



BROOKS AUTOMATION, INC. 1999 Annual Report

FINANCIAL HIGHLIGHTS

(in thousands except per share data)

Year Ended September 30,	1995 ⁽¹⁾	1996 ⁽¹⁾	1997 ⁽¹⁾	1998 ⁽¹⁾	1999
Revenues	\$68,488	\$112,730	\$109,427	\$100,252	\$103,906
Gross profit	\$34,404	\$ 54,769	\$ 44,117	\$ 26,724	\$ 46,029
Income (loss) from operations	\$ 6,312	\$ 10,426	\$ (2,996)	\$ (29,874)	\$ (11,496)
Income (loss) before income taxes	\$ 6,420	\$ 10,390	\$ (3,702)	\$ (27,244)	\$ (8,899)
Net income (loss)	\$ 4,715	\$ 6,470	\$ (4,169)	\$ (22,563)	\$ (7,884)
Accretion and dividends on preferred stock	\$ 521	\$ 521	\$ 1,005	\$ 1,420	\$ 654
Net income (loss) available to common stockholders	\$ 4,194	\$ 5,949	\$ (5,174)	\$ (23,983)	\$ (8,538)
Diluted earnings (loss) per share	\$ 0.55	\$ 0.65	\$ (0.66)	\$ (2.32)	\$ (0.76)
Shares used in computing diluted earnings (loss) per share	7,685	9,161	7,880	10,337	11,192
As of September 30,					
Total assets	\$66,379	\$ 80,693	\$166,292	\$145,321	\$ 177,145
Working capital	\$35,721	\$ 35,826	\$119,550	\$103,238	\$105,796
Current portion of long-term debt	\$ 1,759	\$ 2,848	\$ 803	\$ 505	\$ 537
Long-term debt (less current portion)	\$ 1,026	\$ 1,052	\$ 2,624	\$ 3,344	\$ 801
Redeemable convertible preferred stock	\$ 9,298	\$ 9,831	\$ 13,029	\$ 3,562	-
Stockholders' equity	\$38,883	\$ 47,904	\$128,797	\$118,634	\$142,146

(1) Amounts have been restated to reflect the acquisition of Smart Machines Inc. in a pooling of interests transaction effective August 31, 1999.

UNAUDITED QUARTERLY CONSOLIDATED FINANCIAL DATA⁽¹⁾

(in thousands except per share data)

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
FISCAL 1999				
Revenues	\$20,052	\$23,506	\$26,427	\$33,921
Gross profit	\$ 8,565	\$10,200	\$11,738	\$15,526
Net income (loss)	\$ (1,531)	\$ (608)	\$ (483)	\$ (5,262)
Net income (loss) applicable to common stockholders	\$ (1,756)	\$ (770)	\$ (645)	\$ (5,367)
Diluted earnings (loss) per share	\$ (0.16)	\$ (0.07)	\$ (0.06)	\$ (0.47)
Common stock prices - High	\$ 17.44	\$ 26.38	\$ 28.38	\$ 31.00
Common stock prices - Low	\$ 8.25	\$ 14.50	\$ 16.75	\$ 17.38
FISCAL 1998				
Revenues	\$29,686	\$24,125	\$25,886	\$20,555
Gross profit	\$11,417	\$ 3,509	\$ 7,208	\$ 4,590
Net income (loss)	\$ (1,982)	\$ (8,599)	\$ (3,480)	\$ (8,502)
Net income (loss) applicable to common stockholders	\$ (2,337)	\$ (8,954)	\$ (3,835)	\$ (8,857)
Diluted earnings (loss) per share	\$ (0.23)	\$ (0.87)	\$ (0.37)	\$ (0.85)
Common stock prices - High	\$ 41.13	\$ 19.25	\$ 17.50	\$ 12.75
Common stock prices - Low	\$ 12.38	\$ 13.00	\$ 11.38	\$ 8.13

(1) Amounts have been restated to reflect the acquisition of Smart Machines Inc. in a pooling of interests transaction effective August 31, 1999.

BROOKS AUTOMATION delivers factory and tool automation solutions to optimize factory performance in semiconductor and related industries.

Our customers require integrated automation solutions to optimize factory performance in order to get products to market first and to drive manufacturing costs down over the life of the products. Unlike any other company, Brooks Automation offers a complete set of integrated automation solutions from the process tool to factory scheduling to optimize factory performance at all levels.

The integration of best-in-class factory and tool automation solutions adds up to intelligence in automation.

Robert J. Therrien

Chief Executive Officer and President



To our stockholders, partners, customers, and employees:

During the year since I last wrote to you, many changes have occurred within the semiconductor industry and within Brooks Automation. Collectively, our customers and partners have weathered the worst cyclical downturn in semiconductor industry history. At the same time, Brooks Automation remained committed to our long-term strategy for growth. Our mission is straightforward – Brooks Automation will deliver a complete range of fully-integrated factory and tool automation solutions that optimize fab performance. The fab automation market, including factory and tools, is both broad and deep. Serving this market, we expect to build Brooks into a \$1.0 billion plus Company.

Our strategy for growth is straightforward as well. Brooks Automation remains a focused, pure-play automation company. With continued investment in internal product development and the acquisition of ‘best-in-class’ hardware and software automation solutions, we now offer a portfolio of solutions that matches the breadth and depth of the market we serve.

As I complete my 10th year as head of Brooks Automation, I have never felt more confident about the Company’s ability to meet the growing need for proven factory and tool automation solutions in semiconductor and related industries. I believe we have assembled an extraordinary team to take the Company forward. Through acquisition and investment, we have brought together the best people, the best practices, and the best products. We are well positioned to be the leader in our target markets for automation.

Brooks will emerge in fiscal 2000 as the largest merchant semiconductor tool automation company as well as the largest fab automation software company in the world.

THE GROWING BROOKS FAMILY OF COMPANIES



MANAGING THE BUSINESS THROUGH CHANGING ECONOMIC CONDITIONS

Despite difficult times these past few years, Brooks Automation has assembled high value-added product lines with leading edge technologies upon which to build and grow. You have to create and think out-of-the-box to survive and grow and I believe we have stepped up to the challenge.

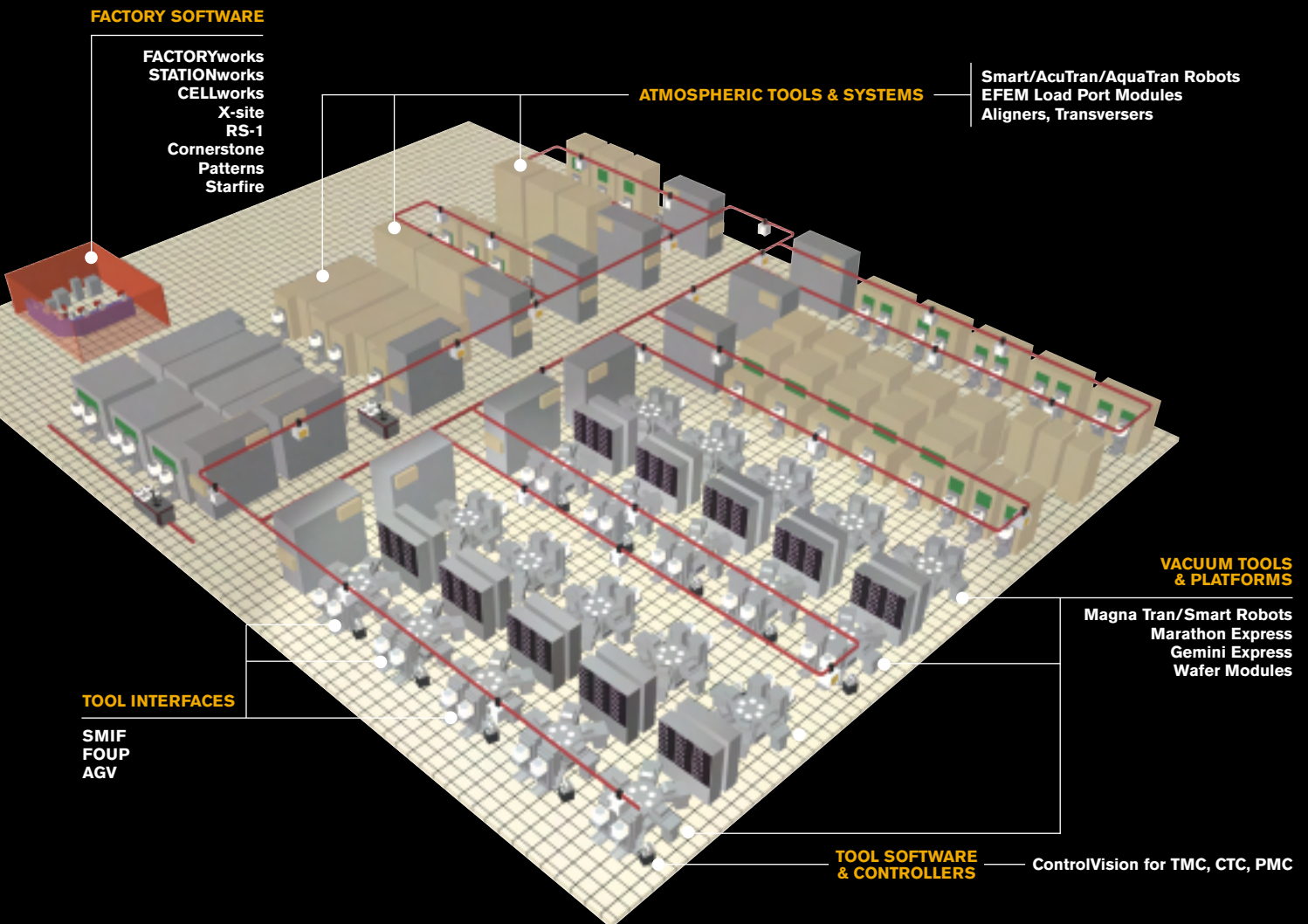
The story of fiscal 1999 was one of preparing for future growth through continued investment in the core business and through acquisitions that complement our portfolio of factory and tool automation solutions. The result of our efforts in FY'99 is a Company that can look forward to more of a balance between hardware and software revenues, more of a balance between OEM and end user customers and more of a balance between system sales and point solutions. The domain knowledge and talent resulting from this concentration and consolidation strategy provides us with a strong competitive advantage.

Based on both strong internal growth and the six acquisitions we have recently completed or are finishing, Brooks will emerge in fiscal 2000 as the largest merchant semiconductor tool automation company, as well as the largest fab automation software company, in the world. In addition, we entered the fab hardware automation market sector via the Infab acquisition. Five of the six acquisitions mentioned above include FASTech, Hanyon Technology, Domain Manufacturing, Smart Machines and Infab. These acquisitions are all complete with Infab being the last to close on September 30, 1999. The sixth acquisition, Auto-Soft and AutoSimulations, which we are acquiring from a Japanese company named Daifuku, should close in early January.

We have considerable financial strength in a well-capitalized balance sheet, a quality credit rating and the resources to finance the continued growth we expect in the coming year.

Brooks will deliver a complete range of integrated factory and tool automation solutions that optimize fab performance.

The Tool Automation Division offers a complete line of products, including robotics and systems, for the vacuum, atmospheric and flat panel markets. A leader in the vacuum and tools software markets, we are the only company that can integrate vacuum and atmospheric tools with our own software. The Factory Automation Division offers top-to-bottom manufacturing software solutions for process development, cell control, equipment control, process control, recipe management, maintenance management, and WIP tracking.



THE OPPORTUNITY IN AUTOMATION

The story in FY 2000 is about capturing a larger piece of a bigger market. Let me share with you the basis of Brooks' focused solutions strategy. It is my experience that this industry is constantly re-balancing itself around products, customers, and locations. Further, it is my belief that consolidation is here and that it will yield stronger, more global and better-capitalized automation companies. In five years, as few as three companies could own 80% of the semiconductor automation market. Everyone wants to be identified with larger, more successful companies because these companies have always shown more credibility and resiliency in the market. Size, stability, globalization, higher investment levels, superior technology and complementary products should lead to market share gains which, in turn, will lead to higher profits. We have used acquisitions to create a foundation for entering factory automation because it is usually faster and less risky to buy technologies outside of your core competencies than to build them. If you want to build a significant and successful company, you need broad product offerings, large market opportunities, a focus on growth sectors in "core" business areas, and internal growth balanced with appropriate mergers and acquisitions. Finally, in a cyclical industry, investor interest is primarily focused on market leading suppliers with a large market cap and liquid stock. I want Brooks to be a large, successful, profitable company that customers, investors and employees all look upon as a market leader.

THE STRATEGY - INTELLIGENCE IN AUTOMATION

We focus on product and market leadership that leads to market share gains. We provide more complete solutions. We aggressively commercialize high growth market opportunities. We leverage our global infrastructure and we look for products, services and/or alliances that will help us strengthen customer satisfaction and solidify our competitive position. We also intend to incorporate our products into turnkey solutions that will allow us to capture the full systems integration activities currently performed by our OEM and end-user customers.

Internally, we continue to emphasize manufacturing excellence, focusing on productivity improvements, very short cycle times, absolute on-time delivery performance and lower overall production costs. The result should be the highest product quality/reliability combined with the lowest operating costs. We need to create R&D efficiencies across the new company and deliver value from our targeted investments. Finally, we are convinced that profitable growth comes from tight cost controls, a heavy emphasis on asset management and the economies of scale that continued growth and acquisitions promote.

THE GOAL – MARKET LEADERSHIP

I believe that we have the right roadmap for success. We have a solutions-oriented culture and encourage our people to be proactive in an opportunistic industry, accepting every challenge with a sense of urgency. We have a global support presence – the most extensive in the industry with more than 100 employees in over 40 locations. We now have six manufacturing/engineering centers complemented by strong professional consulting services and partnerships. We have formed a joint venture with Samsung Electronics to service the Korean FPD market as well as to provide low-cost manufacturing for products worldwide. We have a senior management team averaging 16 years of experience. The management teams of our recent acquisitions are being retained and their roles made clear. We focus our talent, market know-how and balance sheet on automation solutions that optimize factory performance - this is our only business.

In closing, we are on a clear course to help our customers bring products to market first and to drive down the cost of manufacturing semiconductor devices throughout the entire product life cycle. We will pursue our pure-play automation strategy to deliver the greatest value to our customers. In so doing, it is our belief that we will generate substantial, incremental value for our shareholders.

I extend my appreciation to all of our shareholders, customers, partners and employees around the globe for their support in creating this exciting opportunity.



Robert J. Therrien
Chief Executive Officer and President

CORPORATE INFORMATION

DIRECTORS

Robert J. Therrien
Chief Executive Officer
and President,
Brooks Automation, Inc.

Roger D. Emerick
Board Member,
Lam Research Corporation

Juergen Giessmann
President, M&W Zander

Amin J. Khoury
Chairman of the Board,
B/E Aerospace, Inc.

OFFICERS

Robert J. Therrien
Chief Executive Officer
and President

Lynda M. Avallone
Vice President
and Corporate Treasurer

David R. Beaulieu
Vice President and
General Manager,
Vacuum Business Unit

Patrick Bolger
Vice President, Information
Management Services

Jeffrey A. Cassis
Vice President,
Global Sales and Support

Steven E. Hebert
Corporate Controller

K. Charles Janac
Vice President and
General Manager,
Atmospheric Business Unit

James A. Pelusi
Senior Vice President,
Factory Automation Division

Michael W. Pippins
Vice President, Global Operations
and Business Development

Ellen B. Richstone
Senior Vice President,
Finance and Administration and
Chief Financial Officer

Michael F. Werner
Senior Vice President, Operations

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www.equiserve.com

STOCK LISTING

The Company's common stock is traded in the Over-the-Counter Market under the symbol "BRKS" and quoted on the Nasdaq National Market. As of December 3, 1999, there were approximately 343 holders of record of the Company's common stock.

ANNUAL MEETING OF STOCKHOLDERS

The 2000 Annual Meeting of Stockholders will be held on Thursday, February 24, 2000 at 10:00 a.m. at 15 Elizabeth Drive, Chelmsford, MA 01824

DIVIDENDS

The Company has not paid cash dividends on its common stock and currently intends to retain earnings to finance future growth and, therefore, does not anticipate paying cash dividends in the foreseeable future.

INVESTOR RELATIONS

An electronic copy of the 1999 Annual Report and the 2000 Annual Meeting Proxy Statement is available online in the Investor Relations Section of the Company's website: www.brooks.com

Electronic copies of quarterly reports, 10Q's and recent news releases may also be found at the same online location.

Printed copies of investor packages, quarterly earnings reports, 10Q's and recent news releases are also available. Call, write, fax or e-mail:

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