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ULTRATECH INTRODUCES SAPPHIRE 100 LITHOGRAPHY SYSTEM FOR HBLED MANUFACTURING

New System Developed to Enable the HBLED Manufacturing Industry

SAN JOSE, CA—February 9, 2010—Ultratech, Inc. (NasdaqGM: UTEK), a leading supplier of lithography and laser-processing systems used to manufacture semiconductor devices, today introduced its newest lithography system, the Sapphire 100 for high-brightness light-emitting diode (HBLED) manufacturing. By leveraging its lithography and technology leadership, the Sapphire 100 lithography system is designed to enable Ultratech customers to meet the growing demand for illumination products with HBLED technology. Today this demand is driven by strong growth in LED backlighting applications, with even greater potential from energy savings as the world intensifies its energy conservation efforts with the implementation of LED-based, solid state lighting. Currently in beta, Ultratech's production-ready Sapphire 100 lithography system will be available in the second half of 2010.

According to Strategies Unlimited, illumination is expected to become the fastest growing segment of HBLEDs (2007 - 2012 CAGR of 36 percent). Future growth in the LED lighting market is expected to come from a mix of sources, such as street and parking lights, and indoor residential and office applications. It is estimated that the potential annual energy cost savings is in the \$10 billion - \$100 billion per country. Building on this expectation, Ultratech has designed the Sapphire 100 to provide competitive advantages for its HBLED manufacturing customers.

Doug Anberg, Ultratech's vice president of advanced stepper technology, noted, "Today, approximately 25 percent of electricity is used for lighting. As energy conservation efforts continue to increase, we expect lighting products with HBLED technology to be in high demand. The development of our Sapphire 100 system is an example of our long track record of anticipating industry trends and providing high value to meet the changing needs of our global customers. We look forward to working with leading HBLED manufacturers and to establish their competitive advantages with Ultratech lithography systems for the burgeoning illumination market."

Sapphire 100 Lithography System

Building upon the cost and performance advantages of the highly reliable 1500 platform, the Sapphire 100 system offers the added advantage of Ultratech's patented Machine Vision System (MVS). The MVS delivers alignment flexibility with significant advantages over standard alignment techniques. The Sapphire 100 was specifically designed to meet the wide range of lithography needs for the HBLED manufacturing industry.

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; cyclicity 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, 2008 and Quarterly Report on Form 10Q for the quarter ended October 3, 2009. 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. (NasdaqGM: 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. 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 65-nm and below production of state-of-the-art consumer electronics. Visit Ultratech online at: www.ultratech.com.

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