9 million impacted our segments as follows: Critical Solutions Group segment revenues decreased by \$131.5 million, Systems Solutions Group segment revenues decreased by \$115.4 million and our Global Customer Operations segment revenues decreased by \$18.0 million. These decreases were the result of lower volume shipments in response to declining demand.

Our Critical Solutions Group segment reported revenues of \$16.8 million for the three months ended June 30, 2009, compared to \$57.6 million in the same prior year period, a 70.8% decrease. This segment reported revenues of \$69.9 million for the nine months





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ended June 30, 2009, compared to \$201.4 million in the same prior year period, a 65.3% decrease. These decreases are attributable to weaker demand for semiconductor capital equipment and impacted all product lines within this segment.

Our Systems Solutions Group segment reported revenues of \$14.2 million for the three months ended June 30, 2009, compared to \$46.5 million in the same prior year period, a 69.5% decrease. This segment reported revenues of \$45.1 million for the nine months ended June 30, 2009, compared to \$160.5 million in the same prior year period, a 71.9% decrease. These decreases principally reflect lower demand for semiconductor capital equipment. However, this segment has experienced a recent increase in demand, which resulted in an increase of \$6.0 million in revenues for the three months ended June 30, 2009 as compared to the three months ended March 31, 2009.

Global Customer Operations segment reported revenues of \$12.9 million for the three months ended June 30, 2009, compared to \$19.9 million in the same prior year period, a 35.2% decrease. This decrease is attributable to lower service contract and repair revenue of \$5.8 million and lower legacy product revenue of \$1.2 million. This segment reported revenues of \$39.6 million for the nine months ended June 30, 2009, compared to \$57.6 million in the same prior year period, a 31.2% decrease. This decrease is attributable to lower service contract and repair revenue of \$14.2 million and lower legacy product revenue of \$3.8 million. Our consolidated service revenues are all earned by our Global Customer Operations segment, and include service contract and repair revenues, and revenues related to replacement parts related to these service transactions. The decreases in service revenues are primarily the result of decreased spending by semiconductor manufacturing and semiconductor capital equipment companies. However, this segment has experienced a recent increase in demand, which resulted in an increase of \$1.0 million in revenues for the three months ended June 30, 2009 as compared to the three months ended March 31, 2009.

**Gross Profit**

Gross margin dollars decreased to \$3.6 million for the three months ended June 30, 2009 as compared to \$28.9 million for the same prior year period. This decrease is primarily the result of the \$80.1 million in lower revenue. This decrease in gross margin dollars was partially offset by \$1.9 million of lower amortization of intangible assets. The decrease in amortization is the result of the impairment of long-lived assets as of March 31, 2009. Gross margin dollars decreased to a loss of \$17.9 million for the nine months ended June 30, 2009 as compared to \$103.7 million of income for the same prior year period. This decrease is primarily the result of the \$264.9 million in lower revenue, an impairment of long-lived assets of \$20.9 million and the impact of \$9.6 million of increased charges for excess and obsolete inventory. These decreases were partially offset by \$1.9 million of lower amortization of intangible assets.

Gross margin percentage decreased to 8.1% for the three months ended June 30, 2009 as compared to 23.3% for the same prior year period. Gross margin percentage decreased to (11.5)% for the nine months ended June 30, 2009 as compared to 24.7% for the same prior year period. The impairment of long-lived assets negatively impacted gross margin by 0.1% and 13.5% for the three and nine months ended June 30, 2009. The charges for excess and obsolete inventory negatively impacted gross margin by 2.4% and 7.3% for the three and nine months ended June 30, 2009, with the balance of the decreases related to lower absorption of indirect factory overhead on lower revenues.

Gross margin dollars from our Critical Solutions Group segment decreased to \$0.9 million for the three months ended June 30, 2009 as compared to \$18.3 million for the same prior year period. This decrease is due to a drop of \$40.8 million in revenues, and a \$0.9 million increase in charges for excess and obsolete inventory. Gross margin dollars from this segment decreased to \$7.6 million for the nine months ended June 30, 2009 as compared to \$69.9 million for the same prior year period. This decrease is due to a drop of \$131.5 million in revenues, and a \$1.8 million increase in charges for excess and obsolete inventory. Gross margin percentage decreased to 5.4% and 10.8% for the three and nine months ended June 30, 2009, respectively, as compared to 31.8% and 34.7% in the same prior year periods. The decrease in gross margin percentage is due to increased charges for excess and obsolete inventory which lowered the gross margin percentage by 5.4% and 3.7% for the three and nine months ended June 30, 2009, respectively, with the balance of the decreases related primarily to lower absorption of indirect factory overhead on lower revenues. Cost of sales included \$1.0 million of amortization for intangible assets for each fiscal quarter during fiscal 2008, and the first two quarters of fiscal 2009. Cost of sales included \$0.4 million of amortization for intangible assets for the third quarter of fiscal 2009.

Gross margin dollars from our Systems Solutions Group segment decreased to \$1.1 million for the three months ended June 30, 2009 as compared to \$8.0 million for the same prior year period. The decrease is primarily related to a \$32.3 million decrease in revenues. This decrease was partially offset by a \$0.3 million reduction in charges for excess and obsolete inventory. Gross margin

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dollars from this segment decreased to a loss of \$6.6 million for the nine months ended June 30, 2009 as compared to income of \$27.9 million for the same prior year period. This decrease is due to decreased revenues of \$115.4 million, and a \$5.6 million increase in charges for excess and obsolete inventory. Gross margin percentage was 7.6% and (14.6%) for the three and nine months ended June 30, 2009, respectively, as compared to 17.2% and 17.4% for the same prior year periods. The decrease in gross margin percentage for the three month period is related primarily to lower absorption of indirect factory overhead on lower revenues. The decrease in gross margin percentage for the nine month period is due to increased charges for excess and obsolete inventory which lowered the gross margin percentage by 14.8%, with the balance of the decrease related primarily to lower absorption of indirect factory overhead on lower revenues. Cost of sales included \$0.2 million of amortization for intangible assets for each fiscal quarter during fiscal 2008, and for the first two quarters of fiscal 2009.

Gross margin dollars from our Global Customer Operations segment decreased to \$2.0 million for the three months ended June 30, 2009 as compared to \$2.5 million for the same prior year period. This decrease is the result of lower revenues of \$7.0 million, which has been partially offset by \$1.1 million of reduced amortization of intangible assets. Gross margin dollars for this segment decreased to \$2.1 million for the nine months ended June 30, 2009 as compared to \$5.9 million for the same prior year period. This decrease is the result of lower revenues of \$18.0 million and \$2.2 million of increased charges for excess and obsolete inventory. These decreases were partially offset by \$1.1 million of reduced amortization of intangible assets. Gross margin percentage was 15.3% and 5.3% for the three and nine months ended June 30, 2009, respectively, as compared to 12.8% and 10.2% for the same prior year periods. The increase in gross margin percentage for the three month period is the result of reduced amortization of intangible assets which increased gross margin percentage by 5.2%, which has been partially offset by lower absorption of indirect service costs on lower revenues. The decrease in gross margin percentage for the nine month period is primarily due to increased charges for excess and obsolete inventory which lowered gross margin percentage by 5.7%.

Cost of sales for the three months ended June 30, 2009 includes a \$0.4 million charge for the impairment of certain property and equipment. Cost of sales for the nine months ended June 30, 2009 includes a \$20.9 million charge for the impairment of long-lived assets, including a \$19.6 million charge for completed technology intangible assets and \$1.3 million charge for property and equipment. The details of our impairment charges are discussed in greater detail under the Impairment Charges caption.

**Research and Development**

Research and development, or R&D, expenses for the three months ended June 30, 2009 were \$7.5 million as compared to \$10.3 million for the same prior year period. This decrease is primarily related to lower labor related costs of \$2.1 million. R&D expenses for the nine months ended June 30, 2009 were \$24.5 million as compared to \$34.3 million for the same prior year period. These decreases are primarily related to lower labor related costs of \$7.1 million. The decreases in labor related costs are primarily associated with reduced headcount as we restructured our operations to eliminate duplicate R&D resources by consolidating operations.

**Selling, General and Administrative**

Selling, general and administrative, or SG&A, expenses were \$20.0 million for the three months ended June 30, 2009 as compared to \$25.6 million for the same prior year period. This decrease includes lower labor related costs of \$4.0 million, and \$1.4 million of lower amortization of intangible assets. SG&A expenses were \$72.4 million for the nine months ended June 30, 2009 as compared to \$84.6 million for the same prior year period. This decrease includes lower labor related costs of \$11.6 million, and \$1.0 million of lower amortization of intangible assets. The decrease in amortization is the result of the impairment of long-lived assets as of March 31, 2009. We settled our litigation matters with the SEC during fiscal 2008; however, we continued to incur litigation costs relating to our former executive officer that we were contractually required to indemnify. The total indemnification costs were \$0.8 million and \$6.2 million for the three and nine months ended June 30, 2009. The total indemnification costs were (\$0.6) million and \$2.5 million for the three and nine months ended June 30, 2008. In June 2008, we received insurance proceeds of \$1.4 million, which we recorded as a reduction of SG&A expenses, for the reimbursement of professional fees incurred in connection with our shareholder litigation.

**Impairment Charges**

We test our goodwill for impairment as of each fiscal year end. Our goodwill test as of September 30, 2008 indicated that our goodwill was potentially impaired, and after completing our analysis, we recorded an impairment charge to goodwill of \$197.9 million. In addition to the goodwill impairment charge, we recognized a long-lived asset impairment charge of \$5.6 million. The

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impairment charges were the result of our expectation that our future cash flows would be adversely impacted as a result of the global economic slowdown. In response to this downturn, we have restructured our business, which has resulted in a change to our reporting units and operating segments. In accordance with the requirements of FAS 142, we reallocated goodwill to each of our newly formed reporting units as of March 31, 2009, based on such factors as the relative fair values of each reporting unit. We reallocated goodwill to five of our seven reporting units as of March 31, 2009. This reallocation, in conjunction with the continued downturn in the semiconductor markets indicated that a potential impairment may exist. As such, we tested our goodwill and other long-lived assets for impairment at March 31, 2009.

We determined the fair value of each reporting unit as of March 31, 2009 using the Income Approach, specifically the Discounted Cash Flow Method ( DCF Method ). The DCF Method includes five year future cash flow projections, which are discounted to present value, and an estimate of terminal values, which are also discounted to present value. Terminal values represent the present value an investor would pay today for the rights to the cash flows of the business for the years subsequent to the discrete cash flow projection period. Given the cyclical nature of the industry, a revenue multiple is used to determine terminal value as it represents a more stable multiple over time. We consider the DCF Method to be the most appropriate valuation indicator as the DCF analyses are based on management's long-term financial projections. Given the dynamic nature of the cyclical semiconductor equipment market, management's projections as of the valuation date are considered more objective since other market metrics for peer companies fluctuate over the cycle.

The methodologies used to determine the fair value of the net assets of each reporting unit as of March 31, 2009 did not change from those used as of September 30, 2008, or those used as of September 30, 2007. The material assumptions used in the DCF Method include: discount rates and revenue forecasts. Discount rates are based on a weighted average cost of capital ( WACC ), which represents the average rate a business must pay its providers of debt and equity capital. The WACC used to test goodwill is derived from a group of comparable companies. The average WACC used in the March 31, 2009 reallocation of goodwill was 16.2%, as compared to 12.8% for the goodwill test as of September 30, 2008. This increase was primarily the result of significantly increased costs of equity capital driven by increased volatility in equity markets. Management determines revenue forecasts based on its best estimate of near term revenue expectations which are corroborated by communications with customers, and longer-term projection trends, which are validated by published independent industry analyst reports. Revenue forecasts materially impact the amount of cash flow generated during the five year discrete cash flow period, and also impact the terminal value as that value is derived from projected revenue. The revenue forecasts used in the reallocation and assessment of goodwill as of March 31, 2009 were decreased from the levels forecasted for the goodwill impairment test as of September 30, 2008 due to further market deterioration.

For three of the five reporting units containing goodwill at March 31, 2009, we determined that the carrying amount of their net assets exceeded their respective fair values, indicating that a potential impairment existed for each of those three reporting units.

Goodwill impairment testing is a two-step process. The first step of the goodwill impairment test, used to identify potential impairment, compares the fair value of each reporting unit to its respective carrying amount, including goodwill. If the fair value of the reporting unit exceeds its carrying amount, goodwill of the reporting unit is not considered impaired. If the reporting unit's carrying amount exceeds the fair value, the second step of the goodwill impairment test must be completed to measure the amount of the impairment loss, if any. The second step compares the implied fair value of goodwill with the carrying value of goodwill. The implied fair value is determined by allocating the fair value of the reporting unit to all of the assets and liabilities of that unit, the excess of the fair value over amounts assigned to its assets and liabilities is the implied fair value of goodwill. The implied fair value of goodwill determined in this step is compared to the carrying value of goodwill. If the implied fair value of goodwill is less than the carrying value of goodwill, an impairment loss is recognized equal to the difference. After completing the second step of the goodwill impairment test, we recorded a goodwill impairment of \$71.8 million as of March 31, 2009.

In accordance with the requirements of FAS 144, we are required to test certain long-lived assets when indicators of impairment are present. We determined that impairment indicators were present for certain of our long-lived assets

as of March 31, 2009. We tested the long-lived assets in question for recoverability by comparing the sum of the undiscounted cash flows attributable to each respective asset group to their carrying amounts, and determined that the carrying amounts were not recoverable. We then evaluated the fair values of each long-lived asset of the potentially impaired long-lived asset group to determine the amount of the impairment, if any. The fair value of each intangible asset was based primarily on an income approach, which is a present value technique used to measure the fair value of future cash flows produced by the asset. We estimated future cash flows over the remaining useful life of each intangible asset, which ranged from approximately 3 to 8 years, and used a discount rate of approximately 16%. As a result of this analysis, we determined that we had incurred an impairment loss of \$35.1 million as of March 31, 2009, and we allocated that loss

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among the long-lived assets of the impaired asset group based on the carrying value of each asset, with no asset reduced below its respective fair value. The impairment charge was allocated as follows: \$19.6 million related to completed technology intangible assets; \$1.2 million to trade name intangible assets; \$13.4 million to customer relationship intangible assets and \$0.9 million to property, plant and equipment. Further, during the three months ended June 30, 2009 we recorded an additional impairment charge of \$0.4 million for property, plant and equipment related to a recently vacated manufacturing facility. The total impairment charges related to long-lived assets for the three and nine months ended June 30, 2009 are summarized as follows (in thousands):

	Periods ended June 30, 2009	
	Three months	Nine months
Reported as cost of sales:		
Completed technology intangible asset impairment	\$	\$ 19,608
Property, plant and equipment impairment	408	1,316
Subtotal, reported as cost of sales	408	20,924
Reported as operating expense:		
Trade name intangible asset impairment		1,145
Customer relationship intangible asset impairment		13,443
Subtotal, reported as operating expense		14,588
	\$ 408	\$ 35,512

As of June 30, 2009, we have \$48.1 million of goodwill and \$14.9 million of other intangible assets on our consolidated balance sheet. The goodwill relates entirely to our Critical Solutions Group segment, more specifically, to two reporting units within this segment. The carrying value of the net assets of each of these two reporting units, including goodwill, determined as of the last goodwill test, or March 31, 2009, was approximately 75% of their respective fair values. Our other intangible assets include \$8.9 million of intangible assets related to our Critical Solutions Group segment and \$6.0 million related to our Global Customer Operations segment. Given the current economic environment and the uncertainties regarding the future impact on the Company's business, there can be no assurance that our projected revenues used to reallocate and test goodwill and to test other intangible assets will prove to be accurate in the future. If the Company's projected revenues are not achieved, the fair value of our reporting units or other intangible assets may decline. Accordingly, we may be required to record additional goodwill or other intangible asset impairment charges in future periods, whether in conjunction with our next annual impairment testing, or prior to that, if any such change constitutes a triggering event outside of the quarter in which our annual impairment test is performed. It is not possible at this time to determine if any such future impairment charge would result, however, if it does, then such charge could be material.

**Restructuring Charges**

We recorded charges of \$2.3 million and \$12.3 million for the three and nine months ended June 30, 2009, respectively, in connection with our fiscal 2009 restructuring plan. These charges through the first nine months of fiscal 2009 consist of \$10.8 million of severance costs associated with workforce reductions of approximately 440 employees in operations, service and administrative functions across all the main geographies in which we operate, facility closure costs of \$0.6 million to close one manufacturing operation located in the United States, and other restructuring costs of \$0.9 million. The restructuring charges by segment for the three months ended June 30, 2009 were: Critical Solutions \$0.3 million, Systems Solutions \$1.2 million and Global Customer Operations \$(0.2) million. The restructuring charges by segment for the nine months ended June 30, 2009 were: Critical Solutions



\$3.4 million, Systems Solutions \$3.6 million and Global Customer Operations \$3.1 million. In addition, we incurred \$1.0 million and \$2.2 million of restructuring charges for the three and nine months ended June 30, 2009, respectively, that were related to general corporate functions that support all of our segments. The accruals for workforce reductions are expected to be paid over the next twelve months. We expect the annual salary and benefit savings as a result of the actions taken to date during fiscal 2009 will be approximately \$29.0 million. The cost savings resulting from these restructuring actions are expected to yield actual cash savings, net of the related costs, within twelve months. We are continuing to review the costs of our operations, and may make further reductions in our workforce resulting in additional severance costs.

We recorded a restructuring charge of \$2.6 million and \$5.7 million for the three and nine months ended June 30, 2008, respectively. These charges through the nine months ended June 30, 2008 which consists primarily of severance costs associated with workforce reductions of approximately 230 employees.

**Table of Contents****Interest Income and Expense**

Interest income decreased by \$0.7 million, to \$0.5 million, for the three months ended June 30, 2009, compared to the same prior year period. Approximately \$0.3 million of this decrease is attributable to lower interest rates on our investments, with the balance due to lower investment balances. Interest income decreased by \$4.2 million, to \$2.1 million for the nine months ended June 30, 2009, compared to the same prior year period. Approximately \$2.1 million of this decrease is attributable to lower interest rates on our investments, with the balance due to lower investment balances.

**Loss on Investment**

During the nine months ended June 30, 2009, we recorded a charge of \$1.2 million to write down our minority equity investment in a closely-held Swiss public company. The remaining balance of this investment at June 30, 2009 after giving effect to foreign exchange was \$0.8 million.

During the nine months ended June 30, 2008, we recorded a charge of \$2.9 million to write down our minority equity investment in this closely-held Swiss public company.

**Income Tax Provision**

We recorded an income tax provision of \$0.1 million and \$0.7 million in the three and nine months ended June 30, 2009, respectively, compared to a provision of \$0.8 million and \$2.4 million in the three and nine months ended June 30, 2008, respectively. The tax provision recorded for both periods is principally attributable to foreign income and interest related to unrecognized tax benefits. We continued to provide a full valuation allowance for our net deferred tax assets at June 30, 2009, as we believe it is more likely than not that the future tax benefits from accumulated net operating losses and deferred taxes will not be realized.

**Equity in Earnings of Joint Ventures**

Income associated with our 50% interest in ULVAC Cryogenics, Inc., a joint venture with ULVAC Corporation of Japan, was \$0.0 million and \$0.3 million for the three and nine months ended June 30, 2009, compared to \$0.2 million for both of the same prior year periods. Income (loss) associated with our 50% interest in Yaskawa Brooks Automation, Inc., a joint venture with Yaskawa Electric Corporation of Japan was \$(0.1) million and \$0.0 million for the three and nine months ended June 30, 2009 as compared to \$0.0 million and \$0.3 million, respectively, for the same prior year periods.

The carrying values of our joint venture investments included in our consolidated balance sheet at June 30, 2009 were \$28.7 million, including \$25.6 million for our ULVAC joint venture and \$3.1 million for our Yaskawa joint venture.

**Liquidity and Capital Resources**

Our business is significantly dependent on capital expenditures by semiconductor manufacturers and OEMs that are, in turn, dependent on the current and anticipated market demand for semiconductors. Demand for semiconductors is cyclical and has historically experienced periodic downturns. In response to these downturns, we have and are continuing to implement cost reduction programs aimed at aligning our ongoing operating costs with our currently expected revenues over the near term. These cost initiatives include consolidating facilities, reductions to headcount and reduced spending. The cyclical nature of the industry make estimates of future revenues, results of operations and net cash flows inherently uncertain.

At June 30, 2009, we had cash, cash equivalents and marketable securities aggregating \$114.4 million. This amount was comprised of \$52.9 million of cash and cash equivalents, \$35.3 million of investments in short-term marketable securities and \$26.2 million of investments in long-term marketable securities.

Cash and cash equivalents were \$52.9 million at June 30, 2009, a decrease of \$57.3 million from September 30, 2008. This decrease was primarily due to \$52.9 million of cash used in operating activities and capital expenditures of \$10.8 million. These decreases were partially offset by \$5.6 million of net maturities of marketable securities.

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Cash used in operations was \$52.9 million for the nine months ended June 30, 2009, and was primarily attributable to a \$79.2 million loss after adjusting our net loss for non-cash expenses, including goodwill and other intangible asset impairment charges of \$107.3 million, depreciation and amortization of \$20.8 million, stock-based compensation of \$5.0 million, and other non-cash items of \$1.1 million. Cash used in operations was partially offset by \$26.2 million of changes in working capital which were attributable to \$38.4 million of decreased accounts receivable balances and \$14.3 million of reductions in inventory. These reductions in working capital were partially offset by lower current liabilities of \$31.7 million.

Cash used in investing activities was \$4.2 million for the nine months ended June 30, 2009, and was attributable to \$10.8 million of capital expenditures, including \$7.4 million in expenditures related to our Oracle ERP implementation. These uses of cash were partially offset by net maturities of marketable securities of \$5.6 million and \$1.1 million in proceeds from the sale of property, plant and equipment, primarily related to the sale of a vacated manufacturing facility. We implemented the Oracle ERP system in most of our U.S. operations in July 2009. We expect that the total cost of the U.S. Oracle ERP implementation will be approximately \$29.0 million. We will incur additional costs to implement this system in our international locations, however, we do not expect this cost to significantly impact our financial position or cash flow.

At June 30, 2009, we had approximately \$0.5 million of letters of credit outstanding.

In connection with our acquisition of Helix Technology Corporation ( Helix ) in October 2005, we assumed the responsibility for the Helix Employees Pension Plan (the Plan ). We froze the benefit accruals and future participation in this plan as of October 31, 2006. During the three months ended June 30, 2009, the Plan was remeasured to reflect a \$0.7 million settlement loss on distribution payments made to terminated employees. In addition, we increased our pension liability by \$5.5 million to \$6.5 million, primarily to reflect lower pension asset values determined in connection with this remeasurement. During fiscal 2010, we expect to contribute approximately \$1.6 million to the Plan, and then \$1.0 million per fiscal year thereafter until the Plan is fully funded.

We believe that we have adequate resources to fund our currently planned working capital and capital expenditure requirements. However, the cyclical nature of the semiconductor industry and the current global economic downturn makes it difficult for us to predict future liquidity requirements with certainty. We may be unable to obtain any required additional financing on terms favorable to us, if at all. If adequate funds are not available on acceptable terms, we may be unable to successfully develop or enhance products, respond to competitive pressure or take advantage of acquisition opportunities, any of which could have a material adverse effect on our business. In addition, we are subject to indemnification obligations in connection with our stock-based compensation restatement with certain former executives which could have an adverse affect on our existing resources.

**Recently Enacted Accounting Pronouncements**

In September 2006, the FASB issued SFAS No. 157, Fair Value Measurements ( SFAS 157 ). SFAS 157 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles and expands disclosures about fair value measurements. In February 2008, the FASB issued FSP 157-1, Application of FASB Statement No. 157 to FASB Statement No. 13 and Other Accounting Pronouncements That Address Fair Value Measurements for Purposes of Lease Classification or Measurement under Statement 13 ( FSP 157-1 ) and FSP 157-2,

Effective Date of FASB Statement No. 157 ( FSP 157-2 ). FSP 157-1 amends SFAS 157 to remove certain leasing transactions from its scope. As permitted by FSP 157-2, the effective date of SFAS 157 for all non-financial assets and non-financial liabilities, except for items that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually), is the beginning of our first quarter of fiscal 2010. In April 2009, the FASB issued FSP SFAS 157-4, Determining Whether a Market Is Not Active and a Transaction Is Not Distressed ( FSP 157-4 ), which provides guidelines for making fair value measurements more consistent with the principles presented in SFAS 157. FSP 157-4 provides additional authoritative guidance in determining whether a market is active or inactive, and whether a transaction is distressed, is applicable to all assets and liabilities (i.e. financial and nonfinancial) and will require enhanced disclosures. This standard is effective beginning with our fourth quarter of fiscal 2009. The measurement and disclosure requirements related to financial assets and financial liabilities are effective for us beginning on October 1, 2008. See Note 13.

In February 2007, the FASB issued SFAS No. 159, The Fair Value Option for Financial Assets and Financial Liabilities Including an Amendment of FASB Statement No. 115 ( SFAS 159 ). SFAS 159 permits entities to choose to measure many financial instruments and certain other items at fair value and report unrealized gains and losses on items for which the fair value option has been elected in earnings at each subsequent reporting date. On October 1, 2008 we adopted SFAS 159 and have elected not to measure any additional financial instruments or other items at fair value.

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In December 2007, the FASB issued SFAS No. 141 (revised 2007), *Business Combinations* ( SFAS 141R ). SFAS 141R significantly changes the accounting for business combinations in a number of areas including the treatment of contingent consideration, pre-acquisition contingencies, transaction costs, restructuring costs and income taxes. SFAS 141R applies prospectively to business combinations for which the acquisition date is on or after the beginning of the fiscal year beginning after December 15, 2008. SFAS 141R will be effective for the us on October 1, 2009, and will be applied to any business combination with an acquisition date, as defined therein, that is subsequent to the effective date.

In December 2007, the FASB issued SFAS No. 160, *Noncontrolling Interests in Consolidated Financial Statements*. An amendment of ARB No. 51 ( SFAS 160 ). SFAS 160 amends ARB 51 to establish accounting and reporting standards for the noncontrolling interest in a subsidiary and for the deconsolidation of a subsidiary. It clarifies that a noncontrolling interest in a subsidiary is an ownership interest in the consolidated entity that should be reported as equity in the consolidated financial statements. The amount of net income attributable to the noncontrolling interest will be included in consolidated net income on the face of the income statement. SFAS 160 clarifies that changes in a parent s ownership interest in a subsidiary that do not result in deconsolidation are equity transactions if the parent retains its controlling financial interest. In addition, this Statement requires that a parent recognize a gain or loss in net income when a subsidiary is deconsolidated. SFAS 160 is effective for fiscal years beginning after December 15, 2008. At this point in time, we believe that there will not be a material impact in connection with SFAS 160 on our financial position or results of operations.

In March 2008, the FASB issued SFAS No. 161, *Disclosures about Derivative Instruments and Hedging Activities*. An amendment of FASB Statement No. 133 ( SFAS 161 ). SFAS 161 amends and expands the disclosure requirements of SFAS 133 with the intent to provide users of financial statements with an enhanced understanding of (a) how and why an entity uses derivative instruments, (b) how derivative instruments and related hedged items are accounted for under SFAS 133 and its related interpretations, and (c) how derivative instruments and related hedged items affect an entity s financial position, financial performance and cash flows. On January 1, 2009 we adopted FAS 161, which had no impact on our financial position or results of operations.

In April 2008, the FASB issued FSP 142-3, *Determination of the Useful Life of Intangible Assets* ( FSP SFAS 142-3 ). FSP SFAS 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, *Goodwill and Other Intangible Assets* ( SFAS 142 ). FSP SFAS 142-3 improves the consistency between the useful life of a recognized intangible asset under SFAS 142 and the period of expected cash flows used to measure the fair value of the asset under SFAS 141R and other applicable accounting literature. FSP SFAS 142-3 will be effective for us on October 1, 2009. We do not believe that the adoption of FSP SFAS 142-3 will have a material impact on our financial position or results of operations.

In December 2008, the FASB issued FSP FAS 132(R)-1, *Employers Disclosures about Postretirement Benefit Plan Assets* ( FSP 132R-1 ). FSP 132R-1 requires enhanced disclosures about the plan assets of a company s defined benefit pension and other postretirement plans. The enhanced disclosures required by this FSP are intended to provide users of financial statements with a greater understanding of: (1) how investment allocation decisions are made, including the factors that are pertinent to an understanding of investment policies and strategies; (2) the major categories of plan assets; (3) the inputs and valuation techniques used to measure the fair value of plan assets; (4) the effect of fair value measurements using significant unobservable inputs (Level 3) on changes in plan assets for the period; and (5) significant concentrations of risk within plan assets. This FSP will be effective for us for the fiscal year ending September 30, 2010. We are currently evaluating the potential impact of FSP 132R-1 on our financial position and results of operations.

In April 2009, the FASB issued FSP FAS 107-1 and APB 28-1, *Interim Disclosures about Fair Value of Financial Instruments* ( FSP 107-1 ). This FSP amends SFAS 107, *Disclosures about Fair Value of Financial Instruments* , to require disclosures about fair value of financial instruments in interim as well as in annual financial statements. FSP 107-1 also amends APB 28, *Interim Financial Reporting* , to require those disclosures in all interim financial statements. On April 1, 2009 we adopted FSP 107-1, which had no impact on our financial position or results of operations.

In April 2009, the FASB issued FSP FAS 115-2 and FSP FAS 124-2, Recognition and Presentation of Other-Than-Temporary Impairments, which amends the other-than-temporary impairment guidance for debt and equity securities. On April 1, 2009 we adopted this standard, which had no impact on our financial position or results of operations.

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In May 2009, the FASB issued SFAS No. 165, *Subsequent Events* ( SFAS 165 ). SFAS 165 establishes general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or available to be issued. During the quarter ended June 30, 2009, we adopted SFAS 165. See the *Basis of Presentation* section in Note 1 of our notes to consolidated financial statements.

In June 2009, the FASB issued SFAS No. 167, *Amendments to FASB Interpretation No. 46(R)* ( SFAS 167 ). SFAS 167 requires a qualitative approach to identifying a controlling financial interest in a variable interest entity ( VIE ), and requires ongoing assessment of whether an entity is a VIE and whether an interest in a VIE makes the holder the primary beneficiary of the VIE. SFAS 167 is effective for fiscal years beginning after November 15, 2009. We are currently evaluating the potential impact of SFAS 167 on our financial position and results of operations.

In June 2009, the FASB issued SFAS No. 168, *The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles* ( SFAS 168 ). SFAS 168 will become the single source for all authoritative GAAP recognized by the FASB to be applied for financial statements issued for periods ending after September 15, 2009. This statement does not change GAAP and will not have an affect on our financial position or results of operations.

**Item 3. Quantitative and Qualitative Disclosure About Market Risk**

We are exposed to a variety of market risks, including changes in interest rates affecting the return on our cash and cash equivalents, short-term and long-term investments and fluctuations in foreign currency exchange rates.

**Interest Rate Exposure**

As our cash and cash equivalents consist principally of money market securities, which are short-term in nature, our exposure to market risk related to interest rate fluctuations for these investments is not significant. Our short-term and long-term investments consist mostly of highly rated corporate debt securities, and as such, market risk to these investments is not significant. During the nine months ended June 30, 2009, the unrealized loss on marketable securities, excluding our investment in a Swiss public company, was \$229,000. A hypothetical 100 basis point change in interest rates would result in an annual change of approximately \$1.5 million in interest income earned.

**Currency Rate Exposure**

We have transactions and balances denominated in currencies other than the U.S. dollar. Most of these transactions or balances are denominated in Euros and a variety of Asian currencies. Sales in currencies other than the U.S. dollar were 27.0% of our total sales for the three months ended June 30, 2009. We also purchase materials from some suppliers outside of the United States that is transacted in currencies other than the U.S. dollar. In the nine months ended June 30, 2009, we recorded foreign exchange losses related to receivables of \$0.7 million, and foreign exchange gains of \$0.2 million related to payables due to the general weakening of certain foreign currencies in this period. If currency exchange rates had been 10% different throughout the three months ended June 30, 2009 compared to the currency exchange rates actually experienced, the impact on our net earnings would have been approximately \$0.5 million. The changes in currency exchange rates relative to the U.S. dollar during the nine months ended June 30, 2009 compared to the currency exchange rates at September 30, 2008 resulted in an increase in net assets of \$2.3 million that we reported as a separate component of comprehensive income. The impact of a hypothetical 10% change in foreign exchange rates at June 30, 2009 is not considered material.

**Item 4. Controls and Procedures**

*Evaluation of Disclosure Controls and Procedures.* As of the end of the period covered by this report, and pursuant to Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, our chief executive officer and chief financial officer have concluded that our disclosure controls and procedures are effective.

*Change in Internal Controls.* There were no changes in our internal control over financial reporting that occurred during our last fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

**Table of Contents****PART II. OTHER INFORMATION****Item 1. Legal Proceedings***Regulatory Proceedings Relating to Equity Incentive Practices and the Restatement*

All pending inquiries and investigations of the Company by agencies of the United States Government pertaining to our past equity incentive-related practices have now been concluded, as described more fully in our Annual Report on Form 10-K for the year ended September 30, 2008.

On July 25, 2007, a criminal indictment was filed in the United States District Court for the District of Massachusetts charging Robert J. Therrien, our former Chief Executive Officer and Chairman, with income tax evasion. Trial commenced on March 9, 2009. On April 9, 2009, the jury returned a verdict of not guilty, concluding that proceeding. A separate civil complaint was filed by the SEC on July 25, 2007 against Mr. Therrien in the United States District Court for the District of Massachusetts charging him with violations of federal securities laws. This matter was stayed by the court pending the outcome of the criminal matter. We are not aware of any action having been taken by the court or the parties to re-open this action.

*Private Litigation*

All private class action and derivative action matters commenced against us relating to past equity incentive-related practices have been concluded or dismissed, as described more fully in our Annual Report on Form 10-K for the year ended September 30, 2008.

On August 22, 2006, an action captioned as *Mark Levy v. Robert J. Therrien and Brooks Automation, Inc.*, was filed in the United States District Court for the District of Delaware, seeking recovery, on behalf of us, from Mr. Therrien under Section 16(b) of the Securities Exchange Act of 1934 for alleged short-swing profits earned by Mr. Therrien due to the loan and stock option exercise in November 1999 referenced above, and a sale by Mr. Therrien of our stock in March 2000. The complaint seeks disgorgement of all profits earned by Mr. Therrien on the transactions, attorneys fees and other expenses. On February 20, 2007, a second Section 16(b) action, concerning the same loan and stock option exercise in November 1999 discussed above and seeking the same remedy, was filed in the United States District Court of the District of Delaware, captioned *Aron Rosenberg v. Robert J. Therrien and Brooks Automation, Inc.* On April 4, 2007, the court issued an order consolidating the *Levy* and *Rosenberg* actions. We are a nominal defendant in the consolidated action and any recovery in this action, less attorneys fees, would go to us. On July 14, 2008, the court denied Mr. Therrien's motion to dismiss this action. Discovery has commenced in this matter and is currently ongoing.

Litigation is inherently unpredictable and we cannot predict the outcome of the legal proceedings described above with any certainty. Should there be an adverse judgment against us, it may have a material adverse impact on our financial statements. Because of uncertainties related to both the amount and range of losses in the event of an unfavorable outcome in the lawsuits 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 and hence we have recorded no accrual in our financial statements as of June 30, 2009.

**Item 2. Unregistered Sales of Equity Securities and Use of Proceeds**

The following table provides information concerning shares of our Common Stock \$0.01 par value purchased in connection with the forfeiture of shares to satisfy the employees obligations with respect to withholding taxes in connection with the vesting of shares of restricted stock during the three months ended June 30, 2009. These purchases were made pursuant to the Amended and Restated 2000 Equity Incentive Plan.

<b>Total Number</b>	<b>Total Number of Shares Purchased as Part of Publicly</b>	<b>Maximum Number (or Approximate Dollar Value) of Shares that May Yet</b>
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<b>Period</b>	<b>of Shares Purchased</b>	<b>Average Price Paid per Share</b>	<b>Announced Plans or Programs</b>	<b>be Purchased Under the Plans or Programs</b>
April 1 30, 2009		\$		\$
May 1 31, 2009	16,577	5.05	16,577	
June 1 30, 2009				
<b>Total</b>	16,577	\$ 5.05	16,577	\$

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**Item 6. Exhibits**

The following exhibits are included herein:

<b>Exhibit No.</b>	<b>Description</b>	
31.01	Rule 13a-14(a), 15d-14(a) Certification.	
31.02	Rule 13a-14(a), 15d-14(a) Certification.	
32	Section 1350 Certifications.	31

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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.

BROOKS AUTOMATION, INC.

DATE: August 6, 2009

/s/ Martin S. Headley  
Martin S. Headley  
Executive Vice President and Chief  
Financial Officer  
(Principal Financial Officer)

DATE: August 6, 2009

/s/ Timothy S. Mathews  
Timothy S. Mathews  
Vice President and Corporate Controller  
(Principal Accounting Officer)

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**EXHIBIT INDEX**

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