

**Speech of the CEO, SUSS MicroTec AG**  
**Annual Shareholders Meeting on July 6th 2007**

**The spoken word is binding**

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***Slide 1: Welcome***

Dear shareholders,  
Dear shareholder representatives,  
Dear guests,

Welcome to the SUSS MicroTec AG annual shareholder's meeting. I trust that you all had a good journey and that you feel comfortable here in the Bavarian House of Commerce in the heart of Munich. I am pleased to see that so many shareholders and guests have made the effort to come here and show their interest in our company.

Today we will inform you what has taken place since the last annual shareholders meeting and what plans we have for a continuing successful future. Afterwards we will be available to answer any questions you may have.

***Slide 2: SUSS Completely Back on Track***

Ladies and Gentlemen,

Here, 12 months ago, I was able to present the first successful report after several difficult years: Our restructuring process had gone to plan and I was able to announce a planned average annual sales growth of 10%. Now a year later I can tell you that it was better even that, in the 2006 financial year we not only increased our sales by 10% but by almost a third. And probably more importantly for you as shareholders, for the first time in 5 years SUSS returned to profit not only on EBIT but also after tax last year. This is proof for us that our restructuring and strategic realignment efforts were properly executed and are now showing the desired outcome. Our new company structure and the break-even-model work – in comparison to five years ago, we are now better able to increase our sales without increasing our costs. These positive developments can also be seen in

the other financial results. We have therefore, ladies and gentlemen, set the foundation for long-term value-enhanced corporate development.

The financial market has also honored our hard work: in 2006 the SUSS share performed better than the already well performing market. But before I go more into depth about our share value, let me first examine SUSS' business year more closely.

### ***Slide 3: 2006: 32 Percent Sales Increase***

Compared to 2005 (117.5 million Euros), we were able to achieve a 32% increase in sales to 155,5 million. That is the 3<sup>rd</sup> highest sales revenue in more than 50 years of company history. This meant that we exactly reached the target of 150 million Euros which we communicated mid-year 2006. The very strong second and third quarters helped us disproportionately. Worthy of special note are the sales figures that were achieved in Japan within a very short period of time. Taiwan also developed very well. The same also goes for our team in the US, whose success is hidden by the adverse currency exchange rate. The most important indicator of success within our market is order entry, which for SUSS lay in 2006 at 153.8 million Euros – 14 percent higher than the previous year (135.6 million Euros). The demand for our Lithography and Wafer Bonder tools was especially high.

Gross profit rose from EUR 47.0 million to EUR 69.6 million in the reporting period, representing growth of 48.3%. The gross profit margin improved from 40.0% to 44.8%, due to higher capacity utilization and a correspondingly lower fixed cost ratio, but also due to high-margin orders for advanced packaging tools and better gross earnings in Wafer Bonders resulting from higher sales and more mature products.

And now to the news that also fills me personally with relief and pride: While 2005 was the turnaround year on an EBITDA basis, 2006 was the year that SUSS MicroTec finally also realized a profit after tax for the first time in five years. EBITDA increased in 2006 to EUR 22.2 million, following EUR 5.8 million in the previous year and EBIT to EUR 16.0 million from EUR minus 4.2 million in 2005, resulting in an EBIT margin of 10.3%. After-tax earnings rose from a loss of EUR minus 8.2 million in 2005 to EUR 14.9 million in 2006. Free cash flow was EUR 7.2 million (previous year: EUR 1.9 million). Liquidity in 2006 was characterized by positive cash flow from operations but also primarily by repayments on financial liabilities. Exchange rate differences in revenues and order entry did not significantly affect earnings. However, book losses of EUR 1.5 million were incurred on intra-group foreign currency credits, resulting from the weaker US Dollar.

Ladies and gentlemen please allow me at this point to emphasize again my thanks to our dedicated team of employees. They always supported the often difficult decisions that were made in the past few years and always believed in our success. Without them, the good results which I am able to present to you today would not have been possible.

***Slide 4: 2006: High Profits for the Lithography Segment***

I will now present to you in more detail the results from the individual business segments.

Let's start with LITHOGRAPHY, with a revenue share of 59% it is the most important segment in the group. The segment made excellent progress on sales (EUR 92.1 million compared with EUR 66.6 million which is an increase of 38%). The same goes for order entry (EUR 86.1 million compared to EUR 75.5 million: +14%) and earnings (EUR 18.5 million compared to EUR 4.6 million). Mask Aligners were primarily responsible for the strong growth in order entry, whilst in realized sales it was the Coater tools. In 2007, due to expected lower capital expenditure of major clients, we anticipate a slight decline in Lithography sales.

We are happy to announce that the strategic investments in product development and sales optimization for our WAFER BONDER segment are beginning to pay dividends. Sales rose from EUR 6.1 million in 2005 by 133% to EUR 14.1 million and order entry by 75% to EUR 16.6 million (2005: 9.5 million). Segment earnings improved from EUR minus 4.0 million to EUR minus 0.5 million in 2006. We expect our traditional target markets to remain robust in 2007. Numerous MEMS projects (Micro Electro-Mechanical Systems) will progress from the development phase to serial production. There are also indications that wafer bonding is increasingly being used in many non-traditional markets such as 3D device integration and silicon-on-insulator (SOI). This means that the mid to long-term prospects for this segment are very good.

Thanks to improved orders and a reduced cost structure the DEVICE BONDER segment performed much better in 2006. In this small market sales increased from EUR 6.1 million to EUR 7.1 million (+16%) and the segment generated positive earnings (EUR 1.0 million compared to EUR minus 3.9 million). It should be noted however that the 2005 earnings included one-off expenses of EUR 3.6 million. Order entry amounted to EUR 9.2 million (2005: EUR 6.3 million) - an increase of 46%.

Test Systems, as in the previous year, was our rock in stormy seas. The second largest segment with around one fifth of total sales is relatively non-cyclical and remained stable in 2006. There was a slight decline in order entry from EUR 29.3 million to EUR 26.9 million (minus 8%) which was compensated by an increase in sales to EUR 30.2 million from EUR 28.8 million (+5%). Segment earnings rose from EUR 2.1 million in 2005 to EUR 3.3 million in 2006, essentially due to a further recovery in gross profit margins.

Last but not least is the segment we call „OTHERS“ which includes the photomask business (Palo Alto, CA), micro-optics (Neuchâtel, Switzerland), holding functions and C4NP. Segment sales increased in 2006 from EUR 9.9 million to EUR 12.0 million, above all due to a doubling of sales in micro-optics to EUR 3.0 million. Order entry remained constant at EUR 15.0 million, as did segment earnings at EUR minus 4.5 million. This loss has structural causes, as it includes holding costs not allocated to the other segments. For 2007 I am able to report that production using the C4NP tools has already started and that this will impact sales in this period.

### ***Slide 5: Q1/07: A Good Start with High Sales***

Ladies and gentlemen,

Let's turn now to the current financial year where I am happy to say that we were able to start well in the first three months – with high sales and a positive result for Q1.

Sales of EUR 39.4 million were achieved in the first three months, inching slightly ahead of the level attained in the 1st quarter of 2006. The operating results (EBIT) totaling EUR 3.9 million turned out to be slightly lower than in the 1st quarter of 2006. This can be attributed largely to higher manufacturing costs, which cut the gross earnings from sales and contributed to an EBIT margin of 9.9%. Earnings after taxes (EAT) tell a different story and were very positive: at EUR 3.5 million, they were almost as high as in the 1st quarter of 2006. The reasons include lower interest expenses as a result of significant repayment of financial obligations during the previous year, coupled with higher interest income and lower income taxes than in the same period the previous year.

The gross profit margin declined from 45% to 42%. This can be generally attributed to the temporarily weaker industry. The lower investment activity on the part of customers makes it more likely for them to demand price reductions while in 2006 the promise of fast machine deliveries was the decisive factor for entering agreements. This was already indicated in the 4th quarter of 2006, when the

gross profit margin was 40.8%. The sold product mix also had a negative effect, as it included lower margin products as in Q1/06.

The free cash flow declined from EUR 6.7 to EUR 0.5 million. This was mainly due to delayed advance payments from customers, which is characteristic of a temporary cooling off of demand.

The fact that the semiconductor manufacturers are initially holding back on orders following the sharp investment activity in equipment in 2006 is evident in the incoming orders. At EUR 26.7 million, this figure was 34% below the EUR 40.6 million of the previous year. In Asia in particular, where major customers had placed large orders the previous year, there was a slow-down with respect to new business. Industry associations such as Semiconductor Equipment and Materials International (SEMI) had anticipated this lull in investment, however. As early as the second half of 2007, or in 2008 at the latest, SEMI feels that investment activity of the semiconductor manufactures will pick up again and even exceed the high level of the year 2006 – a prognosis that we share after many discussions with our customers.

Allow me to summarize the Q1 2007 performance of the individual segments: As expected the LITHOGRAPHY segment developed sluggishly following the boom year 2006. In great demand were newly developed machines such as the MA200Compact Mask Aligner and the fully-automatic Spin Coater, which have meanwhile become established as standard equipment for micro-structuring. This also applies to the Spray Coater, which is being developed based on internal SUSS patents. The WAFER BONDER business which is based in the U.S. in comparison has met our expectations as a growth engine: SUSS achieved significant growth in sales with earnings also moving into positive territory. Only incoming orders were slightly disappointing in this business.

TEST SYSTEMS, our second largest and most stable segment enjoyed a slight increase in sales and order entry – especially from Japan. However, earnings of EUR 0.3 million were behind those of the same quarter the previous year, due to a strategy aimed specifically at stronger penetration of the market in Asia for 300 millimeter tools.

The C4NP project continues to make good progress. Delivery and installation of the “High Volume Production Tool” at IBM in East Fishkill, USA, is proceeding according to plan. In the meantime, IBM has already installed some of the facilities required for the C4NP process and commenced production qualification for the lead-free C4NP bumping process. IBM, positioned better than ever as the technology leader in the semiconductor production sector, continues to focus on C4NP as the lead-

free backend technology and trusts in SUSS MicroTec as the leading provider of Advanced Packaging solutions. Therefore, it is anticipated that the semiconductor industry will continue to be very interested in this technology and that its interest will also increase. The current timeline includes a production ramp-up phase which will be completed in the first quarter of 2008. When the toolset has proved its stability and throughput in the production environment then we have the prerequisites for orders from other interested parties.

### ***Slide 6: Focus on Profitable Niches with Strong Growth until 2012***

It is very important to me, dear shareholders, that you understand that regardless of the excitement generated by the C4NP technology and our belief in its success, it is not the only „horse in our stables“. Because there is never a guarantee for success. That is why we have also invested heavily in other areas such as our Wafer Bonder product line. We are positioning ourselves to profit from the growth awaited by all in the MEMS, Advanced Packaging and 3D Integration markets. At the same time we are developing our test systems where the growth rates may not be so spectacular as in the other segments but it guarantees us a continuing and, more importantly, crisis-free business.

### ***Slide 7: Wafer Bonder – Strong Growth Expected***

While our investments in the C4NP-Project were certainly followed by the financial market with more interest, mainly of course because we have IBM as a prominent cooperation partner, we have in the past three years also invested heavily into research and development of our Wafer Bonder Segment. These investments are now beginning to pay off. Our systems are prepared for use in several innovative technologies that we have identified as high potential growth markets. Wafer Bonders were and continue to be indispensable for the production of MEMS devices. In this market there is high demand for machines which deliver consistent results during 24/7 production. Highest precision coupled with highest throughput volume is demanded from us – and we can supply it.

### ***Slide 8: New Growth Market: 3D Integration***

The ever increasing concentration of devices that need to be integrated in high-performance chips is forcing our customers to resort to 3D designs. Especially small, mobile and powerful “toys” such as the popular USB memory sticks, require chips to be stacked on top of each other rather than next to each other. This trend is inexorable and the first launches by companies such as Samsung,

Qimonda and other technology leaders prove that products using this new form of packaging are already in serial production. This is why a fast-paced growth is expected in the next few years and we have several entrance possibilities in different parts of the production process.

### ***Slide 9: SUSS Products for 3D Integration***

This is because these three-dimensional products require different production technologies, only a few of which are already standardized. Key technologies are the production of very thin wafers, contacts which go through the silicon wafer in order to connect to the next level and precision bonding of the finished wafers.

Within these technologies, 5 processes – of which 3 are our core-competencies – are required: Lithography is used to coat and expose the so-called „Via Holes“ which are needed for the contacts and of course our wafer bonders are ideal for precisely bonding the wafer together. These and the handling of extremely thin wafers are all topics of our research work and the developments will enable us a sustained break-away from our competitors. What is particularly exciting about this project is that we can offer solutions from various divisions within the group and thus present ourselves more and more as a complete solutions provider. We expect to gain a significant market portion of the 3D world.

### ***Slide 10: Innovation: SUSS Fusion Bonder for SOI***

A project that fills us with great pride is the SOI Bonder. Put simply, SOI technology develops a very thin silicon layer that is separated from the carrier wafer by an isolating layer. When circuits are developed on this thin silicon layer the electrons are forced to move in that one level – they cannot “dive” into thickness of the material. This makes the current faster, thus of course also speeding up the circuits. Heat loss is also drastically reduced resulting in a need for less energy. Because devices are always shrinking, these SOI layers must also become thinner. Purity of such thin SOI wafers is a must, only very few tiny foreign particles can be tolerated. We’ve taken this demand to heart and developed our SOI bonder out of a wafer cleaner – you can’t get cleaner than that!

### ***Slide 11: Advanced Packaging – More Power in Smaller Dimensions***

Our second most important market is modern chip connections, also known as Advanced Packaging. Here chips are connected with each other or their working environment as directly as possible

in order to firstly save space and secondly in order to increase their functionality in both speed and power. Such complex connections cannot be realized by the traditional wire bonding technology. Instead, tiny bumps of solder are placed over the chip's surface which are then used to make the connection. SUSS MicroTec supplies many of the companies such as ASE, Amkor and TSMC who are seen as leaders in the advanced packaging business. Good news for SUSS - end products that use advanced packaging enjoy annual growth rates of 15%.

### ***Slide 12: Advanced Packaging – Two Solutions from SUSS***

For many years now SUSS has sold Coaters, Aligners and Developers into production lines for the electroplating process – they are mature products used in mass production. C4NP is a radical new solution which simplifies the process steps from six to three. This improvement is significant: the bumping process is performed once the wafer is already almost completely finished and can therefore have a value of 100,000 US Dollar – the less process steps it has to go through at this point the better! Additionally C4NP offers unparalleled flexibility in the choice of bumping materials, guarantees a high yield with contacts that are geared towards durability and longevity which is exactly what is demanded from a high-performance chip.

### ***Slide 13: Demand for Machines Grows with „Bumped“ Wafer Demand***

In the past few years we enjoyed many successes with wafer bumping foundries. These contract-manufacturers just perform this single task and must look much closer at cost structures and standardization in comparison to Integrated Device Manufacturers (IDMs) such as Intel, AMD or IBM. On the one hand we are expecting that more and more „Bumping“ will be outsourced to „Foundries“. On the other hand, C4NP will open doors for us to the exclusive class of IDMs. That is why we are maintaining these two key technologies for this fast growing market within the SUSS Group.

As I am sure you all know, SUSS had been building Mask Aligners since the 60s. But technology hasn't stood still and with the newly developed MA200Compact we have been able to significantly improve accuracy. This opens up new production segments for us, which beforehand were impossible to serve. Gold Bumping is such a market. This technology is mainly employed in the production of LCD drivers – for any of you interested in buying a new television you will know that it is a rapidly growing market. Here we have been able to enter a market which had been left to our Stepper competitors.

### ***Slide 14: Growth Market MEMS – the Little Helpers are Becoming More Complex***

MEMS support us all in our daily lives. In cars for instance sensors ensure the speedy deployment of an airbag. Lives can be saved by using the new blood-sugar monitors using MEMS technology. MEMS in DNA analysis equipment also help fight crime. Our offices are filled with products such as modern ink-jet printers and beamers which use MEMS for better performance. The good news for SUSS is that end products which contain MEMS enjoy an average annual growth rate of between 9 and 20%. Many of the leading manufacturers of electronic tire pressure sensors for instance have turned to SUSS for their production and test equipment – this is a market which the research agency Yole expects will enjoy an annual growth rate of 15%.

Currently the MEMS market accounts for about 40% of our sales. We sell a far broader range of products than our competitors and we can therefore offer our customers a greater piece of mind by supplying an entire process rather than single pieces of equipment – one of the reasons why we are market leader.

### ***Slide 15: MEMS Equipment Market Shows Continual Growth***

The entire MEMS market is currently only about 2% of the entire semiconductor market – but for us it is a very profitable niche. One of its positive characteristics is that it does not experience the same volatile cycles as is typical for the traditional IC market. Now MEMS have moved into consumer applications and thus are produced in much greater quantities than previously required.

### ***Slide 16: How to Make a MEMS with SUSS***

To conclude I'd like to show you how SUSS helps to make a typical MEMS device. As you can see, SUSS equipment plays an important role and is used in many critical process steps. We don't want to be the "one-stop-shop" for all process steps – for that the MEMS market is far too fragmented, but with A,B,C (aligner, bonder and coater) as well as with T for Test we offer a reliable and always innovative contribution. What you should also know is that we do not only look to the production arena for our customers, we also concentrate on our laboratory and prototyping customers which keeps our finger on the pulse of all the hottest trends.

### ***Slide 17: New Products 2007***

Talking about trends – SEMICON West begins in less than 2 weeks. Held in San Francisco, it is the world's largest and most important trade show for Semiconductor Equipment. Even in the internet-age, you cannot beat the personal contact which such a show offers. SUSS will make its mark on the industry this year by presenting several new products on 2 booths: one in the wafer processing section (our lithography and bonding tools) and one in the test systems section. On the test booth, just as an example, we'll be showing our new ProbeShield with the iVista microscope – I won't go into any technical details, but this further development will give us the technological edge over our American competitor and strengthen our position in the characterization market, the largest of the test sub-markets. Here I must also note with pride that just recently our Test Division was voted into first place for the 9<sup>th</sup> time in an important annual customer satisfaction survey – further proof that our customers value the ease-of-use, the reliability and the after-sales care we offer with our machines.

### ***Slide 18: The Share – Plus 48,8 Percent in 2006***

Ladies and Gentlemen,

As shareholders you are obviously mainly concerned with the price development of your shares. In 2006 the SUSS share beat all the relevant indices. Neither the TecDAX (+25,5 %) nor the Prime Industrial (+18,6 %) could keep up. The opening price of 4.67 Euro on January 2<sup>nd</sup> 2006 must be seen alongside the closing price of 6.95 Euro on the last trading day of the year – an annual increase of 48.8 %. At one point our share even sold for more than 9 Euros. The financial market obviously saw the success of our restructuring and strategic developments. In order to communicate our turnaround story effectively we made every effort to continue dialogue with members of the financial community – not only with you, dear shareholders but also with financial analysts and with members of the business and financial press. Currently seven banks and research agencies regularly publish studies about SUSS – a significant number, we think, for a small-cap company such as ourselves. It all helps to keep SUSS on the radar with institutional investors.

Now, a look back at the developments in the first half of 2007 makes me both happy and a little bit sad. I'm happy because the SUSS share is still displaying an upwards trend and that after a drop in January to 5.85 Euro, the share price increased continuously and was mainly above 8 Euros. Com-

pared to the 2006 closing price this is a good development. I am however a little sad that during this period the global markets and especially the German DAX developed much better and could even register historical highs. Our share value did not join in this type of upward movement even though the 9 Euro barrier was tested several times.

The main reason for this not quite satisfactory share price development was probably our guidance for 2007, where we stated that we expect sales for the current financial year to remain at the same level as for the previous year and that we again hope to achieve an EBIT margin of about 10% - meaning that from a growth perspective we are taking a bit of a breather. But this plan however is realistic if we look at the developments in our industry over the past 6 months and if you remember the weaker order entry we announced for the first quarter. Some investors were worried by these statements, although we have always said that this a temporary weakness in the equipment market and not the start of another downturn in the semiconductor industry. We are expecting a significant increase in demand, and talks with our customers are showing that this is not just wishful thinking on our side.

That is why we are expecting a sustainable positive development of our share price. Almost all analysts covering our company believe that SUSS is under-valued and attest its potential to significantly increase in value – even calling it a bargain buy: both in comparison with other international semiconductor equipment manufacturers and with other German technology companies. I am therefore optimistic that we will be able to convince other investors that SUSS is an attractive investment opportunity. We want to play our part in this by being able to present you with positive results, quarter by quarter, and thus strengthen your trust in our company. I am certain that the stock market will continue to honor this course of action.

In conclusion to this speech, let me finish by looking at the future developments at SUSS.

### ***Slide 19: Guidance 2007 and Prognosis***

We are encouraged in light of the current business developments that we will be able to keep to the sales prognosis we made at the beginning of 2007. That means that sales should reach the level achieved in the previous year – about 150 million Euros. We also hope to achieve an EBIT margin of roughly 10%. It will certainly be a challenge in view of the weaker market we are facing this year. The weaker market in a competitive environment such as ours puts pressure on the margins we can charge as I stated earlier in this presentation. A weak US Dollar and an equally weak Japanese

Yen don't help matters and obviously aid our American and Japanese competitors. At the same time we do not want to cut the budgets for research and development, more yet we plan to increase our spending in this area.

Ladies and gentlemen, we are well aware that the sales forecast I just mentioned is simply a high-level consolidation after the 2006 boom year. But please don't forget that our customers must first digest their large equipment investments from last year before they start ordering again. 2007 will definitely be a transition year for us although all signs are pointing to a significant improvement in the industry's business cycle for the second half of this year. Our industry association SEMI predicts that 2008 will also be a good year for semiconductor equipment manufacturers. We've used the quieter period to work on our strategy. By the end of the third quarter, at the very latest, we will present to you how we plan to become an even more dominant player in the semiconductor and MEMS markets. With our substantial cash position we are financially solid and readily equipped for expansion.

In the medium and long term we plan a 10% annual sales increase, just from organic growth. We have the ambition to improve our gross profit margin up to 45-47 percent while at the same time increasing our R&D expenditure step-by-step up to 10% of sales. We also want to generate enough free cashflow to finance organic growth, especially in the Asian Advanced Packaging market where we expect above-average growth as soon as the chip manufacturers start to invest again.

***Slide 20: Thank You for Your Attention***

Ladies and Gentlemen,

I would like to thank you, in the name of both the Managing and Supervisory Board, for supporting and trusting in us, even in difficult times. We will do everything we possibly can to ensure that your faith will be repaid with a company that increases in value and an attractive development in our share price.

I now pass back to Dr. Winfried Süss, Chairman of the Supervisory Board. Thank you very much for your attention.

***Slide 21: Annual Shareholders Meeting 2007***