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**ULTRATECH RECEIVES SIGNIFICANT MULTI-SYSTEM, FOLLOW-ON LASER SPIKE ANNEAL
ORDER FROM LARGE FOUNDRY IN ASIA
LSA100A Systems to Support 45-nm Production Ramp**

SAN JOSE, CA—October 22, 2010—Ultratech, Inc. (Nasdaq: UTEK), a leading supplier of lithography and laser-processing systems used to manufacture semiconductor devices and high-brightness LEDs (HB-LEDs), today announced that a large foundry in Asia has placed a significant multi-system, follow-on order for its laser spike anneal (LSA) tools. Ultratech’s LSA100A systems will be used to support the foundry’s 45-nm production ramp. Built on Ultratech’s customizable Unity Platform™, the LSA100A system provides considerable cost-of-ownership (CoO) advantages and operational flexibility to process various product types without negatively impacting yield. Ultratech plans to begin delivery of the systems in the fourth quarter of 2010.

Ultratech has LSA systems at all the major logic foundries and, as a result, has become the foundries’ tool of choice for advanced annealing applications. The continued adoption of Ultratech’s LSA technology is driven by demand for leading-edge consumer devices, such as smartphones, PCs and tablets. Ultratech expects this trend to continue as today’s consumer devices become increasingly more feature rich within shrinking form factors, and the need to reduce leakage and extend battery life for mobile devices becomes ever-more critical.

“Based on the success of its existing LSA systems, this top-tier customer placed a follow-on order for multiple LSA100A tools to support its 45-nm production ramp,” stated Jeff Hebb, Ph.D., vice president of laser product marketing at Ultratech. “Foundries require a cost-effective solution that has the flexibility to process different product layouts without negatively affecting yield. For advanced CMOS manufacturing, the LSA100A delivers improved device performance and lower leakage along with superior within-die uniformity, layout-independent process results, and closed-loop wafer temperature control. As a result, our foundry customers have the capability to seamlessly transfer their LSA processes from one product layout to the next. For the foundry environment where there are many products, this operational flexibility is critical. We greatly value this foundry customer and will continue to develop leading-edge, low-risk solutions for our global customers’ advanced annealing requirements.”

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Certain of the statements contained herein, which are not historical facts and which can generally be identified by words such as “anticipates,” “expects,” “intends,” “will,” “could,” “believes,” “estimates,” “continue,” and similar expressions, are forward-looking statements under Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, that involve risks and uncertainties, such as risks related to timing, delays, deferrals and cancellations of orders by customers, including as a result of semiconductor manufacturing capacity as well as our customers' financial condition and demand for semiconductors; demand for consumer devices; industry growth within the company's served markets; continued delivery of financial performance and value; cyclicalities in the semiconductor and nanotechnology industries; general economic and financial market conditions including impact on capital spending, as well as difficulty in predicting changes in such conditions; rapid technological change and the importance of timely product introductions; customer concentration; our dependence on new product introductions and market acceptance of new products and enhanced versions of our existing products; lengthy sales cycles, including the timing of system installations and acceptances; lengthy and costly development cycles for laser-processing and lithography technologies and applications; integration, development and associated expenses of the laser processing operation; pricing pressures and product discounts; high degree of industry competition; intellectual property matters; changes in pricing by us, our competitors or suppliers; international sales; timing of new product announcements and releases by us or our competitors; ability to volume produce systems and meet customer requirements; sole or limited sources of supply; effect of capital market fluctuations on our investment portfolio; ability and resulting costs to attract or retain sufficient personnel to achieve our targets for a particular period; dilutive effect of employee stock option grants on net income per share, which is largely dependent upon our achieving and maintaining profitability and the market price of our stock; mix of products sold; outcome of litigation; manufacturing variances and production levels; timing and degree of success of technologies licensed to outside parties; product concentration and lack of product revenue diversification; inventory obsolescence; asset impairment; changes to financial accounting standards; effects of certain anti-takeover provisions; future acquisitions; volatility of stock price; foreign government regulations and restrictions; business interruptions due to natural disasters or utility failures; environmental regulations; and any adverse effects of terrorist attacks in the United States or elsewhere, or government responses thereto, or military actions in Iraq, Afghanistan and elsewhere, on the economy, in general, or on our business in particular. Such risks and uncertainties are described in Ultratech's SEC reports including its Annual Report on Form 10-K filed for the year ended December 31, 2009 and Quarterly Report on Form 10Q for the quarter ended July 3, 2010. Due to these and additional factors, the statements, historical results and percentage relationships set forth herein are not necessarily indicative of the results of operations for any future period. These forward-looking statements are based on management's current beliefs and expectations, some or all of which may prove to be inaccurate, and which may change. We undertake no obligation to revise or update any forward-looking statements to affect any event or circumstance that may arise after the date of this release.

About Ultratech: Ultratech, Inc. (Nasdaq: UTEK) designs, manufactures and markets photolithography and laser processing equipment. Founded in 1979, the company's market-leading advanced lithography products deliver high throughput and production yields at a low, overall cost of ownership for bump packaging of integrated circuits and high-brightness LEDs (HB-LEDs). A pioneer of laser processing, Ultratech developed laser spike anneal technology, which increases device yield, improves transistor performance and enables the progression of Moore's Law for 45-nm and below production of state-of-the-art consumer electronics. Visit Ultratech online at: www.ultratech.com.

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Unity Platform is a trademark of Ultratech, Inc.