

Registration No. 333-33668

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

AMENDMENT NO. 1

TO
FORM S-1
REGISTRATION STATEMENT
UNDER THE SECURITIES ACT OF 1933

ENTEGRIS, INC.
(Exact name of registrant as specified in its charter)

Minnesota (State or other jurisdiction of incorporation or organization)	3089 (Primary Standard Industrial Classification Code Number)	41-1941551 (I.R.S. Employer Identification No.)
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3500 Lyman Boulevard Chaska, Minnesota 55318 (952) 556-3131 (Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)	Stan Geyer Chief Executive Officer Entegris, Inc. 3500 Lyman Boulevard Chaska, Minnesota 55318 (952) 556-3131 (Name, address, including zip code, and telephone number, including area code, of agent for service)
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Copies to:	
John T. Kramer, Esq. Dorsey & Whitney LLP Pillsbury Center South 220 South Sixth Street Minneapolis, Minnesota 55402-1498	Christopher D. Lueking, Esq. Latham & Watkins 233 South Wacker Drive Suite 5800 Chicago, Illinois 60606

Approximate date of proposed sale to the public:
As soon as practicable after the Registration Statement becomes effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, as amended (the "Securities Act"), check the following box. ☐

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If delivery of the Prospectus is expected to be made pursuant to Rule 434, please check the following box. ☐

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Common Stock, \$.01 par value.....	\$239,200,000	(1)

(1) The registration fee, calculated in accordance with Rule 457(o) under the Securities Act of 1933 based on the proposed maximum aggregate offering price of \$239,200,000, has been previously paid.

The registrant hereby amends this Registration Statement on such date or

dates as may be necessary to delay its effective date until the registrant shall file a further amendment that specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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+The information in this prospectus is not complete and may be changed. We may +
+not sell these securities until the registration statement filed with the +
+Securities and Exchange Commission is effective. This prospectus is not an +
+offer to sell these securities and we are not soliciting offers to buy these +
+securities in any state where the offer or sale is not permitted. +
+++++

SUBJECT TO COMPLETION, DATED MAY 5, 2000

13,000,000 Shares
[Entegris Logo] Common Shares

Entegris, Inc. is offering 8,600,000 common shares, and the selling
shareholders are offering 4,400,000 common shares in a firmly underwritten
offering. Entegris will not receive any of the proceeds from the sale of shares
by the selling shareholders. This is Entegris' initial public offering, and no
public market currently exists for Entegris' common shares. Entegris
anticipates that the initial public offering price for its shares will be
between \$15.00 and \$17.00 per share. After the offering, the market price for
Entegris' shares may be outside of this range.

We have applied to list our common shares on the Nasdaq National Market under
the symbol "ENTG."

Investing in the common shares involves a high degree of risk. See "Risk
Factors" beginning on page 7.

	Per Share Total	
	-----	-----
Offering Price	\$	\$
Discounts and Commissions to Underwriters	\$	\$
Offering Proceeds to Entegris	\$	\$
Offering Proceeds to the Selling Shareholders	\$	\$

Neither the Securities and Exchange Commission nor any state securities
commission has approved or disapproved of these securities or determined if
this prospectus is truthful or complete. Any representation to the contrary is
a criminal offense.

Entegris, Inc. has granted the underwriters the right to purchase up to an
additional 1,290,000 common shares from Entegris and a selling shareholder has
granted the underwriters the right to purchase up to 660,000 shares from that
selling shareholder to cover over-allotments. The underwriters can exercise
this right at any time within thirty days after the offering. Banc of America
Securities LLC expects to deliver the common shares to investors on ,
2000.

Banc of America Securities LLC

Donaldson, Lufkin & Jenrette

Salomon Smith Barney

U.S. Bancorp Piper Jaffray

The date of this Prospectus is , 2000.

Photo of silicon wafer

Safely storing, handling, processing and transporting critical materials throughout the microelectronics industry

Enabling THE WORLD'S TECHNOLOGIES THROUGH Materials Integrity

[Logo]

Our products enable the microelectronics industry by assuring the integrity of our customers' materials from production to consumption.

MICROELECTRONICS

OTHER MARKETS

Bio-pharmaceutical
Custom Medical
Telecommunications
Industrial and Other

Our custom products enable new technologies and applications such as live bacteria manufacturing techniques and miniaturization for telecommunications

SEMICONDUCTOR MANUFACTURING PROCESS DISK MANUFACTURING
FRONT END BACK END

Wafer Manufacturing Wafer Handling Chemical Delivery Test, Assembly
and Packaging

[Photo of 300mm Shipper] [Photo of 100 to 200mm Shippers with caption stating: Our wafer manufacturing products preserve the integrity of raw wafers during shipment from wafer manufacturers to semiconductor manufacturers]

[Photo of 100 to 200mm Carriers] [Photo of 300mm Carriers with caption stating: Our wafer handling products hold and position wafers during semiconductor processing, including precise interfaces with automation and manufacturing equipment]

[Photo of Containers] [Photo of Valve, Tubing, Fitting, Pipe]

[Photo of Transducers] [Photo of Fluid Handling Systems with caption stating: Our chemical delivery products provide consistent and safe delivery of sophisticated chemicals from chemical manufacturers to semiconductor manufacturers' point-of-use]

[Photo of JEDEC/Matrix Trays] [Photo of Bare Die Trays with caption stating: Our test, assembly and packaging products preserve the integrity of wafers and die during transportation to back-end operations by avoiding electrostatic discharge and contamination]

[Photo of Disk Shipper with caption stating: Our disk products prevent degradation and damage to critical data storage components]

[Logo]

[Photos of various products that utilize integrated circuits and of microelectronics manufacturing processes]

You should rely only on the information contained in this prospectus. We have not authorized anyone to provide you with information that is different. We are offering to sell, and seeking offers to buy, common shares only in jurisdictions where offers and sales are permitted. This prospectus may only be used where it is legal to sell these securities. In this prospectus, references to "Entegris," "we," "us" and "our" refer to Entegris, Inc., together with our consolidated subsidiaries.

Our fiscal year is a 52 or 53 week period ending on the last Saturday of each August. Our last five fiscal years ended on the following dates: August 26, 1995; August 31, 1996; August 30, 1997; August 29, 1998; and August 28, 1999. Fiscal years are identified in this prospectus according to the calendar year in which they end. For example, the fiscal year ended August 28, 1999 is referred to as "fiscal 1999." For convenience, the financial information included in this prospectus has been presented as ending on the last day of the month.

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"Entegris" is a trademark of Entegris, Inc. in the United States and other jurisdictions. Registration of "Entegris" is pending in the United States and in other jurisdictions and registration of the Entegris logo is pending in the United States. This prospectus also contains registered trademarks of Entegris and registered trademarks and service marks of other entities.

PROSPECTUS SUMMARY

This summary highlights selected information contained elsewhere in this prospectus. This summary does not contain all of the information that you should consider before investing in our common shares. You should read the entire prospectus carefully before making an investment decision. This prospectus contains forward-looking statements which involve risks and uncertainties. Our results could differ significantly from those anticipated in these forward-looking statements as a result of various factors, including those set forth in "Risk Factors" and the consolidated financial statements and the related notes. Except as otherwise indicated, all information in this prospectus assumes no exercise of the underwriters' over-allotment option and gives effect to a 2-for-1 stock split of the Entegris common shares to be effective prior to the completion of this offering.

Entegris

We are a leading provider of materials management solutions to the microelectronics industry including, in particular, the semiconductor manufacturing and disk manufacturing markets. Our materials management solutions for the semiconductor industry assure the integrity of materials as they are handled, stored, processed and transported throughout the semiconductor manufacturing process. These solutions enable our customers to protect their investment in work-in-process and finished devices by facilitating the safe handling, purity and precision processing of the critical materials used in their manufacturing process.

Semiconductors are the building blocks of today's electronics and the backbone of the information age. An increasing variety of new markets and applications, such as wireless communications devices, network infrastructure and Internet appliances, has driven the demand for semiconductors with enhanced performance characteristics. As a result, semiconductors have become increasingly complex, with smaller feature sizes and shorter product life cycles, resulting in a more costly and complex manufacturing process. To improve manufacturing productivity and efficiency, semiconductor manufacturers have historically implemented yield management and automation technologies. Because significant productivity gains from implementing these technologies have for the most part already been realized, semiconductor manufacturers are now increasingly focused on improving materials management. Productivity gains can be achieved by preventing the damage and degradation of materials used or consumed throughout the manufacturing process and by improving the predictability of that process. Wafer processing can involve as many as 500 steps and take up to six weeks. As a result, a batch of 25 fully processed wafers can cost more than \$1 million. Damage to a processed wafer can severely impact integrated circuit performance or render an integrated circuit inoperable. Thus, it is critical to ensure safe and reliable wafer processing throughout the manufacturing process. The need for efficient and reliable materials management is becoming increasingly important to semiconductor manufacturers as new materials are introduced and as 300mm wafer technology becomes more prevalent.

Throughout our 34-year history, we have been a leading provider of materials management solutions for the semiconductor industry. We have extensive expertise in the development of polymer materials and we believe that we have the broadest product line of standard and customized products. We have eleven worldwide manufacturing facilities which enable us to provide local delivery, advanced manufacturing capabilities and the capacity to meet customer demand requirements. Our materials management products, such as wafer shippers, wafer transport and process carriers, pods and work-in-process boxes, preserve the integrity of wafers as they are transported from wafer manufacturers to semiconductor manufacturers, processed into finished wafers and integrated circuits and subsequently tested, assembled and packaged. We also provide chemical delivery products, such as valves, fittings, tubing, pipe and containers, that assure the consistent and safe delivery of sophisticated chemicals between chemical manufacturers and semiconductor manufacturers' point-of-use.

We believe we are a technology leader in providing materials handling solutions for the microelectronics industry. We are a leading designer and manufacturer of 300mm wafer materials management solutions with products such as front opening unified pods and reduced-pitch front opening shipping boxes. In addition, our innovative designs and our use of high purity, corrosion resistant fluid handling materials have made us a recognized leader in high purity fluid transfer products. Our chemical delivery product line represents a number of industry firsts, including:

- .the first perfluoroalkoxy, or PFA, fusion-bonded piping;
- .the first valves with no metal parts in the fluid stream;
- . the first nonmetallic capacitive sensors to successfully perform in harsh environments at high temperatures; and
- . the first PFA pinch valve.

More recently, our Galtek SG Series valve received the 1999 Editor's Choice Best Product award from Semiconductor International magazine for its ability to maintain industry flow capacity standards despite its small size.

Our objective is to build upon our leadership position in materials management solutions for the semiconductor device, equipment and materials industries, as well as apply our expertise to the growing materials management needs of other industries. The key elements of our strategy to achieve this objective are:

- . expand technological leadership;
- . broaden product offering;
- . enhance relationships with customers and suppliers;
- . expand in Japan;
- . pursue selective acquisitions; and
- . expand into new industries.

We sell our products worldwide to over 1,000 customers, who represent a broad base of leading suppliers to the microelectronics industry. Our customers in the semiconductor industry include wafer manufacturers, chemical suppliers, equipment manufacturers, device manufacturers and assemblers. International sales represented approximately 45.1% of our sales in fiscal 1998, 47.9% of our sales in fiscal 1999, and 47.7% of our sales in the six months ended February 28, 2000. We provide our customers with a worldwide network of sales and support personnel, which enable us to offer local service to our global customer base and assure the timely and cost-effective delivery of our products.

Entegris was incorporated under the laws of the State of Minnesota in 1999 as part of a consolidation of Fluoroware, Inc. and Empak, Inc., both of which are now wholly-owned subsidiaries of Entegris. Fluoroware and Empak are Minnesota corporations. Fluoroware has been in business since 1966 and Empak has been in business since 1980. Our principal executive offices are located at 3500 Lyman Boulevard, Chaska, Minnesota 55318, and our telephone number is (952) 556-3131. The address of our web site is www.entegris.com. Information contained on our web site is not part of this prospectus.

The Offering

Common shares offered by Entegris..... 8,600,000 shares

Common shares offered by the selling 4,400,000 shares
shareholders.....

Common shares to be outstanding after this 67,320,700 shares
offering.....

Use of proceeds..... Retirement of debt, working
capital and general corporate
purposes. We may also use a
portion of the proceeds to
acquire complementary
businesses. See "Use of
Proceeds."

Proposed Nasdaq National Market symbol..... ENTG

The number of common shares to be outstanding after this offering is based on the number of shares outstanding as of February 28, 2000, and does not reflect the following:

- . 7,263,972 shares subject to stock options currently outstanding at a weighted average exercise price of \$3.62 per share;
- . 351,898 shares redeemed since February 28, 2000 from former employees, which had been previously distributed by our Employee Stock Ownership Plan and which we were required to redeem pursuant to the terms of the Plan;
- . 30,808 shares issued since February 28, 2000;
- . 6,881,078 common shares reserved for future grants of options under our stock option plans and future issuances of stock under our Employee Stock Purchase Plan; and
- . 1,290,000 shares that the underwriters may purchase from us to cover over-allotments, if any.

Summary Consolidated Financial Data
(in thousands, except per share data)

	Fiscal Year Ended August 31,					Six Months Ended February 28,	
	1995	1996	1997	1998	1999	1999	2000
Consolidated Statement of Operations Data:							
Net sales.....	\$193,284	\$271,037	\$277,290	\$266,591	\$241,952	\$111,590	\$156,662
Cost of sales.....	104,513	149,042	161,732	156,508	148,106	72,026	85,260
Gross profit.....	88,771	121,995	115,558	110,083	93,846	39,564	71,402
Selling, general and administrative expenses.....	43,284	62,390	62,384	65,536	64,336	28,896	34,962
Engineering, research and development expenses.....	9,776	12,447	17,986	19,912	14,565	7,571	6,234
Operating profit.....	35,711	47,158	35,188	24,635	14,945	3,097	30,206
Interest expense, net..	2,782	4,582	6,652	6,995	5,498	3,040	2,020
Other (income) expense, net.....	(1,010)	(1,396)	2,201	(273)	(1,850)	(1,312)	(6,282)
Income before income taxes and other items below.....	33,939	43,972	26,335	17,913	11,297	1,369	34,468
Income tax expense.....	12,596	16,109	10,578	4,536	4,380	89	11,589
Equity in net (income) loss of affiliates....	(3,347)	(3,252)	(1,750)	118	1,587	1,196	(582)
Minority interest in subsidiaries' net income (loss).....	1,601	2,898	573	176	(399)	(16)	348
Net income (1).....	\$ 23,089	\$ 28,217	\$ 16,934	\$ 13,083	\$ 5,729	\$ 100	\$ 23,113
Earnings per common share (1):							
Basic.....	\$ 0.36	\$ 0.46	\$ 0.28	\$ 0.22	\$ 0.10	\$ 0.00	\$ 0.39
Diluted.....	\$ 0.35	\$ 0.44	\$ 0.27	\$ 0.21	\$ 0.09	\$ 0.00	\$ 0.36
Weighted average common shares:							
Basic.....	64,034	61,676	59,967	60,747	60,270	60,541	59,824
Diluted.....	65,396	63,500	61,786	61,492	62,220	61,611	64,699

February 28, 2000	
Actual	As Adjusted(2)

Consolidated Balance Sheet Data:	
Cash and cash equivalents.....	\$ 25,029 \$114,029
Working capital.....	69,504 163,504
Total assets.....	266,540 355,540
Long-term debt and capital lease obligations, excluding current maturities.....	50,770 17,770
Total liabilities and minority interest.....	123,571 85,571
Redeemable Employee Stock Ownership Trust common stock.....	202,980 --
Shareholders' equity (deficit).....	(60,011) 269,969

(1) Net income and per share figures exclude loss from discontinued operations of \$1,503,000, or \$0.02 per share diluted, in fiscal 1995 and income from discontinued operations of \$455,000, or \$0.01 per share diluted, in fiscal 1996.

(2) As adjusted to reflect (a) the sale of 8,600,000 common shares by us offered in this prospectus at an assumed offering price of \$16.00 per share, assuming no exercise of the underwriters' over-allotment option, and the application of a portion of the estimated net proceeds, after deducting the underwriting discounts and commissions and our estimated offering expenses, to repay approximately \$38 million of debt (see "Capitalization") and (b) the reclassification of redeemable Employee Stock Ownership Trust common shares no longer redeemable upon the consummation of the Company's initial public offering.

RISK FACTORS

You should carefully consider the following risk factors and all other information contained in this prospectus before purchasing our common shares. Investing in our common shares involves a high degree of risk. The risks and uncertainties described below are not the only ones that we face. Additional risks and uncertainties not presently known to us or that we currently believe are immaterial also may impair our business operations. If any of the events described in the following risks occur, our business, operating results and financial condition could be significantly harmed. In addition, the trading price of our common shares could decline due to any of the events described in these risks, and you may lose all or part of your investment.

Industry Risk

The semiconductor industry is highly cyclical, and an industry downturn would reduce revenue and profits.

Our business depends on the purchasing patterns of semiconductor manufacturers, which, in turn, depend on the current and anticipated demand for semiconductors and products utilizing semiconductors. The semiconductor industry is highly cyclical and historically has experienced periodic downturns, which often have resulted in decreased expenditures by semiconductor manufacturers. These downturns, which occurred most recently in 1996 and 1998, have harmed our sales, gross profits and operating results. Furthermore, even in periods of reduced demand, we must continue to maintain a satisfactory level of research and development expenditures and continue to invest in our infrastructure. We expect the semiconductor industry to continue to be cyclical. Any future downturns will reduce revenue and possibly increase pricing pressure.

Our revenue and operating results may fluctuate in future periods, which could harm our share price.

Our sales and operating results can vary significantly from quarter to quarter. Because our expense levels are relatively fixed in the short-term, an unanticipated decline in revenue in a particular quarter could disproportionately affect our net income in that quarter. In addition, because we typically do not have significant backlog, changes in order patterns have a more immediate impact on our revenues. The 1998 downturn in the semiconductor industry resulted in a decline in our net income from \$16.9 million in fiscal 1997 to \$13.1 million in fiscal 1998 and a further decline to \$5.7 million in fiscal 1999. We anticipate that fluctuations in operating results will continue in the future. Such fluctuations in our results could cause our share price to decline substantially. We believe that period-to-period comparisons of our results of operations may not be meaningful, and you should not rely upon them as indicators of our future performance.

Our industry is subject to rapid technological change, and we may fail to successfully anticipate customer needs and develop new products.

The microelectronics industry is subject to rapid technological change, changing customer requirements and frequent new product introductions. Because of this, the life cycle of our products is difficult to determine. Our future success will depend, to a significant extent, on our ability to keep pace with changes in the market and on our ability to enhance our current products and introduce new products. For example, we must continue to identify new polymers, improve our product design and qualify our products with our customers. We might not successfully develop and introduce new products and materials in a timely and cost-effective manner. Any product enhancements or new products developed by us might not gain market acceptance. In addition, products or technologies developed by competitors could make our products or technologies obsolete or less competitive. If we do not anticipate or respond adequately to technological developments or customer requirements, we could lose market share or miss market opportunities.

International Risks

We are dependent upon sales outside the United States and a substantial portion of our growth is expected to be in international markets.

International sales accounted for 45.1% of our revenues in fiscal 1998, 47.9% in fiscal 1999 and 47.7% in the six months ended February 28, 2000. We anticipate that sales outside the United States will be an

increasing percentage of our revenues as we pursue our international growth strategy. A significant portion of our revenues will therefore be subject to risks associated with sales in markets outside the United States, including:

- . export controls;
- . unexpected changes in legal and regulatory requirements and policy changes affecting the markets for semiconductor technology;
- . difficulties in accounts receivable collection;
- . difficulties in managing sales representatives or distributors;
- . difficulties in staffing and managing foreign operations;
- . difficulties in protecting our intellectual property outside the United States; and
- . potentially adverse tax consequences.

These risks could increase the cost of doing business internationally and could prohibit or hinder our ability to do business in certain countries.

Taiwan accounts for a growing portion of the world's semiconductor manufacturing. There are currently strained relations between China and Taiwan. Any adverse development in those relations could significantly impact the worldwide production of semiconductors, which would lead to reduced sales of our products.

The value of the U.S. dollar in relation to other currencies may also harm our sales to customers outside the United States. For the six months ended February 28, 2000, approximately 22% of our sales revenue was not denominated in U.S. dollars, which exposes us to currency fluctuations. We intend to expand internationally, and to the extent that we do so or change our pricing practices to denominate prices in other currencies, we will be exposed to increased risks of currency fluctuations as well as the increased risks of doing business internationally.

An increased concentration of wafer manufacturing in Japan could result in lower sales of our wafer management and shipping products.

A large percentage of the world's wafer manufacturing currently takes place in Japan. Our market share in Japan is currently low, and we believe that we must increase our manufacturing capabilities in Japan in order to improve our market share. If we are not able to successfully expand our manufacturing capability and market share in Japan, we might not be able to maintain our global market share in wafer manufacturing and handling products, especially if wafer manufacturing in Japan increases.

Regulatory compliance impacts delivery times and reduces our ability to be competitive in certain countries.

We are subject to federal, state, local and foreign regulations. Compliance with future regulations, including environmental regulations in the United States and abroad, could require us to incur substantial costs. If we do not comply with current or future regulations, directives and standards:

- . we could be subject to fines;
- . our production could be suspended or delivery could be delayed; and
- . we could be prohibited from offering particular products in specified markets.

Certain of our fluid handling products fall within the scope of U.S. export licensing regulations pertaining to products that could be used in connection with chemical weapons processes. These regulations require us to obtain licenses to ship some of our products to customers in certain countries, and we routinely apply for and

obtain export licenses. The applicable export licensing regulations frequently change. Moreover, the types and categories of products that are subject to export licensing are often described in the regulations in general terms and could be subject to differing interpretations. We are currently cooperating with the United States Department of Commerce to clarify our licensing practices and to review our practices with respect to sales of products to certain countries in recent years. The review relates to sales of approximately \$100,000 in fiscal 1999. The review does not relate to any product sales in fiscal 2000. While the Department of Commerce review is pending, we have been applying for export licenses with respect to ongoing orders for those same products from customers in the countries that are the subject of the review, and the Department of Commerce has been granting licenses for these sales. Nevertheless, the Department of Commerce may determine that some of our past practices were not in compliance with export licensing regulations, which could subject us to penalties. Any denial or delay in the issuance of future export licenses could result in lost sales.

We are dependent on Metron Technology N.V. for a substantial portion of our sales, and our ability to influence Metron has been diminished.

For the period ended August 31, 1999, we derived 14.3% of our revenues from customers that purchase our products through Metron Technology N.V., which distributes our products in parts of Europe, Asia and the United States. Any negative material event relating to Metron may impact our business. For example, Metron's sales could decline or Metron could choose to sell our competitors' products instead of our products.

In November 1999, Metron completed an initial public offering and our ownership of Metron decreased from 32.8% to 20.8%. Although we retain a significant ownership stake in Metron, we now have less influence on Metron's business and decision making, and Metron may make decisions regarding the conduct of its business that could harm us and over which we have no control.

Relationships with joint venture partners affect our ability to do business internationally.

We have entered into joint venture agreements intended to complement or expand our manufacturing and distribution operations in Japan and Korea. The success of our joint ventures depends in part on our ability to strengthen our relationships with our joint venture partners. If we do not develop and maintain good relationships with joint venture partners, we will be less able to successfully penetrate international markets.

Economic difficulties in countries in which we sell our products could lead to a decrease in demand for our products.

The volatility of general economic conditions as well as fluctuations in currency exchange and interest rates can lead to decreased demand in countries in which we sell products. For example, in 1997 and 1998, many Asian countries experienced economic and financial difficulties. During this period, our sales to customers in Asia declined. Moreover, any economic, banking or currency difficulties experienced by countries in which we have sales may lead to economic recession in those countries. This in turn could result in a reduction in sales to customers in these countries.

Manufacturing Risks

Our dependence on single and limited source suppliers could affect our ability to manufacture our products.

We rely on single and limited source suppliers for some of the advanced polymers that are critical to the manufacturing of our products. At times, we have experienced a limited supply of some of these polymers, which resulted in delays and increased costs. An industry-wide increase in demand for these polymers could affect the ability of our suppliers to provide sufficient quantities to us. If we are unable to obtain an adequate quantity of such supplies, our manufacturing operations may be interrupted. Obtaining alternative sources could result in increased costs and shipping delays, which could decrease profitability and damage our relationships with current and potential customers.

Prices for polymers have varied widely in recent years. We have a long-term contract with a key supplier of polymers that fixes our price for purchases of up to specified quantities. If our polymer requirements exceed the quantities specified in the contract, we could be exposed to higher material costs. If the cost of polymers increases and we are unable to correspondingly increase the sales price of our products, our profit margins would decline.

We may experience manufacturing difficulties because of the increasing complexity of our production processes.

Our manufacturing processes are complex and require the use of expensive and technologically sophisticated equipment and materials. These processes are frequently modified to improve manufacturing yields and product quality. We have on occasion experienced manufacturing difficulties, such as temporary shortages of raw materials and occasional critical equipment breakdowns, that have delayed deliveries to customers. A number of our product lines are manufactured at only one or two facilities, and any disruption could impact our sales until another facility could commence or expand production of such products.

Our manufacturing operations are subject to numerous risks, including:

- . the introduction of impurities in the manufacturing process that could lower manufacturing yields and make our products unmarketable;
- . the costs and demands of managing and coordinating geographically diverse manufacturing facilities; and
- . the disruption of production in one or more facilities as a result of a slowdown or shutdown in another facility.

We could experience these or other manufacturing difficulties, which might result in a loss of customers and exposure to product liability claims.

We may be unable to procure and maintain capital equipment necessary for our many products.

Internally designing and producing new complex tools or purchasing additional capital equipment can take several months. If our existing equipment fails, or we are unable to obtain new equipment quickly enough to satisfy any increased demand for our products, we may lose sales to competitors. In particular, we do not maintain duplicate tools for most of our important products. Fixing or replacing complex tools is time consuming, and we may not be able to replace a damaged tool in time to meet customer requirements.

We generally have no written contracts with our customers, which diminishes our ability to plan for future manufacturing needs.

As is typical in our industry, our sales are primarily made on a purchase order basis and we have few written purchase contracts with our customers. Customers may choose to delay or cancel orders. As a result, we cannot predict the level of future sales or commitments from our current customers, which diminishes our ability to effectively allocate labor, materials and equipment in the manufacturing process.

We may not be able to protect our intellectual property, which may limit our ability to compete.

Our success depends in part on our proprietary technology. We attempt to protect our intellectual property rights primarily through patents, trademarks and non-disclosure agreements. However, we might not be able to protect some of our technology, and competitors might be able to develop similar technology independently. In addition, the laws of certain foreign countries might not afford our intellectual property the same protection as do the laws of the United States. The costs of applying for patents in foreign countries and translating the applications into foreign languages require us to select carefully the inventions for which we apply for patent protection and the countries in which we seek such protection. Generally, we have concentrated our efforts on obtaining international patents in Europe, Japan and Taiwan because there are competing manufacturers in

those countries, as well as current and potential customers. Our inability or failure to obtain adequate patent protection in a particular country could harm our ability to compete effectively in that country. Our patents also might not be sufficiently broad to protect our technology, and any existing or future patents might be challenged, invalidated or circumvented. Additionally, our rights under our patents may not provide competitive advantages.

Litigation may be necessary to defend us against claims of intellectual property infringement, which if successful could cause us to pay significant damage awards or prevent us from manufacturing or selling our products.

Some of our current or future products could infringe patents or proprietary rights of others. Litigation may be necessary to enforce patents issued to us, to protect our trade secrets or know-how, to defend ourselves against claimed infringement of the rights of others or to determine the scope and validity of the proprietary rights of others. Litigation could result in substantial cost and diversion of our efforts. Moreover, an adverse determination in any litigation could cause us to lose proprietary rights, subject us to significant liabilities to third parties, require us to seek licenses or alternative technologies from third parties, or prevent us from manufacturing or selling our products.

Operating Risks

We may not be able to attract and retain key personnel and provide liquidity to our ESOP participants.

Our success depends upon the continued efforts of our senior management team and our technical, manufacturing, marketing and sales personnel. These employees may voluntarily terminate their employment with us at any time. Our success also depends on our ability to attract and retain additional highly qualified management, manufacturing, technical, marketing and sales personnel. Competition for such personnel in the technology and semiconductor industries is particularly intense. Recruiting and hiring employees with the combination of skills and attributes required to conduct our business is extremely competitive, time-consuming and expensive.

Approximately one-third of our work force are participants in our Employee Stock Ownership Plan, which held 20,385,514 of our common shares as of April 30, 2000. Participants have no right, with limited exceptions, to receive their ESOP shares until after termination of their employment. The significant value of the ESOP shares and the limited ability to obtain and control these shares while employed may be important factors that many employees might consider when determining whether to continue their employment with us.

We may not be able to successfully retain existing manufacturing personnel or identify, hire and train new manufacturing personnel. The U.S. economy's long period of expansion and high rate of employment have increased the difficulty of recruiting qualified manufacturing personnel, such as operators of our manufacturing equipment. If a significant number of manufacturing personnel were to voluntarily terminate their employment with us, our production would be disrupted and shipments might be delayed.

We may not be able to identify, complete or successfully integrate future acquisitions.

One of our strategies is to expand by acquiring other businesses, technologies or product lines. However, we currently have no commitments or agreements with respect to any acquisition. We might not be able to successfully identify, negotiate or finance any acquisitions, or integrate such acquisitions with our current business, which could diminish our ability to expand our business and remain competitive. Moreover, expansion could require significant management time and resources.

The semiconductor materials management industry is highly competitive and competition could intensify as the industry further consolidates.

We face substantial competition from a number of companies, some of which have greater financial, marketing, manufacturing and technical resources. Because of an industry trend toward consolidation, larger

providers of materials management solutions and products could emerge, with potentially broader product lines. Larger competitors could spend more on research and development, which could give those competitors an advantage in meeting customer demand. We expect that existing and new competitors will improve the design of their existing products and will introduce new products with enhanced performance characteristics. The introduction of new products or more efficient production of existing products by our competitors could increase pricing pressure on our products. Further, customers continue to demand lower prices, shorter delivery times and enhanced product capability. If we do not respond adequately to such pressures, we could lose customers or orders. If we are unable to compete successfully, we could experience pricing pressures, reduced gross margins and order cancellations.

Lack of market acceptance of our 300mm products could harm our operating results.

The growing trend toward the use of 300mm wafers has contributed to the increasing complexity of the semiconductor manufacturing process. The greater diameter of these wafers requires higher tooling costs and presents more complex handling, storage and transportation challenges. We are making substantial investments to complete a full line of 300mm wafer manufacturing and handling products. Our customers may not adopt our 300mm wafer manufacturing and handling product lines. If we are not a leader in the 300mm market, the market share for our other products could decline. In addition, if the trend toward 300mm wafer manufacturing does not evolve as we anticipate, sales of our products for these applications would be minimal and we might not recover our development costs.

Our management information and financial reporting systems are not fully integrated and need to be upgraded, which will be costly. If these new systems are not successfully implemented, our business may be harmed.

The management information and financial reporting systems that we use in our day-to-day operations are not fully integrated. We will need to continue to invest in these systems in order to maintain our current level of business and accommodate any future growth. We anticipate that the total costs associated with upgrading and integrating our systems will be approximately \$8 to \$10 million over the next two to four years. Our failure to successfully upgrade and integrate our management information and financial reporting systems may disrupt our business, create inefficiencies due to the lack of centralized data, result in unnecessarily high levels of inventories, and increase expenses associated with additional employees to compensate for the lack of fully integrated systems.

We encounter difficulties in soliciting customers of our competitors because customers tend to standardize materials handling procedures and are reluctant to change their standardized manufacturing processes.

Once an original equipment manufacturer or a microelectronics manufacturer has selected particular materials management products, that manufacturer generally incorporates those products into customized manufacturing procedures, assuring precise and consistent processing steps. After these procedures have been established, manufacturers are very reluctant to switch to another provider of materials management products. Accordingly, it may be difficult to sell our products to a manufacturer that has already selected a competitor's products.

We may face product liability claims which could harm our operating results.

Our products are used by our customers to handle sensitive, complex and valuable wafers and semiconductor materials and devices. If our products fail, these materials could be damaged or contaminated, which could expose us to product liability claims. Business interruption and personal injury claims are also possible in the event of a product failure or misapplication of our product by a customer. In addition, the failure of our chemical delivery products could subject us to environmental liability claims and a failure of our custom medical device components could subject us to personal injury claims. We cannot predict whether our existing insurance coverage limits are adequate to protect us from any liabilities that we might incur in connection with the manufacture, sale or use of our products. A successful product liability claim or series of product liability claims brought against us could damage our reputation, diminish customer confidence in our products, expose us to increased competition and increase our insurance costs.

Risks related to investing in our initial public offering

Substantial sales of shares, including shares owned by our employees, may impact the market price of our common shares.

If our shareholders sell substantial amounts of our common shares, including shares issued upon the exercise of outstanding options, the market price of our common shares may fall. These sales also make it more difficult for us to sell equity or equity-related securities in the future at a time and price that we deem appropriate. Based on the number of shares outstanding as of April 30, 2000, we will have 66,999,610 outstanding common shares upon completion of this offering. The following tables set forth the number of shares that will be freely tradable immediately upon completion of the offering as well as the number of shares that will be available for sale 90 days after the completion of the offering and the number of shares that will be available for sale after expiration of the 180-day lock-up agreement:

		Total shares -----
Shares freely tradable immediately after offering:		
Sold in this offering	13,000,000	
Held by current shareholders	1,250,922	14,250,922

Eligible for sale 90 days after offering		69,892
Eligible for sale after 180-day lock-up:		
Subject to volume limitations	46,066,496	
Not subject to volume limitations	6,612,300	52,678,796

Total shares outstanding after offering		66,999,610
Shares subject to exercisable options that would be freely tradable upon issuance		4,723,402

If our shareholders sell substantial amounts of common shares (including shares issued upon the exercise of outstanding options) in the public market, the market price of our common shares could fall.

After completion of this offering, our ESOP will hold 17,910,514 common shares. All shares in the ESOP are fully allocated to individual accounts of ESOP participants. All ESOP participants are fully vested in their accounts. Participants in the ESOP whose employment with us terminates have the right, as of the second August 31 following termination, to request distribution of the shares allocated to their accounts. Currently, participants who are no longer employed by us have the right, subject to lock-up arrangements, to request distribution of an aggregate of 2,065,209 shares as of August 31, 2000. For a fuller description of the ESOP, see "Management--Equity and Profit Sharing Plans--Employee Stock Ownership Plan."

We may not be able to pursue our expansion strategy if we are unable to raise required funds.

We may need to raise additional capital to acquire or invest in complementary businesses. If we issue additional equity securities, the ownership stakes of our existing shareholders would be reduced, and the new equity securities may have rights, preferences or privileges senior to those of our existing common shares. If we cannot raise funds, if needed, on acceptable terms, we may not be able to develop our business, take advantage of future opportunities, or respond to competitive pressures or unanticipated requirements.

We will have broad discretion as to the use of the offering proceeds, which increases the risk that the proceeds will not be applied effectively.

We have not allocated the majority of the net proceeds of this offering for specific uses, and our shareholders may disagree with the way management uses the proceeds from this offering. We may use a portion of the net proceeds to acquire additional businesses that we believe will complement or enhance our current or future business. We cannot, however, be certain that we will be able to use the proceeds to earn a favorable return.

There is currently no public market for our common shares and, following the offering, our share price may be volatile.

There has not been a public market for our common shares prior to this offering, and a liquid trading market for our shares may not develop following this offering. The initial price of our common shares to be sold in the offering has been determined by negotiations between us and the representatives of the underwriters and may not be indicative of prices that will prevail in the trading market. The trading price of our common shares could be subject to wide fluctuations in response to various factors, some of which are beyond our control.

New investors in our common shares will experience immediate and substantial dilution.

The initial public offering price is substantially higher than the book value per share of our common shares. Investors purchasing common shares in this offering, therefore, will incur immediate dilution of \$12.37 in net tangible book value per common share at an assumed initial public offering price of \$16.00 per share. Investors will incur additional dilution upon the exercise of outstanding share options. See "Dilution."

Significant shareholders and current management will beneficially own approximately 72% of our shares after this offering, and their beneficial ownership may limit your ability to influence the outcome of matters requiring shareholder approval.

Based on common stock beneficial ownership information available as of April 30, 2000, WCB Holding LLC would own 29.3%, the ESOP would own 26.7%, and all directors and executive officers as a group would own 16.7% of our shares after completion of this offering. Accordingly, WCB Holding LLC, the ESOP and management, if acting together, could control the outcome of any shareholder vote, including any vote on the election or removal of directors and on any merger, consolidation or sale of all or substantially all of our assets. Consequently, your ability to influence the outcome of matters requiring shareholder approval may be limited.

Antitakeover provisions limit the ability of a person or entity to acquire control of us.

Our articles of incorporation and bylaws include provisions that:

- . provide for a classified board of directors, with each class of directors subject to re-election every three years, which limits the shareholders' ability to quickly change a majority of the board of directors;
- . impose a 75% shareholder vote requirement to change the maximum number of directors;
- . limit the right of our shareholders to call a special meeting of shareholders; and
- . impose procedural and other requirements that could make it difficult for shareholders to effect certain corporate actions.

In addition, we are subject to the anti-takeover provisions of the Minnesota Business Corporation Act. Any of these provisions could delay or prevent a person or entity from acquiring control of us. The effect of these provisions may be to limit the price that investors are willing to pay in the future for our securities. These provisions might also discourage potential acquisition proposals or tender offers, even if the acquisition proposal or tender offer is at a price above the then current market price for our common shares. For a fuller description of anti-takeover measures, see "Description of Capital Shares."

We do not intend to pay dividends.

We have never declared or paid any cash dividends on our capital shares. In addition, our loan agreements restrict our ability to pay dividends without the consent of our lenders. We currently intend to retain any future earnings to fund the development and growth of our business and, therefore, do not anticipate paying any cash dividends in the foreseeable future.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Some of the statements under the captions "Prospectus Summary," "Risk Factors," "Use of Proceeds," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business" and elsewhere in this prospectus are "forward-looking statements." These statements involve known and unknown risks, uncertainties, and other factors that may cause our, or our industry's, actual results, levels of activity, performance or achievements to be significantly different from any future results, levels of activity, performance or achievements expressed or implied by the forward-looking statements. These factors are listed under "Risk Factors" and elsewhere in this prospectus.

In some cases, you can identify forward-looking statements by terminology such as "expect," "anticipate," "intend," "may," "should," "plan," "believe," "seek," "estimate," "could," "would" or the negative of such terms or other comparable terminology.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. We are under no duty to update any of the forward-looking statements after the date of this prospectus to conform these statements to actual results.

USE OF PROCEEDS

We expect to receive net proceeds of approximately \$127,000,000, after deducting underwriting discounts and estimated offering expenses, from the sale of 8,600,000 common shares, and an additional \$19,246,800 from the sale of 1,290,000 common shares if the underwriters' over-allotment option is exercised in full, at an assumed initial public offering price of \$16.00 per share. We will not receive any proceeds from the sale of common shares by the selling shareholders.

We intend to use the proceeds of the offering for the retirement of debt, working capital and general corporate purposes, including sales, marketing, customer support and other activities related to our business. We will use approximately \$38 million of the proceeds to repay indebtedness owed to ten lenders under various loan and note agreements and approximately \$1.5 million to pay charges related to such debt reduction. This indebtedness has maturity dates ranging from 2000 to 2011. This indebtedness has a weighted average interest rate of 8.0%. The indebtedness that we incurred under the loan and note agreements that we intend to satisfy with offering proceeds was used for capital expenditures, share redemptions and working capital. We may also use a portion of the net proceeds for additional capital expenditures, or to acquire additional businesses that we believe would strengthen our position in our targeted markets, enhance our technology base, increase our manufacturing capability and our product offerings and expand our geographic presence. However, we have no agreements or commitments to acquire any business and are currently not in negotiations regarding any potential acquisition.

The amounts that we actually expend for working capital and other general corporate purposes will vary significantly depending on a number of factors, including future revenue growth, if any, and the amount of cash we generate from operations. As a result, we will retain broad discretion in the allocation of the net proceeds of this offering. Pending such uses, we intend to invest the net proceeds of the initial public offering in investment grade interest-bearing securities.

DIVIDEND POLICY

We have never declared or paid any cash dividends on our common shares. In addition, our loan agreements restrict our ability to pay dividends without the consent of our lenders. We currently intend to retain any future earnings to fund the development and growth of our business. Therefore, we currently do not anticipate paying any cash dividends in the foreseeable future.

CAPITALIZATION

The following table sets forth our capitalization as of February 28, 2000: (1) on an actual basis; and (2) as adjusted to give effect to (a) the sale of 8,600,000 common shares offered in this offering and to give effect to the receipt of the estimated net proceeds from the sale of such shares at an assumed initial public offering price of \$16.00 per share and the application of the net proceeds from such sale and (b) the reclassification of redeemable Employee Stock Ownership Trust common shares no longer redeemable upon consummation of our initial public offering.

The capitalization information set forth in the table below is qualified by, and you should read it in conjunction with, our more detailed Consolidated Financial Statements and related notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations" appearing elsewhere in this prospectus.

	February 28, 2000	
	Actual	As Adjusted
	(unaudited)	
	(in thousands, except share data)	
Short-term debt (including current portion of long-term debt).....	\$ 16,787	\$ 11,787
Long-term debt (excluding current portion).....	50,770	17,770
Redeemable ESOT common stock.....	202,980	--
Shareholders' equity:		
Common stock, par value \$.01 per share; 200,000,000 shares authorized, 36,776,962 and 67,320,700 issued and outstanding, actual and as adjusted.....	368	673
Additional paid-in capital.....	14,962	141,767
Retained earnings (deficit).....	(75,111)	127,759
Accumulated other comprehensive loss.....	(230)	(230)
Total shareholders' equity (deficit).....	(60,011)	269,969
Total capitalization.....	\$210,526	\$299,526
	=====	=====

This table excludes the following shares as of February 28, 2000:

- . 7,263,972 shares subject to stock options currently outstanding at a weighted average exercise price of \$3.62 per share;
- . 351,898 shares redeemed since February 28, 2000 from former employees, which had been previously distributed by our ESOP and which we were required to redeem pursuant to its terms;
- . 30,808 shares issued since February 28, 2000;
- . 6,916,024 common shares reserved for future grant of options under our stock option plan and future issuances of stock under our stock purchase plan; and
- . 1,290,000 shares that the underwriters may purchase from us to cover over-allotments, if any.

DILUTION

Our tangible book value as of February 28, 2000 was \$134,580,000, or approximately \$2.12 per share. Net tangible book value per share represents the amount of our total assets less total liabilities excluding redeemable common stock, divided by the sum of the number of common shares outstanding plus the number of shares issuable upon exercise of currently exercisable options. Dilution in net tangible book value per share represents the difference between the amount per share paid by purchasers of common shares in this offering and the net tangible book value per common share immediately after the completion of this offering. After giving effect to the sale of the 8,600,000 common shares in this offering at an assumed initial public offering price of \$16.00 per share and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us, our net tangible book value at February 28, 2000 would have been \$261,580,000, or approximately \$3.63 per share. This represents an immediate increase in net tangible book value of \$1.51 per share to existing shareholders and an immediate dilution in net tangible book value of \$12.37 per share to purchasers of common shares in this offering. The following table illustrates this dilution on a per share basis:

Assumed initial public offering price per share.....	\$16.00
Net tangible book value per share as of February 28, 2000..	\$2.12
Increase in net tangible book value per share attributable to new investors.....	1.51

Net tangible book value per share after offering.....	3.63

Dilution in net tangible book value per share to new investors.....	\$12.37
	=====

The following table sets forth, as of February 28, 2000, after giving effect to the difference between the number of common shares purchased from us, the total cash consideration paid and the average price per share paid by existing holders of common shares and by the new investors, before deducting underwriting discounts and commissions and estimated offering expenses payable by us, at an assumed initial public offering price of \$16.00 per share:

Name	Shares Purchased		Total Consideration		Average Price Per Share
	Shares	Percent	Amount	Percent	
Existing shareholders.....	63,444,102	88.06%	\$ 28,618,000	17.22%	\$ 0.45
New investors.....	8,600,000	11.94	137,600,000	82.78	\$16.00
	-----	-----	-----	-----	-----
Total.....	72,044,102	100.00%	\$166,218,000	100.00%	
	=====	=====	=====	=====	

This table includes the following shares as of February 28, 2000:

- . 4,723,402 shares subject to exercisable options outstanding at a weighted average exercise price of \$2.79 per share.

This table excludes the following shares as of February 28, 2000:

- . 2,028,534 shares subject to unexercisable options outstanding at a weighted average exercise price of \$3.42 per share; and
- . 6,875,290 additional shares that could be issued under our stock plans, and options for the purchase of 544,000 shares granted to employees since February 28, 2000.

The sale of common shares by the selling shareholders in this offering will reduce the number of common shares held by existing shareholders to 59,044,102, or approximately 82.0% of the total number of common shares outstanding upon the closing of this offering, and will increase the number of shares held by new public investors to 13,000,000, or approximately 18.0% of the total number of common shares outstanding after this offering.

SELECTED CONSOLIDATED FINANCIAL DATA

The consolidated statement of operations data for fiscal 1997, 1998, and 1999, and the consolidated balance sheet data as of August 31, 1998 and August 31, 1999, are derived from and are qualified in their entirety by our audited consolidated financial statements. The consolidated statement of operations data for fiscal 1995 and 1996, and the consolidated balance sheet data as of August 31, 1995, 1996 and 1997, are derived from audited consolidated financial statements which do not appear in this prospectus. The selected consolidated statement of operations data for the six month periods ended February 28, 1999 and 2000 and the selected consolidated balance sheet data at February 28, 2000 have been derived from unaudited consolidated financial statements included in this prospectus. The unaudited consolidated financial statements include, in the opinion of management, all adjustments, consisting only of normal recurring adjustments, that management considers necessary for a fair statement of the results for those periods. The historical results presented below are not necessarily indicative of the results to be expected for any future periods. Within the consolidated statement of operations data, net income and per share figures exclude loss from discontinued operations of \$1,503,000, or \$0.02 per share diluted, in fiscal 1995 and income from discontinued operations of \$455,000, or \$0.01 per share diluted, in fiscal 1996.

	Fiscal Year Ended August 31,					Six Months Ended February 28,	
	1995	1996	1997	1998	1999	1999	2000
	(in thousands, except per share data)						
Consolidated Statement of Operations Data:							
Net sales.....	\$193,284	\$271,037	\$277,290	\$266,591	\$241,952	\$111,590	\$156,662
Cost of sales.....	104,513	149,042	161,732	156,508	148,106	72,026	85,260
Gross profit.....	88,771	121,995	115,558	110,083	93,846	39,564	71,402
Selling, general and administrative expenses.....	43,284	62,390	62,384	65,536	64,336	28,896	34,962
Engineering, research and development expenses.....	9,776	12,447	17,986	19,912	14,565	7,571	6,234
Operating profit.....	35,711	47,158	35,188	24,635	14,945	3,097	30,206
Interest expense, net..	2,782	4,582	6,652	6,995	5,498	3,040	2,020
Other (income) expense, net.....	(1,010)	(1,396)	2,201	(273)	(1,850)	(1,312)	(6,282)
Income before income taxes and other items below.....	33,939	43,972	26,335	17,913	11,297	1,369	34,468
Income tax expense.....	12,596	16,109	10,578	4,536	4,380	89	11,589
Equity in net (income) loss of affiliates....	(3,347)	(3,252)	(1,750)	118	1,587	1,196	(582)
Minority interest in subsidiaries' net income (loss).....	1,601	2,898	573	176	(399)	(16)	348
Net income.....	\$ 23,089	\$ 28,217	\$ 16,934	\$ 13,083	\$ 5,729	\$ 100	\$ 23,113
Earnings per common share:							
Basic.....	\$ 0.36	\$ 0.46	\$ 0.28	\$ 0.22	\$ 0.10	\$ 0.00	\$ 0.39
Diluted.....	\$ 0.35	\$ 0.44	\$ 0.27	\$ 0.21	\$ 0.09	\$ 0.00	\$ 0.36
Weighted average common shares:							
Basic.....	64,034	61,676	59,967	60,747	60,270	60,541	59,824
Diluted.....	65,396	63,500	61,786	61,492	62,220	61,611	64,699

	August 31,					February 28,
	1995	1996	1997	1998	1999	2000
	(in thousands)					

Consolidated Balance Sheet Data:						
Cash and cash equivalents.....	\$ 11,084	\$ 11,251	\$ 11,354	\$ 8,235	\$ 16,411	\$ 25,029
Working capital.....	25,450	44,437	50,991	41,777	48,860	69,504
Total assets.....	160,010	212,865	260,885	252,941	242,064	266,540
Long-term debt and capital lease obligations, excluding current maturities....	32,735	61,916	75,971	73,242	53,830	50,770
Total liabilities and minority interest.....	93,791	130,162	151,503	134,542	117,381	123,571
Redeemable ESOT common stock.....	65,846	75,876	76,725	47,906	145,570	202,980
Shareholders' equity (deficit).....	373	6,827	32,657	70,493	(20,887)	(60,011)

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The information in this Management's Discussion and Analysis of Financial Condition and Results of Operations, except for the historical information, contains forward-looking statements. These statements are subject to risks and uncertainties. You should not place undue reliance on these forward-looking statements, as actual results could differ materially. We do not assume any obligation to publicly release the results of any revision or updates to these forward-looking statements to reflect future events or unanticipated occurrences. This discussion and analysis should be read in conjunction with our consolidated financial statements and the related notes, which are included elsewhere in this prospectus.

Our fiscal year is a 52 or 53 week period ending on the last Saturday of each August. Our last five fiscal years ended on the following dates: August 26, 1995; August 31, 1996; August 30, 1997; August 29, 1998; and August 28, 1999. Fiscal years are identified in this prospectus according to the calendar year in which they end. For example, the fiscal year ended August 28, 1999 is referred to as "fiscal 1999." For convenience, the financial information included in this prospectus has been presented as ending on the last day of the month.

Overview

We are a leading provider of critical materials management solutions for the handling, storage, processing and transportation of material used in the manufacture of semiconductors. Entegris is the result of the 1999 combination of Fluoroware and Empak. Building on 34 years of expertise, we provide a comprehensive portfolio of materials management products that enable our customers to protect the critical materials used in the semiconductor manufacturing process.

In 1966, we began to produce wafer-carrying baskets for the emerging semiconductor industry. As the semiconductor industry grew, we expanded our product lines. During the 1970s, we added wafer shipping containers, die trays and other items to our product portfolio. In the early 1980s, we added disk shippers and introduced a series of valve, fitting, pipe and tubing products to manage chemical delivery for our customers. In the mid 1980s, we also introduced our chemical transport and storage containers that help ensure the safe delivery of sophisticated chemicals from chemical manufacturers to the semiconductor manufacturers' point-of-use. In the early 1990s, we developed and acquired the technology to manufacture JEDEC/Matrix trays used for testing and packaging finished integrated circuits. In recent years, we have continued to broaden our product offerings in response to the trend toward increased size and complexity of wafers. In October 1999, we acquired a polymer machining business that we utilize to produce machined products for chemical delivery applications.

A significant portion of our net sales are to customers outside the United States. International sales have always been important for us, and have been increasingly so, as the semiconductor industry has grown over the past three decades. We began to manufacture our products in overseas facilities starting with Japan in 1985. Today, we operate manufacturing facilities in Germany, Japan, Korea and Malaysia, while continuing to export from the United States. We also maintain a network of over 117 sales and support offices to service customers on a worldwide basis. International sales accounted for 43.6% of sales in fiscal 1997, 45.1% of sales in fiscal 1998, 47.9% of sales in fiscal 1999 and 55.2% for the six month period ended February 28, 2000.

We derive our revenue from the sale of products to the microelectronics industry and recognize revenue upon the shipment of such goods to customers. Our costs of goods sold include polymers and purchased components, manufacturing personnel, supplies and fixed costs related to depreciation and operation of facilities and equipment. Our customers consist primarily of semiconductor manufacturers and semiconductor equipment and materials suppliers. We serve our customers through various subsidiaries and sales and distribution relationships in the United States, Asia and Europe.

Our results in fiscal 1998 and 1999 were affected by downturns in the semiconductor industry. During this time, we made significant investments in capacity expansion. In 1998, in response to the downturn in the semiconductor industry, we reduced personnel and variable expenses. We also consolidated manufacturing operations by combining the activities of two of our facilities into one, which allowed the Company to reduce

infrastructure support costs and eliminate duplicate production equipment. In the second half of calendar 1999, the semiconductor industry began to recover from the downturn. This recovery has led to improved net sales and profitability.

Entegris was incorporated in June 1999 to effect the business combination of Fluoroware and Empak. We issued common stock in exchange for 100% of the outstanding shares of both Fluoroware, which began operating in 1966, and Empak, which began business in 1980. Accordingly, the historical financial statements of Entegris are shown to include the historical accounts and results of operations of Fluoroware and Empak and their respective subsidiaries, as if the business combination had existed for all periods presented.

Results of Operations

The following table sets forth the relationship between various components of operations, stated as a percentage of net sales, for each of the periods indicated. Our historical financial data for fiscal 1997, 1998 and 1999 were derived from, and should be read in conjunction with, our audited consolidated financial statements and the related notes included elsewhere in this prospectus. The historical financial data for the six month periods ended February 28, 1999 and February 28, 2000 were derived from our unaudited consolidated financial statements which, in the opinion of management, reflect all adjustments necessary for the fair presentation of the financial condition and results of operations for such periods.

	Fiscal Year Ended August 31,			Six Months Ended February 28,	
	1997	1998	1999	1999	2000
	(percentage of net sales)				
Net sales.....	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of sales.....	58.3	58.7	61.2	64.5	54.4
Gross profit.....	41.7	41.3	38.8	35.5	45.6
Selling, general and administrative expenses.....	22.5	24.6	26.6	25.9	22.3
Engineering, research and development expenses.....	6.5	7.5	6.0	6.8	4.0
Operating profit.....	12.7	9.2	6.2	2.8	19.3
Interest expense, net.....	2.4	2.6	2.3	2.7	1.3
Other (income) expense, net.....	0.8	(0.1)	(0.8)	(1.2)	(4.0)
Income before income taxes and other items.....	9.5	6.7	4.7	1.2	22.0
Income tax expense.....	3.8	1.7	1.8	0.1	7.4
Equity in net (income) loss of affiliates.....	(0.6)	--	.7	1.1	(0.4)
Minority interest.....	0.2	0.1	(0.2)	--	0.2
Net income.....	6.1%	4.9%	2.4%	0.1%	14.8%
	=====	=====	=====	=====	=====

Six Months Ended February 28, 2000 Compared to Six Months Ended February 28, 1999

Net sales. Net sales increased \$45.1 million, or 40.4%, to \$156.7 million in the six months ended February 28, 2000, compared to \$111.6 million in the comparable period in fiscal 1999. The improvement reflected the increase in product sales associated with the recovery in the semiconductor industry that began in the second half of fiscal 1999. Revenue gains were recorded in all geographic regions and across all product lines.

Gross profit. Gross profit in the six months ended February 28, 2000 increased by \$31.8 million to \$71.4 million, an increase of 80.5% over the \$39.6 million reported in the comparable period in fiscal 1999. Gross margin for the first two quarters of fiscal 2000 improved to 45.6% compared to 35.5% for the fiscal 1999 period. The improvements in the fiscal 2000 period reflected the improved utilization of our production capacity associated with the higher sales levels noted above, a more favorable product mix and the benefits of integrating various elements of our manufacturing operations. Gross margin and gross profit improvements were reported by both domestic and international operations.

Selling, general and administrative expenses. Selling, general and administrative expenses increased \$6.1 million, or 21.0%, to \$35.0 million in the first six months of fiscal 2000 from \$28.9 million in fiscal 1999. The increase was due to higher commissions and incentive compensation as well as increased expenditures for personnel and information systems. Selling, general and administrative costs also increased due to an accrued expense of \$0.9 million in the first six months of fiscal 2000 for charitable contributions, as more fully described in the next paragraph. No significant charitable contributions were made in fiscal 1999. Selling, general and administrative costs, as a percentage of net sales, decreased to 22.3% from 25.9% primarily due to increased net sales.

Fluoroware had historically contributed 5% of its profits to charitable organizations, primarily through the Wallestad Foundation, which was established by Victor Wallestad, Fluoroware's founder. The Wallestad Foundation is dedicated to the support of Christian ministries in Minnesota, the United States and throughout the world. Dan Quernemoen, Stan Geyer and James Dauwalter, executive officers and directors of Entegris, have also been directors of the Wallestad Foundation for many years. Because of the industry downturn in 1998, Fluoroware made no significant charitable contributions for fiscal 1998 or fiscal 1999. Management currently intends to annually contribute 5% of Entegris' net income to charitable organizations, primarily through the Wallestad Foundation. The amount of the annual cash contributions is subject to review by our board of directors annually in light of our cash needs, operating results, existing conditions in the industry and other factors deemed relevant by the Board.

Engineering, research and development expenses. Engineering, research and development expenses decreased \$1.3 million, or 17.7%, to \$6.2 million in the six months ended February 28, 2000 from \$7.6 million in the comparable period in fiscal 1999. The decrease was due to lower personnel costs reflecting headcount reductions in the six month period ended February 28, 1999, as well as reduced product sampling and development expenditures. Engineering, research and development costs, as a percentage of net sales, decreased to 4.0% from 6.8% due to both increased net sales and reduced costs.

Interest expense, net. Net interest expense decreased 33.6% to \$2.0 million in the first half of fiscal 2000 compared to \$3.0 million in the comparable period a year ago. The decrease reflected the elimination of domestic credit line borrowings and the short-term investment of available cash balances.

Other (income) expense, net. Other income was \$6.3 million in the first six months of fiscal 2000 compared to other income of \$1.3 million in the comparable fiscal 1999 period. The change was primarily due to the \$5.5 million gain recognized on the sale of approximately 612,000 shares of stock of Metron in its initial public offering in November 1999. Other income in the first half of fiscal 2000 also included gains from foreign exchange translation and the sale of property and equipment.

Income tax expense. Income tax expense of \$11.6 million was significantly higher in the first half of fiscal 2000 compared to \$89,000 in income tax expense reported for the first six months of fiscal 1999, primarily reflecting significantly higher income. Our effective tax rate of 33.6% in the fiscal 2000 period compared to 6.5% for the same period in fiscal 1999.

Equity in net (income) loss of affiliates. Our equity in the net income of affiliates was \$0.6 million in the six months ended February 28, 2000. Our equity in the net loss of affiliates was \$1.2 million in the comparable period a year earlier. This improvement primarily reflects the operating results of Metron, which reflected many of the same improved industry conditions affecting our results.

Net income. Net income increased to \$23.1 million in the six months ended February 28, 2000, compared to net income of \$0.1 million in the first half of fiscal 1999.

Fiscal Year Ended August 31, 1999 Compared to Fiscal Year Ended August 31, 1998

Net sales. Net sales decreased \$24.6 million, or 9.2%, to \$242.0 million in fiscal 1999 from \$266.6 million in fiscal 1998. The revenue decline was primarily associated with the slowdown experienced in

the semiconductor industry and reflected lower sales in all major product lines and geographic areas, primarily in the United States.

Gross profit. Gross profit in fiscal 1999 declined by \$16.2 million to \$93.8 million, a decrease of 14.7% from \$110.1 million in fiscal 1998. Gross margin for fiscal 1999 decreased to 38.8% compared to 41.3% in fiscal 1998. The primary factor underlying the gross margin decline was the reduced utilization of our production capacity resulting from lower sales levels in fiscal 1999, as well as a less favorable product mix. A moderate expansion in production capacity also contributed to the drop in gross margin.

Selling, general and administrative expenses. Selling, general and administrative expenses decreased \$1.2 million, or 1.8%, to \$64.3 million in fiscal 1999 from \$65.5 million in fiscal 1998. Fiscal 1999 costs included expenses of \$5.4 million associated with the business combination of Flouroware and Empak and higher information systems costs. These increases were offset by improvements related to headcount reductions and lower incentive compensation. Selling, general and administrative costs, as a percentage of net sales, increased to 26.6% from 24.6% primarily due to the decline in net sales and one-time business combination expenses.

Engineering, research and development expenses. Engineering, research and development expenses decreased \$5.3 million, or 26.9%, to \$14.6 million in fiscal 1999 from \$19.9 million in fiscal 1998. The decrease was due to lower personnel costs associated with personnel reductions related to the semiconductor downturn, as well as reduced product sampling and development expenditures. Engineering, research and development costs, as a percentage of net sales, decreased to 6.0% from 7.5% due to both increased net sales and reduced costs.

Interest expense, net. Net interest expense decreased 21.4% to \$5.5 million in fiscal 1999 compared to \$7.0 million in fiscal 1998. The decrease reflected reduced borrowings.

Other (income) expense, net. Other income was \$1.9 million in fiscal 1999 compared to \$0.3 million in fiscal 1998. The increase primarily reflected a \$2.0 million difference in foreign currency translation gains.

Income tax expense. Income tax expense decreased slightly in fiscal 1999 compared to fiscal 1998. Our effective tax rate was 38.8% in fiscal 1999 compared to 25.3% in fiscal 1998, which reflected the benefit of tax deductions related to international operations not recognized in prior years.

Equity in net (income) loss of affiliates. Our equity in the net loss of affiliates was \$1.6 million in fiscal 1999 compared to \$0.1 million in fiscal 1998. This decline reflects the operating results of Metron, which reflected many of the same declining industry conditions affecting our results.

Net income. Net income decreased \$7.4 million, or 56.2%, to \$5.7 million in fiscal 1999 from \$13.1 million in fiscal 1998.

Fiscal Year Ended August 31, 1998 Compared to Fiscal Year Ended August 31, 1997

Net sales. Net sales decreased \$10.7 million, or 3.9%, to \$266.6 million in fiscal 1998 from \$277.3 million in fiscal 1997. The revenue decline reflected the slowdown experienced in the semiconductor industry in 1998, particularly affecting product sales in the second half of the year. We experienced lower sales in the United States and Asia, which was partly offset by increased sales in Europe. All major product lines were affected.

Gross profit. Gross profit in fiscal 1998 decreased by \$5.5 million to \$110.1 million, a decrease of 4.7% from \$115.6 million in fiscal 1997. Gross margin for fiscal 1998 was 41.3% of net sales compared to 41.7% in fiscal 1997. The primary factor underlying the slight gross margin decline was the reduced utilization of our production capacity occurring in the second half of fiscal 1998 due to the reduced level of sales and severance

costs associated with the reduction in manufacturing personnel which took place in fiscal 1998. An expansion in production capacity in Asia and Europe also contributed to the decrease in gross margin.

Selling, general and administrative expenses. Selling, general and administrative expenses increased \$3.2 million, or 5.1%, to \$65.5 million in fiscal 1998 from \$62.4 million in fiscal 1997. Higher information systems expenses and severance costs accounted for the increase. Selling, general and administrative costs, as a percentage of net sales, increased to 24.6% from 22.5%, reflecting both the increased costs and lower net sales.

Engineering, research and development expenses. Engineering, research and development expenses increased \$1.9 million, or 10.7%, to \$19.9 million in fiscal 1998 from \$18.0 million in fiscal 1997. The increase reflected higher personnel, product sampling and development costs. Engineering, research and development costs, as a percentage of net sales, increased to 7.5% from 6.5%, reflecting both the increased costs and lower net sales.

Interest expense, net. Our net interest expense rose slightly to \$7.0 million in fiscal 1998 compared to \$6.7 million in fiscal 1997. The increase reflected an increased level of average outstanding borrowings.

Other (income) expense, net. Other income was \$0.3 million in fiscal 1998 compared to other expense of \$2.2 million in fiscal 1997. The increase reflected lower foreign currency translation losses in fiscal 1998 and \$1.2 million in gains on property and equipment sales in fiscal 1998.

Income tax expense. Our effective income tax rate was 25.3% in fiscal 1998 compared to 40.2% in fiscal 1997. The lower rate in fiscal 1998 primarily reflected the benefit of tax deductions related to international operations not recognized in prior years.

Equity in net (income) loss of affiliates. Our equity in the net loss of affiliates was \$0.1 million in fiscal 1998, compared to equity in net income of affiliates of \$1.8 million in fiscal 1997. This decrease reflected the operating results of Metron, which reflected many of the same declining industry conditions affecting our operating results.

Net income. Net income decreased \$3.9 million, or 22.7%, to \$13.1 million in fiscal 1998 from \$16.9 million in fiscal 1997.

Quarterly Results of Operations

The following tables present consolidated statements of operations data in dollars and as a percentage of net sales for the six quarters ended February 28, 2000. In management's opinion, this unaudited information has been prepared on the same basis as our audited consolidated financial statements appearing elsewhere in this prospectus. All adjustments which management considers necessary for the fair presentation of the unaudited information have been included in the quarters presented. The results for any quarter are not necessarily indicative of the results to be expected for the entire year or any future period. For example, our results were positively affected in the first quarter of fiscal 2000 by the \$5.4 million gain recognized on the sale of approximately 612,000 of Metron stock in its initial public offering in November 1999.

Statement of Operations Data:	Fiscal Year 1999				Fiscal Year 2000	
	Q1	Q2	Q3	Q4	Q1	Q2
Net sales.....	\$51,467	\$60,124	\$60,585	\$69,777	\$71,816	\$ 84,846
Gross profit.....	17,091	22,473	24,737	29,545	31,784	39,618
Selling, general and administrative expenses.....	14,110	14,786	13,897	21,543	15,366	19,596
Engineering, research and development expenses.....	4,379	3,192	3,345	3,649	3,288	2,946
Operating profit (loss).....	(1,398)	4,495	7,496	4,353	13,130	17,076
Net income (loss).....	\$(1,650)	\$ 1,750	\$ 2,433	\$ 3,197	\$12,045	\$ 11,068
	=====	=====	=====	=====	=====	=====
Percentage of Net Sales Data:	Q1	Q2	Q3	Q4	Q1	Q2
Net sales.....	100.0 %	100.0%	100.0%	100.0%	100.0%	100.0%
Gross profit.....	33.2	37.4	40.8	42.3	44.3	46.7
Selling, general and administrative expenses.....	27.4	24.6	22.9	30.9	21.4	23.1
Engineering, research and development expenses.....	8.5	5.3	5.5	5.2	4.6	3.5
Operating profit (loss).....	(2.7)%	7.5%	12.4%	6.2%	18.3%	20.1%
Net income (loss).....	(3.2)%	2.9%	4.0%	4.6%	16.8%	13.0%
	=====	=====	=====	=====	=====	=====

Over the past six quarters, we have generally reported improved net sales and net income. These results reflect improved conditions in the semiconductor industry and increased sales of all product lines. Gross profits have increased throughout fiscal 1999 and into fiscal 2000 due to higher sales, improved utilization of our product capacity and a more favorable product sales mix. Selling, general and administrative expenses were impacted in the quarter ended August 1999 by \$5.4 million associated with the business combination. Many of our customers have upgraded their facilities in the second quarter of fiscal 2000, which resulted in a significant increase in the sale of wafer management products. We expect a charge of approximately \$1.5 million in the fourth quarter of fiscal 2000 due to the early extinguishments of a portion of our long-term debt, which will be possible due to the proceeds of our initial public offering.

Our quarterly results of operations have been, and will likely continue to be, subject to significant fluctuations due to a variety of factors, including, among others:

- . economic conditions in the semiconductor industry;
- . size, timing and shipment of customer orders;
- . timing of announcements or introductions by us or our competitors of product upgrades or enhancements;
- . exchange rate fluctuations;
- . price competition;
- . our ability to design, introduce and manufacture new products on a cost effective and timely basis; and
- . other factors, a number of which are beyond our control.

Liquidity and Capital Resources

We have historically financed our operations and capital requirements through cash flow from operating activities, long-term loans, and lease financing (some of which are secured by property and equipment) and borrowings under domestic and international short-term lines of credit.

Operating activities. Cash flow provided by operations for the six-month period ended February 28, 1999 was \$13.3 million and for the six-month period ended February 28, 2000 was \$24.2 million. The increase was primarily due to increased net income partly offset by higher working capital required to fund increased accounts receivable levels.

Cash flow provided by operating activities totaled \$43.4 million in fiscal 1999, \$45.9 million in fiscal 1998 and \$28.5 million in fiscal 1997. Net income and noncash charges primarily accounted for the cash flow generated by operations. Fiscal 1998 and 1999 operating cash flows also benefited from reductions in working capital, while increases in working capital reduced the cash flow from operations in fiscal 1997.

Investing activities. Cash flow used in investing activities was \$4.7 million for the six-month period ended February 28, 1999 and \$3.5 million for the six-month period ended February 28, 2000. Acquisitions of property and equipment totalled \$5.2 million for the six-month period ended February 28, 1999 and \$7.3 million for the six-month period ended February 28, 2000. Significant capital expenditures in fiscal 2000 include additions of manufacturing equipment and the upgrading of information systems throughout the organization.

Cash flow used in investing activities totaled \$46.3 million in fiscal 1997, \$34.0 million in fiscal 1998 and \$9.3 million in fiscal 1999. Acquisitions of property and equipment totaled \$44.9 million in fiscal 1997, \$33.5 million in fiscal 1998 and \$10.1 million in fiscal 1999. Most of our capital expenditures are for new facilities, manufacturing equipment and computer and communications equipment. We continue to upgrade and integrate our management information and financial reporting systems. We plan capital expenditures of approximately \$20 million during 2000.

Financing activities. Financing activities in the six months ended February 28, 1999 used cash of \$12.9 million and in the six months ended February 28, 2000 used \$12.0 million, as we eliminated our use of domestic short-term borrowings and made scheduled payments on our long-term borrowing and capital lease obligations. In the six months ended February 28, 2000 we also used \$8.3 million to redeem shares of common stock.

Cash provided by financing activities totaled \$17.9 million in fiscal 1997, while cash used by financing activities was \$14.9 million in fiscal 1998 and \$27.1 million in fiscal 1999. In fiscal 1997, new borrowings exceeded payments on existing debt by \$19.7 million. This increase in debt was required because cash flow from operating activities was not adequate to cover the high level of investing activities taking place that year. In fiscal 1998 and fiscal 1999, we were able to pay down outstanding debt with cash flow from operations not used for investing purposes. We also repurchased common shares for \$2.2 million in fiscal 1997, \$2.6 million in fiscal 1998, \$1.1 million in fiscal 1999 and \$8.3 million in the six months ended February 2000, primarily in connection with the redemption of common stock from our Employee Stock Ownership Plan.

Our sources of available funds as of February 28, 2000 were comprised of \$25.0 million in cash and cash equivalents and credit facilities. We have unsecured revolving commitments with two commercial banks with aggregate borrowing capacity of \$30.0 million, with no borrowings outstanding at February 28, 2000. We also have lines of credit, equivalent to an aggregate \$12.0 million with six international banks, which provide for borrowings of Deutsche marks, Malaysia ringgits and Japanese yen for our overseas subsidiaries. Borrowings outstanding on these lines of credit were \$8.0 million at February 28, 2000.

We believe that our cash and cash equivalents, cash flow from operations and available credit facilities, together with the proceeds of the public offering, will be sufficient to meet our working capital and investing requirements for the next twelve months. However, our future growth, including potential acquisitions, may require additional funding, and from time to time we may need to raise capital through additional equity or debt financing. If we were unable to obtain this additional funding, we might have to curtail our expansion or acquisition plans. There can be no assurance that any such financing would be available to us on commercially acceptable terms.

Recently Issued Accounting Pronouncements

In June 1998, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards (SFAS) No. 133, "Accounting for Derivative Instruments and Hedging Activities." This statement, as amended, requires companies to record derivatives on the balance sheet as assets or liabilities, measured at fair value. Gains or losses resulting from changes in the values of those derivatives would be accounted for depending on the use of the derivative and whether it qualifies for hedge accounting. SFAS No. 133 will be effective for us beginning in the first quarter of fiscal 2001. We are currently assessing the impact of SFAS No. 133 on our consolidated financial position, results of operations and cash flows.

Quantitative and Qualitative Disclosure About Market Risks

Our principal market risks are sensitivities to interest rates and foreign currency exchange rates. Our exposure to interest rate fluctuations is not significant. Most of our outstanding debt at February 28, 2000 carried fixed rates of interest. All of our short-term investments are debt instruments that mature in three months or less.

We use derivative financial instruments to manage foreign currency exchange rate risk associated with the sale of products from the United States when such sales are denominated in currencies other than the U.S. dollar. The cash flows and earnings of our foreign-based operations are subject to fluctuations in foreign exchange rates. A hypothetical 10% change in the foreign currency exchange rates would increase or decrease our net income by approximately \$2 million.

Our cash flows and earnings are also subject to fluctuations in foreign exchange rates due to investments in foreign-based affiliates. Investments in affiliates include our 20.8% interest in Metron and our 30.0% interest in FJV (Korea) Ltd. Metron attempts to limit its exposure to changing foreign currency exchange rates through operational and financial market actions. Products are sold in a number of countries throughout the world resulting in a diverse portfolio of transactions denominated in foreign currencies. Metron manages certain short-term foreign currency exposures by the purchase of forward contracts to offset the earnings and cash flow impact of foreign currency denominated receivables and payables.

Our investment in Metron is accounted for by the equity method of accounting and has a carrying value on the balance sheet of approximately \$13.3 million. The fair value of Metron is subject to stock market fluctuations. Based on the closing stock price of Metron on February 28, 2000, the fair value of our investment in Metron was approximately \$65.2 million.

Impact of Inflation

Our financial statements are prepared on a historical cost basis, which does not completely account for the effects of inflation. However, since the cost of about three-quarters of our inventories is determined using the last-in, first-out (LIFO) method of accounting, cost of sales, except for depreciation expense included therein, generally reflects current costs. The cost of polymers, our primary raw material, was essentially unchanged from a year ago. We expect the cost of resins to remain stable in the foreseeable future. Labor costs, including taxes and fringe benefits, rose modestly in fiscal 1999, and a moderate increase also can be reasonably anticipated for fiscal 2000.

Overview

We are a leading provider of materials management solutions to the microelectronics industry including, in particular, the semiconductor manufacturing and disk manufacturing markets. Our materials management solutions for the semiconductor industry assure the integrity of materials as they are handled, stored, processed and transported throughout the semiconductor manufacturing process, from raw silicon wafer manufacturing to packaging of completed integrated circuits. These solutions enable our customers to protect their investment in work-in-process and finished devices by facilitating the safe handling, purity and precision processing of the critical materials used in their manufacturing process.

With over 10,000 standard and customized products, we believe we provide the most comprehensive portfolio of materials management products to the microelectronics industry. Our materials management products, such as wafer shippers, wafer transport and process carriers, pods and work-in-process boxes, preserve the integrity of wafers as they are transported from wafer manufacturers to semiconductor manufacturers, processed into finished wafers and integrated circuits and subsequently tested, assembled and packaged. We also provide chemical delivery products, such as valves, fittings, tubing, pipe and containers, that assure the consistent and safe delivery and storage of sophisticated chemicals between chemical manufacturers and semiconductor manufacturers' point-of-use.

We sell our products worldwide to over 1,000 customers, who represent a broad base of leading suppliers to the microelectronics industry. Our customers in the semiconductor industry include wafer manufacturers, chemical suppliers, equipment manufacturers, device manufacturers and assemblers. Our semiconductor customers include Amkor/Anam, Applied Materials, Arch Chemicals, IBM, Infineon, Intel, Texas Instruments and TSMC. Our customers in data storage manufacturing include HMT, IBM, Komag and Seagate Technology. International sales represented approximately 45.1% of our sales in fiscal 1998, 47.9% of our sales in fiscal 1999 and 47.7% of our sales in the six months ended February 28, 2000. We provide our customers with a worldwide network of sales and support personnel, which enable us to offer local service to our global customer base and assure the timely and cost-effective delivery of our products.

Industry Background

Semiconductors, or integrated circuits, are the building blocks of today's electronics and the backbone of the information age. The market for semiconductors has grown significantly over the past several years. This trend is expected to continue due to rapid growth in Internet usage and the continuing demand for applications in data processing, wireless communications, broadband infrastructure, personal computers, handheld electronic devices and other consumer electronics. As integrated circuit performance has increased and the size and cost have decreased, the use of semiconductors in these applications has grown significantly. According to the Semiconductor Industry Association, or SIA, worldwide semiconductor revenues grew by 14.7% in 1999 to \$144.1 billion, and is expected to grow at a compound annual growth rate of 17.5% over the next three years to \$233.6 billion in 2002.

The semiconductor materials industry is comprised of a wide variety of materials and consumables that are used throughout the semiconductor production process. The extensive and complex process of turning bare silicon wafers into finished integrated circuits is dependent upon a variety of materials used repeatedly throughout the manufacturing process, such as silicon, chemicals, gases and metals. The handling of these materials during the integrated circuit manufacturing process requires the use of a variety of products, such as wafer shippers, wafer transport and process carriers, fluid and gas handling components and integrated circuit trays. Semiconductor unit volume is the primary driver of the demand for these materials and products because they are used or consumed throughout the production process and many are replenished or replaced on a regular basis. While influenced by capacity expansion, the semiconductor materials and materials management industries are less cyclical than the semiconductor capital equipment industries.

Semiconductor Manufacturing Process

Semiconductor manufacturing is highly complex and consists of two principal segments: front-end and back-end processes. The front-end process begins with the delivery of raw wafers from wafer manufacturers to semiconductor manufacturers. After the wafers are shipped to semiconductor manufacturers, they are processed into finished wafers. During the front-end process, raw wafers undergo a series of highly complex and sensitive manufacturing steps, during which a variety of materials, including chemicals and gases, are introduced. Once the front-end manufacturing process is completed, finished wafers are transferred to back-end manufacturers or assemblers. The back-end semiconductor manufacturing process consists of test, assembly and packaging of finished wafers into integrated circuits. Materials management products, such as wafer shippers, wafer transport and process carriers, fluid and gas handling components and integrated circuit trays, facilitate the storage, transport, processing and protection of wafers through these front-end and back-end manufacturing steps. Semiconductor manufacturing has become more complex in recent years as new technologies have been introduced to enhance device performance and as larger wafer sizes have been introduced to increase production efficiencies. Increased processing complexity adds significantly to the cost of constructing and equipping a wafer manufacturing facility, or fab, which can now exceed \$2 billion.

As a result of the growing cost and complexity of manufacturing integrated circuits, semiconductor manufacturers have increasingly focused on improving productivity in their manufacturing facilities. In the 1970s, yield management techniques such as process monitoring and in-line testing were introduced to the semiconductor manufacturing process. These techniques were widely adopted in the 1980s and 1990s. Automation was introduced to semiconductor manufacturing facilities in the 1980s in an effort to improve efficiency. Because of the widespread use of these technologies, significant productivity gains have already been realized.

Materials Management Focus

In an effort to realize continued productivity gains, semiconductor manufacturers have become increasingly focused on materials management solutions that enable them to safely store, handle, process and transport materials throughout the manufacturing process to minimize the potential for damage or degradation to their materials and to protect their investment in processed wafers. Wafer processing can involve as many as 500 steps and take up to six weeks. As a result, a batch of 25 fully processed wafers can cost more than \$1 million. Since significant value is added to the wafer during each successive manufacturing step, it is essential that the wafer be handled carefully and precisely to minimize damage. In addition, materials handling products must meet exact specifications each and every time or valuable wafers can be damaged. For example, in the case of wafer carriers, precise wafer positioning, highly reliable and predictable cassette interface dimensions and advanced materials are crucial. The failure to prevent damage to wafers can severely impact integrated circuit performance, render an integrated circuit inoperable or disrupt manufacturing operations. Thus, semiconductor manufacturers are seeking to:

- . minimize contamination--semiconductor processing is now so sensitive that ionic contamination in certain processing chemicals is measured in parts per trillion;
- . protect semiconductor devices from electrostatic discharge and shock;
- . avoid process interruptions;
- . prevent damage or abrasion to wafers and materials during automated processing caused by contact with other materials or equipment;
- . prevent damage due to abrasion or vibration of work-in-process and finished goods during transportation to and from customer and supplier facilities; and
- . eliminate the dangers associated with handling toxic chemicals--according to Rose Associates, the semiconductor industry will use over 100 million gallons of extremely corrosive chemicals in 2000 alone.

The importance of efficiently managing materials throughout the manufacturing process and the need to protect wafers have been officially recognized by the Semiconductor Equipment and Materials International (SEMI) organization, a leading industry trade organization. SEMI has included the need to eliminate these risks in SEMI's official standards publication.

The need for efficient and reliable materials management is particularly important as new materials are introduced and as 300mm semiconductor wafer manufacturing becomes a more prevalent manufacturing technology. These 300mm wafers are increasingly larger, more costly and more complex, and thus are more vulnerable to damage or contamination. In addition, new materials as well as increased wafer size and circuit shrinkage create new contamination and material compatibility risks. These trends will present new and increasingly difficult shipping, transport, process and storage challenges.

The semiconductor materials industry and the materials management industry are highly fragmented and are served by a variety of providers, consisting of divisions within large corporations and smaller companies that target niche markets or specific geographic regions. Semiconductor manufacturers require materials management providers that demonstrate a deep knowledge of materials management and semiconductor manufacturing, have a track record of reliability, offer a broad product line and have the ability to support and service customer needs worldwide.

The Entegris Solution

We are a leading provider of materials management solutions that assure the integrity of materials as they are handled, stored, processed and transported throughout the semiconductor manufacturing process, from raw silicon wafers to completed integrated circuits. Among other things, our comprehensive portfolio of products enable:

- . secure transport of materials, including chemicals and raw silicon wafers, from suppliers to the fab;
- . storage, handling and transport of wafers throughout fab processing;
- . storage, mixing and distribution of chemicals throughout fab processing;
- . delivery of finished wafers to test, assembly and packaging facilities; and
- . safe handling of integrated circuit packages and bare die at the test, assembly and packaging facilities.

We also apply our materials integrity expertise within other markets in the microelectronics industry, such as the data storage market.

Our customers benefit from our comprehensive product line, advanced manufacturing capabilities, extensive polymer expertise, industry and applications knowledge and worldwide infrastructure.

Comprehensive Product Line

With over 10,000 products, we believe that we offer the broadest product offering of materials management solutions for the microelectronics manufacturing industry. In the last eighteen months, we have released more than 100 new products, including front opening unified pods, or FOUPs, and 500 derivative products. In the semiconductor industry, we offer products to ship, process, test and store wafers before, during and after the integrated circuit manufacturing process. We also offer a complete product line to transport, process, store and ship chemicals used in the semiconductor manufacturing process. In the data storage market, we offer a broad range of products to transport and handle magnetic hard disk drives, read/write heads and optical and compact disks.

Advanced Manufacturing Capabilities

We have a wide range of advanced polymer manufacturing capabilities that use a variety of mold designs to produce high precision products, often in cleanroom facilities. Our polymer capabilities include:

- . injection molding
- . rotational molding
- . blow molding
- . extrusion
- . machining
- . welding and flaring
- . sheet lining
- . over-molding
- . insert molding and
- . prototyping

These capabilities, coupled with our strengths in advanced tool design and mold-making, high volume manufacturing, quality assurance and polymer reclaiming, enable us to be a leader in our markets.

Extensive Polymer Expertise

We have extensive research experience with the advanced polymer materials used in our products. We have expertise in:

- . material evaluation
- . analytical chemistry
- . polymer blending and
- . quality assurance techniques

We understand the properties of advanced polymers, how they interact with other materials used in the semiconductor manufacturing process and how they address the varying conditions of the manufacturing process.

Industry and Applications Knowledge

Throughout our 34-year history, we have worked closely with semiconductor and hard disk drive manufacturers and materials suppliers to accumulate considerable insight into the increasingly complex manufacturing requirements of the semiconductor and data storage markets. This insight allows us to more effectively target our research and development toward products that satisfy our customers' manufacturing requirements. Our industry knowledge encompasses:

- . contamination control
- . electrostatic discharge protection and
- . cleanroom manufacturing

This industry knowledge has enabled us to serve as a leader in developing industry standards. Our ability to characterize and test products allows us to understand the interaction of our products with wafers in our customers' manufacturing process in order to ensure superior performance while reducing the risk of damage.

Worldwide Infrastructure

Our worldwide infrastructure positions us in every major region of the world where semiconductor manufacturing takes place. Our manufacturing operations and support offices in the United States, Europe and Asia enable us to offer local service, the timely and cost-effective delivery of our products and the capacity to meet customer requirements. We offer customer service 24 hours a day, 7 days a week.

Entegris' Strategy

Our objective is to build upon our leadership in materials management solutions for semiconductor device, equipment and materials suppliers, as well as apply our expertise to the growing materials management needs of other markets. The key elements of our strategy to achieve this objective are:

Expand Technological Leadership

Since our inception, we have been an innovator in materials management solutions for the semiconductor industry. For example, our chemical delivery product line represents a number of industry firsts, including:

- . the first perfluoroalkoxy, or PFA, fusion-bonded piping
- . the first valves with no metal parts in the fluid stream
- . the first nonmetallic capacitive sensors to successfully perform in harsh environments at high temperatures and
- . the first pinch valve.

Additionally, we are a leading designer and manufacturer of 300mm materials management solutions with products such as FOUPs, and reduced-pitch front opening shipping boxes, or FOSBs. We will continue to expand the scope of our technology leadership by:

- . identifying viable new polymers for materials management applications
- . developing innovative product designs and advanced processes for molding difficult materials and
- . aiding the industry in establishing manufacturing standards for materials management products.

Broaden Product Offering

Although we offer a comprehensive line of more than 10,000 products, we believe that there is significant potential for sales of new products and solutions in the semiconductor and data storage markets and within the broader microelectronics industry including, among others:

- . new products and solutions for the emerging 300mm wafer market;
- . upgrading 200mm fabs with new and improved products;
- . new products and solutions to store, mix, handle and transport ultra-pure and corrosive chemicals used in the semiconductor manufacturing process; and
- . new products and solutions in the area of testing, storing and shipping finished integrated circuits.

We are committed to developing new products through both internal research and development and strategic acquisitions.

Enhance Relationships with Customers and Suppliers

For over three decades, we have cultivated our relationships with our key customers and suppliers. We work closely with our customers during the engineering and design phase to identify and respond to their

requests for future generation products. For example, our application engineers work closely with key original equipment manufacturers, or OEMs, to assure that our products are designed to interface smoothly with their equipment. In addition, we enjoy long-standing collaborative relationships with key suppliers, which provide us with technical information and access to new or improved materials. We will continue to emphasize these collaborative relationships with customers and suppliers in order to develop new and enhanced products.

Expand in Japan

We believe that further penetration of the Japanese market is critical to our growth. Five of the world's seven largest wafer manufacturers are headquartered in Japan. We have maintained a manufacturing and sales presence in Japan since the 1970s through licensing arrangements, joint venture injection molding operations and a joint venture sales company, which has allowed us to develop strategic relationships and an understanding of the Japanese market. To increase our presence in Japan, we intend to expand our local manufacturing operations, introduce new products, expand our marketing initiatives and pursue strategic acquisitions.

Pursue Selective Acquisitions

Although we currently have no agreements or commitments to acquire any business, we intend to pursue selective acquisitions to complement our growth. Our goal is to acquire businesses that will strengthen our position in our targeted markets, enhance our technology base, increase our manufacturing capability and our product offerings and expand our geographic presence. Expanding our business in key market segments could strengthen our presence with existing customers and provide access to new customers who seek a global service provider for their materials management needs.

Expand into New Industries

We believe that our materials management expertise can be applied outside the microelectronics industry to a variety of industries that use sophisticated manufacturing processes and have critical materials management needs. For example, in the biopharmaceutical industry, we are seeking to apply our expertise to live bacteria drug manufacturing, which is a metal-sensitive process enabled by our polymer expertise and products. We are also pursuing other growth opportunities in the chemical processing and medical device markets.

Markets and Products

With over 10,000 standard and customized products, we believe that we provide the most comprehensive portfolio of materials management solutions to the microelectronics industry. Our product lines address both the semiconductor and the data storage manufacturing markets. During the front-end semiconductor manufacturing process, we provide materials management products and services that preserve the integrity of wafers as they travel from wafer manufacturers to semiconductor manufacturers. As the wafers are subsequently processed, we provide wafer transport products that reliably interface with automated processing equipment. We also provide products that safely deliver processing chemicals from chemical manufacturers to containers at the fab and then from containers to process equipment within the fab. During the back-end semiconductor manufacturing process, we provide products that transport and handle completed integrated circuits during testing, assembly and packaging. Furthermore, we provide products that prevent degradation and damage to magnetic hard disk drives and read/write heads as they are processed and shipped.

The following table summarizes the breadth of our materials management product offerings.

Process	Representative Products	Product Description	Enabling Function

MICROELECTRONICS			
Semiconductor			
Front-End:			
Wafer Manufacturing	<ul style="list-style-type: none"> o Ultrapak(R) o Crystalpak(R) o FabFit300(TM) 	Transport and storage products and systems for 100, 125, 150, 200 and 300mm raw wafers	Preserves the integrity of raw wafers during shipment from wafer manufacturers to semiconductor manufacturers
Wafer Handling	<ul style="list-style-type: none"> o KA250(R) o F300 FOUP 	Pods, carriers and work-in-process boxes for 100, 125, 150, 200, and 300mm process wafers	Holds and positions wafers during processing including precise interfaces with automation and manufacturing equipment
Chemical Delivery	<ul style="list-style-type: none"> o Valves: Integra(R), Dymak(R), Accuflo(TM) o Fittings: Flaretek(R), Galtek(R), Quikgrip(R) o Tubing: FluoroLine(R) o Pipes: PUREBOND(R) o Containers: FluoroPure(R) 	High purity corrosion resistant fluid handling components for chemical transport and bulk storage	Provides consistent and safe delivery of sophisticated chemicals from chemical manufacturers to semiconductor manufacturers' point-of-use
Back-End:			
Test, Assembly and Packaging	<ul style="list-style-type: none"> o 1120/1144 Bare Die Trays o JEDEC/Matrix Trays 	Transport, handling and storage systems for wafer, bare die, single die, in process die, and packaged die	Preserves the integrity of wafers and die during transportation to back-end operations by avoiding electrostatic discharge and contamination
Microelectronics			
Disk Manufacturing	<ul style="list-style-type: none"> o Disk Shipper o Read/Write Head Trays 	Trays and carriers for read/write and disk processing and shipping in all sizes and substrates	Prevents degradation and damage to critical data storage components
OTHER			
Biopharmaceutical, Telecommunications, Medical and Other	<ul style="list-style-type: none"> o Cynergy(R) o Filter Housing and Components o Micro-molded Parts 	Wide variety of custom designed and molded products for use in high technology applications including fluid transfer and sophisticated medical devices	Enables new technologies and applications such as live bacteria manufacturing techniques and miniaturization for telecommunications

Wafer Manufacturing Products. We are a leading provider of critical shipping products that preserve the integrity of raw silicon wafers as they are transported from wafer manufacturers to semiconductor manufacturers. We lead the market with our extensive, high volume line of UltraPak(R) and CrystalPak(R) products which are supplied to wafer manufacturers in a full range of sizes covering 100, 125, 150 and 200mm wafers. The UltraPak(R) was first introduced in the mid 1980s. It is made of a proprietary blend of polypropylene and is the market leader in wafer shipping boxes. The CrystalPak(R) was introduced in the early 1990s as a reusable wafer shipping box and is made of a proprietary blend of polycarbonate. Continuing our technological leadership in the market, we offer the FabFit300(TM) for the transportation and automated interface of 300mm wafers. We offer a complete shipping system, including both wafer shipping containers as well as secondary packaging that provide another level of protection for wafers. This 300mm wafer system reduces the cleaning, shipping and storage costs for semiconductor manufacturers and allows them to optimize the use of their premium cleanroom space.

Wafer Handling Products. We believe that we are a market leader in wafer handling products. We offer a wide variety of products that hold and position wafers as they travel to and from each piece of equipment used in the automated manufacturing process. These specialized carriers provide precise wafer positioning, wafer protection and highly reliable and predictable cassette interfaces in automated fabs. Semiconductor manufacturers rely on our products to improve yields by protecting wafers from abrasion, degradation and contamination during the manufacturing process. We provide standard and customized products that meet the full spectrum of industry standards and customers' wafer handling needs including FOUPs, wafer transport and process carriers, pods and work-in-process boxes. To meet our customers' varying wafer processing and transport needs, we offer wafer carriers in a variety of materials and in sizes ranging from 100mm through 300mm.

Chemical Delivery Products. Chemicals spend most of their time in contact with fluid storage and management distribution systems, so it is critical for fluid storage and handling components to resist these chemicals and avoid contributing contaminants to the fluid stream. We offer chemical delivery products that allow the consistent and safe delivery of sophisticated chemicals from the chemical manufacturer to the point-of-use in the semiconductor fab. Most of these products are made from perfluoroalkoxy or PFA, a fluoropolymer resin widely used in the industry because of its high purity and inertness to chemicals. The innovative design and reliable performance of our products and systems under the most stringent of process conditions has made us a recognized leader in high purity fluid transfer products and systems.

Both semiconductor manufacturers and semiconductor OEMs use our chemical delivery products and systems. Our comprehensive product line provides our customers with a single source provider for their chemical storage and management needs throughout the manufacturing process.

Our chemical delivery products include:

- . Valves. We offer the Integra(R), Dymak(R) and Accuflo(TM) valves, each of which were first in their respective applications. Our Integra(R) valve was the first to feature no external metal parts, which can corrode and pose a safety hazard when managing aggressive chemicals. Our Dymak(R) valve is the first PFA pinch valve designed for chemical mechanical polishing, or CMP, slurries, bulk chemical distribution and other high flow applications. The all-PFA pinch element allows greater resistance to chemical corrosion and offers lower particle generation than competing valves. Our Accuflo(TM) metering valve is the first to be molded entirely from PFA, which provides enhanced control for a broad range of applications.
- . Fittings. We provide fittings that have become the industry standard for high purity chemical resistance. We offer three styles of fittings: Flaretek(R), Quikgrip(R) and Galtek(R) fittings. Our Flaretek(R) fittings feature a flare design that combines leak-free performance with minimum dead volume. All of the wetted surfaces of our fittings products are Teflon(R) PFA, chosen for its resistance to corrosion and wear in the semiconductor processing environment. Our Quikgrip(R) fitting has a gripper design that

features easy, user-friendly assembly. Additionally, our Galtek(R) fittings represent the industry's first all PFA fitting featuring an integral ferrule design for strength along with chemical resistance features.

- . Tubing. We offer three grades of FluoroLine(R) PFA tubing, which address our customers' needs ranging from industrial to ultra high purity applications.
- . Pipe. Our PUREBOND(R) fusable piping components provide leak-free piping systems by fusion bonding over rigid pipe and components. Our patented method for joining PFA components allows flexibility of design and assembly of fluid delivery systems. We offer many component configuration sizes ranging from 1/4 inch to 2 inch inner diameters, meeting a wide range of customer design requirements.
- . Chemical Containers. We offer a broad spectrum of chemical transport and storage containers that help ensure the safe delivery of sophisticated chemicals from chemical manufacturers to the semiconductor manufacturers' point-of-use. Our containers are well suited for the microelectronics industry because they help minimize contamination of chemicals to concentrations of parts per billion and parts per trillion. Our sheet lining process allows us to provide containers for bulk chemical storage and shipment of up to 19,000 liters. We offer a wide variety of container types including drums, pressure vessels, intermediate bulk containers, custom containers and bottles. In addition, we provide our patented quick connect system, which enables safe, risk-free connections for chemical container change-outs.
- . Custom Fabricated Products. We offer a wide variety of custom-molded, welded or fabricated fluid products, including custom valves, fittings, filter housings, caps, closures, flanges and tanks. We manufacture these custom products to meet stringent standards of consistency and safety by offering a variety of high performance, chemically resistant materials.

Semiconductor Manufacturing: Back-End

Test, Assembly and Packaging Products. Rapidly changing packaging strategies for semiconductor applications are creating new materials management challenges for back-end manufacturers. We offer chip and matrix trays as well as shippers and carriers for thinned wafers, bare die handling and integrated circuits. Our materials management products are compatible with industry standards and available in a wide range of sizes with various feature sets. Our standard trays offer dimensional stability and permanent electrostatic discharge protection. Our trays also offer a number of features including:

- . custom designs to minimize die movement and contact;
- . shelves and pedestals to minimize direct die contact, special pocket features to handle various surface finishes to eliminate die sticking; and
- . other features for automated or manual die placement and removal.

In addition, we support our product line with a full range of accessories to address specific needs such as static control, cleaning, chip washing and other related materials management requirements. To better address this market, we have established ictray.com, a website which allows new and existing customers to select from our full range of standard and custom integrated circuit trays.

Hard Disk Drive Manufacturing

Disk Manufacturing Products. Like the semiconductor industry, the data storage market continues to face new challenges and deploy new technologies at an accelerating rate. We provide materials management products and solutions to manage two critical sectors of this industry: magnetic disks and the read/write heads used to read and write today's higher density disks. Because both of these hard disk drive components are instrumental in the transition to more powerful storage solutions, we offer products that carefully protect and

maintain the integrity of these components during their processing, storage and shipment. Our product offerings for magnetic hard disk drives include:

- . process carriers
- . boxes
- . packages
- . tools and
- . shippers for aluminum and other disk substrates.

Our optical hard disk drive products include:

- . stamper cases
- . process carriers
- . boxes and
- . glass master carriers.

Our read/write head products include:

- . transport trays
- . carriers
- . handles
- . boxes
- . individual disk substrate packages and
- . accessories.

Other Industries

We offer our extensive polymer molding expertise to customers outside the microelectronics industry, such as the biopharmaceutical, medical and telecommunications industries. We work with our customers in these industries to develop specialized components and assemblies that meet their stringent specifications for close tolerances and cleanliness. We offer a wide variety of services and capabilities to these customers, including:

- .materials research
- .parts design
- .mold design
- .manufacturing
- .molding
- .assembly and
- .final testing

Customers

We have over 1,000 customers in North America, Europe and Asia, including every major semiconductor manufacturer in the world. No single end-customer accounts for over 5% of our sales. We provide products and solutions primarily to semiconductor manufacturers and semiconductor equipment manufacturers, chemical materials suppliers and data storage manufacturers. The following table sets forth a list of major customers in each of the markets in which we operate.

Semiconductor Wafer Manufacturing			
Microelectronics and Semiconductor Materials			
Mitsubishi Silicon MEMC Shin Etsu Handotai (SEH)	Sumitomo Metals Wacker Siltronic		
Arch Chemicals Ashland BOC Edwards	Millipore Pall		
Semiconductor Device Manufacturing and Assembly			
Semiconductor Device Manufacturing and Assembly			
AMD Amkor/Anam ASE Test Carsem Fujitsu	Hitachi Intel IBM Infineon Lucent	LG International Micron Technology Motorola NEC Philips	Samsung STMicroelectronics Texas Instruments TSMC UMC
Semiconductor Equipment Manufacturing			
Data Storage Manufacturing			
Applied Materials FSI International	SCP Global Technologies		
Fujitsu Hoya HMT IBM	Komag MMC Seagate Technology		
Custom Products for Other Industries			
ADC Telecom Boston Scientific Ericsson	Guidant Medtronic		

Sales and Marketing

We market and sell our products on a worldwide basis through a network of direct sales personnel, commissioned sales representatives and stocking distributors. Our sales and marketing initiatives in Japan are coordinated through the sales office of Fluoroware Valqua Japan, our majority owned subsidiary. Metron, a global distributor of semiconductor products and services partially owned by Entegris, has broad distribution rights in Europe, and in portions of the United States and Asia.

International sales accounted for 45.1% of our revenues in fiscal 1998, 47.9% in fiscal 1999 and 47.7% in the six months ended February 28, 2000. The following table summarizes total net sales, based upon the

country from which sales were made, and long-lived assets attributed to significant countries for fiscal 1997, fiscal 1998 and fiscal 1999 (in thousands):

	1997	1998	1999
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Net sales:			
United States.....	\$252,230	\$217,171	\$176,345
Japan.....	13,232	19,129	20,337
Germany.....	10,103	18,853	26,278
Malaysia.....	818	5,828	12,100
Korea.....	--	1,249	2,443
Singapore.....	907	4,361	4,449
	-----	-----	-----
	\$277,290	\$266,591	\$241,952
	=====	=====	=====
Long-lived assets:			
United States.....	\$ 95,847	\$102,190	\$ 84,271
Japan.....	7,404	6,044	7,100
Germany.....	5,034	7,143	6,484
Malaysia.....	9,807	13,094	12,955
Korea.....	25	2,742	5,131
Singapore.....	2,037	2,110	1,683
	-----	-----	-----
	\$120,154	\$133,323	\$117,624
	=====	=====	=====

We support our worldwide sales activities by stocking select products in regional warehouses, which facilitates rapid response to customers' needs. For example, Entegris Europe GmbH is a stocking location for distribution throughout Europe. The worldwide offices of Metron also carry inventories to meet regional demand.

Direct customer support comes from our five regional service and customer support offices located in the United States, Germany, Japan, Korea and Malaysia. We work with each of our regional service and customer support offices to provide:

- . regional marketing support
- . including public relations
- . collateral development and publication
- . corporate positioning
- . advertising
- . trade show participation and communications.

Our marketing groups based in the United States support our global marketing strategy, e-business and other initiatives.

Manufacturing

Our customers rely on our products to assure their materials integrity by providing dimensional precision and stability, cleanliness and consistent performance. Our ability to meet our customers' expectations, combined with our substantial investments in worldwide manufacturing capacity, position us to respond to the increasing materials management demands of the microelectronics industry and other industries that require similar levels of materials integrity.

To meet our customer needs worldwide, we have established an extensive global manufacturing network with facilities in the United States, Germany, Japan, Malaysia and South Korea. Because we work in an

industry where contamination control is paramount, we maintain Class 100 to Class 10,000 cleanrooms for manufacturing and assembly.

We believe that our worldwide manufacturing operations and our advanced manufacturing capabilities are important competitive advantages. Our advanced manufacturing capabilities include:

- . Injection Molding. Our manufacturing expertise is based on our long experience with injection molding. Using molds produced from computer-aided processes, our manufacturing technicians utilize specialized injection molding equipment and operate within specific protocols and procedures established to consistently produce precision products.
- . Extrusion. Extrusion is the use of heat and force from a screw to melt solid polymer pellets in a cylinder and then forcing the resulting melt through a die to produce tubing and pipe. We have established contamination free on-line laser marking and measurement techniques to properly identify products during the extrusion process and ensure consistency in overall dimension and wall thicknesses.
- . Blow Molding. Blow molding consists of the use of heat and force from a screw to melt solid polymer pellets in a cylinder and then forcing the melt through a die to create a hollow tube. The molten tube is clamped in a mold and expanded with pressurized gas until it takes the shape of the mold. We utilize advanced three-layer processing to manufacture 55 gallon drums, leading to cost savings while simultaneously assuring durability, strength and purity.
- . Rotational Molding. Rotational molding is the placing of a solid polymer powder in a mold, placing the mold in an oven and rotating the mold on two axes so that the melting polymer coats the entire surface of the mold. This forms a part in the shape of the mold upon cooling. We use rotational molding in manufacturing containers up to 5,000 liters. Our rotational molding expertise has provided rapid market access for our current fluoropolymer sheet lining manufacturing business.
- . Sheet Lining. Sheet lining consists of welding thin sheets of polymer into a solid lining that conforms to the shape of a large vessel, such as a tanker truck. We sheet line stainless steel tanks up to 19,000 liters in size through a complex adhesive and welding process that provides customers with purity and strength for the high volume storage and transportation of corrosive chemicals.
- . Machining. Machining consists of the use of computer controlled equipment to create shapes, such as valve bodies, out of solid polymer blocks or rods. Our computerized machining capabilities enable speed and repeatability in volume manufacturing of our machined products, particularly products utilized in chemical delivery applications.
- . Assembly. We have established protocols, flow charts, work instructions and quality assurance procedures to assure proper assembly of component parts. The extensive use of robotics throughout our facilities reduces labor costs, diminishes the possibility of contamination and assures process consistency.
- . Tool Making. We employ more than 100 toolmakers at three separate locations in the United States. Our toolmakers produce the majority of the tools we use throughout the world.

We have made significant investments in systems and equipment to create innovative products and tool designs. Our pro-engineer CAD equipment allows us to develop three-dimensional electronic models of desired customer products to guide design and tool-making activities. Our pro-engineer CAD equipment also aids in the rapid prototyping of products.

We also use computer-automated engineering in the context of mold flow analysis. Beginning with a pro-engineer 3D model, mold flow analysis is used to visualize and simulate how our molds will fill. The mold flow analysis techniques cut the time needed to bring a new product to market because of the reduced need for

sampling and development. Also, our pro-engineer CAD equipment can create a virtual part with specific geometries, which drives subsequent tool design, tool manufacturing, mold flow analysis and performance simulation.

In conjunction with our three-dimensional product designs, we use finite element software to simulate the application of a variety of forces or pressures to observe what will happen during product use. This analysis helps us anticipate forces that affect our products under various conditions. The program also assists our product designers by measuring anticipated stresses against known material strengths and establishing proper margins of safety.

Engineering, Research and Development

We devote a significant portion of our financial and human resources to research and development programs. As of February 28, 2000, we employed approximately 140 people in our worldwide engineering, research and development department. Of these, more than 20 work in our materials and product testing research laboratories, where we conduct general materials research to enhance current products and strengthen our advanced materials knowledge. The other engineering, research and development personnel perform product design and development in response to general market needs as well as specific industry and customer requests. Increasingly, customers ask us to conduct research and development to find materials, products and systems that meet their specific materials handling needs.

We utilize sophisticated methodologies to develop and characterize our materials and products. Our materials technology lab is equipped to analyze the physical, rheological, thermal, chemical and compositional nature of the polymers we use. Our materials lab includes standard and advanced polymer analysis equipment such as inductively coupled plasma mass spectrometry (ICP/MS), inductively coupled plasma atomic emission spectrometry (ICP/AES), Fourier transform infrared spectroscopy (FTIR) and automated thermal desorption gas chromatography/mass spectrometry (ATD-GC/MS). This advanced analysis equipment allows us to detect contaminants in materials that could harm the semiconductor manufacturing process to levels as low as parts per billion, and in some cases parts per trillion.

Our capabilities to test and characterize our materials and products are focused on continuously reducing risk to our customers. The majority of our research laboratories are located at our Chaska, Minnesota and Colorado Springs, Colorado facilities. We expect that technology and product research and development will continue to represent an important element in our ability to develop and characterize our materials and products.

Facilities

We conduct manufacturing operations in facilities strategically positioned throughout the world. Our factory and warehouse facilities adequately meet our production capacity and work flow requirements. Due to significant capital spending over the past several years, we currently have significant unused production and warehouse capacity. The table below presents certain information relating to these manufacturing and related warehouse facilities.

Facility Location	Square Footage	Type of Ownership	Manufacturing Use
United States			
Minnesota	712,000	6 facilities owned, 2 facilities leased	Injection Molding, Extrusion, Blow Molding, Rotational Molding, Tool Making, Micro-molding, Sheet Lining
Colorado	148,000	1 facility owned, 1 facility leased	Injection Molding, Tool Making
California	30,000	1 facility leased	Custom Manufacturing
Texas	20,000	1 facility leased	Polymer Reclaiming
Malaysia	105,000	1 facility owned	Injection Molding
Korea	78,000	1 facility owned, 1 facility leased	Injection Molding, Extrusion, Sheet Lining
Germany	44,000	1 facility owned	Injection Molding, Extrusion
Japan	42,000	1 facility owned	Injection Molding

Of the facilities leased, the table below presents certain relevant information.

State	Square Footage	Lease Termination
Minnesota--Chaska	124,000	March 31, 2011
Minnesota--Chanhassen	60,000	August 31, 2001 (1)
Minnesota--Gaylord	30,000	July 1, 2023
Colorado--Castle Rock	70,000	September 30, 2005
California--Upland	30,000	July 31, 2005
Texas--Pearland	20,000	December 31, 2000
Korea	23,000	Indefinite (2)

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(1)This property purchased May 1, 2000 for \$2,530,000

(2)Lease agreement terminates at end of Joint Venture Agreement

Patents and Proprietary Rights

We rely on patent, copyright, trademark and trade secret laws, confidentiality agreements and other contractual arrangements with our employees, strategic partners and others to protect our technology. Our goal is to obtain intellectual property protection to maintain our position as a leader in materials management and to give us a competitive advantage in the industry.

We actively pursue a program of patent applications to seek protection of technologically sensitive features of our materials management products and processes. We conduct extensive research on the patentability of our

innovations, the potential infringement on existing patents and the business value of retaining the information as proprietary knowledge. With this information, we determine whether to seek a patent, disclose the information through an industry white paper or maintain the information as a trade secret. Our patent portfolio consists of 95 current U.S. patents, which expire from 2000 to 2018, and 31 pending U.S. patent applications. We regularly seek patent protection outside the United States by filing counterpart applications, principally in Europe, Southeast Asia and Japan. We also pursue trademark registration of our key trademarks in the principal countries where we do business.

The patent position of any manufacturer, including us, is subject to uncertainties and may involve complex legal and factual issues. Litigation may be necessary in the future to enforce our patents and other intellectual property rights or to defend ourselves against claims of infringement or invalidity. The steps that we have taken in seeking patents and other intellectual property protections may prove inadequate to deter misappropriation of our technology and information. In addition, our competitors may independently develop technologies that are substantially equivalent or superior to our technology.

Competition

We face substantial competition from a number of companies, some of which have greater financial, marketing, manufacturing and technical resources. We are not aware of any single competitor who offers a comparable breadth of materials management products and services in the microelectronics industry. We compete on the basis of our technical expertise, product performance, advanced manufacturing capabilities, global locations, quality, reliability, established reputation and customer relationships. We believe that we compete favorably on the basis of these factors in each of our served markets.

Our wafer management product line faces competition largely on a product-by-product basis. We have historically faced significant competition from companies such as Kakizaki, Sanga Flantek, Dainichi and Asyst Technologies. These companies compete with us primarily in 200mm and 300mm applications. Our chemical delivery products also face worldwide competition from companies such as Furon, Parker, Pillar and Gemu. In assembly, packaging and testing of semiconductor and data storage applications, we compete with companies such as Advantek, GEL-Pak, ITW/Camtex, Peak International and 3M. Primary competition for our wafer shipping containers comes from Japanese companies such as SEP and Kakizaki. In the disk shipping and bare and packaged die tray markets, we face competition from regional suppliers.

Employees

As of February 28, 2000, we had approximately 1,570 full-time employees throughout the world, including 1,030 in manufacturing, 140 in engineering, research and development, including custom product development, and 400 in selling, marketing and general and administrative activities, including customer service, finance and accounting, information technology, human resources and corporate management. Of our full-time employees, 1,280 are located in the United States, 70 are located in Europe and about 220 are located in Asia. None of our employees are covered by a collective bargaining arrangement. We consider our relationship with our employees to be good.

Legal Proceedings

We are not a party to any material pending legal proceedings.

MANAGEMENT

Executive Officers, Directors and Key Personnel

The following table sets forth certain information with respect to each of the executive officers and directors of Entegris, as of the date of this prospectus.

Name	Age	Position
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Daniel R. Quernemoen(1).....	69	Chairman of the Board
Stan Geyer(1).....	51	President, Chief Executive Officer and Director
James E. Dauwalter.....	48	Executive Vice President, Chief Operating Officer and Director
John D. Villas.....	42	Chief Financial Officer
James A. Bernards(2)....	53	Vice Chairman and Director
Robert J. Boehlke(2)....	58	Director
Mark A. Bongard.....	35	Director
Delmer M. Jensen(1)....	62	Director
Roger D. McDaniel(1)(2).....	61	Director

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 (1) Member of the compensation and stock option committee
 (2) Member of the audit committee

Daniel R. Quernemoen has been Chairman of the board of directors of Entegris since June 1999. Prior to that time, Mr. Quernemoen had been the Chairman of the board of directors of Fluoroware since August 1987 and a member of its board since 1970. Mr. Quernemoen was also Chief Executive Officer of Fluoroware from 1982 to 1996 and President from 1980 to 1982. Mr. Quernemoen is a member of the board of directors of SEMI and the Wallestad Foundation, a private non-profit charity.

Stan Geyer has been President, Chief Executive Officer and a member of the board of directors of Entegris since June 1999. Prior to that time, Mr. Geyer had been the President and Chief Executive Officer of Fluoroware since September 1996 and a member of its board of directors since 1982. Mr. Geyer also served as Vice President of Marketing and Executive Vice President of Fluoroware. Mr. Geyer serves on the board of directors of the Wallestad Foundation.

James E. Dauwalter has been a director of Entegris since June 1999 and Executive Vice President and Chief Operating Officer since March 2000. Prior to that time, Mr. Dauwalter had been a director of Fluoroware since 1982 and also served as Executive Vice President and Chief Operating Officer of Fluoroware since September 1996. Mr. Dauwalter serves on the board of the Community Bank of Chaska, the supervisory board of Metron, an affiliate of Entegris, and the Wallestad Foundation.

John D. Villas has been Chief Financial Officer of Entegris since March 2000. Prior to that time, Mr. Villas had been Chief Financial Officer of Fluoroware since November 1997 and Vice President Finance since April 1994. Mr. Villas joined Fluoroware in 1984 as controller and then served as corporate controller between 1991 and 1994.

James A. Bernards has been Vice Chairman of the board of Entegris since March 2000 and a director since June 1999. Mr. Bernards has also been President of Facilitation, Inc., a provider of business and financial consulting services, since June 1993. Mr. Bernards was President of the accounting firm of Stirtz, Bernards & Company from May 1981 to June 1993. Mr. Bernards has been President of Brightstone Capital, Ltd., a venture capital fund, since 1986. He is a director of FSI International, Inc., Fieldworks, Inc., Health Fitness Corporation, August Technology, Inc. and several private companies.

Robert J. Boehlke has been a director of Entegris since August 1999. Prior to that time, Mr. Boehlke had been a director of Fluoroware since January 1998. Mr. Boehlke is Executive Vice President and Chief Financial Officer of KLA-Tencor Corporation. Mr. Boehlke joined KLA-Tencor in April 1983 as Vice President. Since 1983, he has served in a number of positions for KLA-Tencor, including division General Manager, Chief Operating Officer and Chief Financial Officer. Prior to his employment by KLA-Tencor, Mr. Boehlke was a partner at the investment banking firm of Kidder, Peabody & Company from 1971 to 1983. He currently serves on the board of directors of LTX Corporation.

Mark A. Bongard has been a director of Entegris since June 1999. Mr. Bongard has been the Chief Executive Officer of Emplast, Inc. since 1996, and Chairman of its board of directors since 1999. Emplast was formerly a part of Empak, and all of Emplast's stock is owned by the Estate of WCB Bongard, our largest shareholder. Prior to being Chief Executive Officer of Emplast, Mr. Bongard held a number of positions with Empak from 1987 to 1996. Before joining Empak in 1987, Mr. Bongard was employed by MTE Associates, Inc.

Delmer M. Jensen has been a director of Entegris since June 1999. Mr. Jensen was Executive Vice President of Operations of Entegris from June 1999 to March 2000. Prior to that time, he had been Chief Executive Officer of Empak since 1998 and Chief Operating Officer from 1988 to 1997. Mr. Jensen joined Empak in 1988. Prior to 1988, he was employed by Thermotech.

Roger D. McDaniel has been a director of Entegris since August 1999. Prior to that time, Mr. McDaniel was a director of Fluoroware since August 1997. From 1989 to August 1996, Mr. McDaniel was the Chief Executive Officer of MEMC, a silicon wafer producer, and was also a director of MEMC from April 1989 to March 1997. Mr. McDaniel is a director of Veeco Instruments, Inc., Speedfam-IPEC, Inc. and Anatel Inc. He is also a director and past Chairman of SEMI.

Our bylaws provide that the board of directors must consist of no more than nine directors, and that any increase in the number of directors must be approved by the affirmative vote of 75% of the votes entitled to be cast at a shareholders' meeting, unless the increase was approved by a majority of the board. The board of directors has established the number of directors to serve on the board at eight. The directors are divided into three classes, designated as Class I, Class II and Class III, with staggered three-year terms of office. At each annual meeting of shareholders, directors who are elected to succeed the class of directors whose terms expired at that meeting will be elected for three-year terms. Messrs. McDaniel and Boehlke will be up for reelection at the 2001 annual meeting of shareholders, Messrs. Quernemoen, Jensen and Bongard at the 2002 annual meeting of shareholders, and Messrs. Geyer, Dauwalter and Bernards at the 2003 annual meeting of shareholders. Vacancies may be filled by a majority of the directors then in office, and the directors so chosen hold office until the next election of the class to which such directors belong. All current directors were previously elected by Entegris' shareholders.

Pursuant to the Consolidation Agreement among Entegris, Fluoroware and Empak, dated June 1, 1999, and the related Shareholder Agreements between Entegris and the Empak and Fluoroware shareholders, the board of directors of Entegris must consist of up to nine persons: three directors designated by those persons who were members of Fluoroware's board of directors on June 1, 1999; three directors who are designated by those persons who were members of Empak's board of directors on June 1, 1999; and up to three independent directors, who must be appointed by the initial board members of Entegris upon their mutual agreement. Messrs. Bernards, Bongard and Jensen were designated by the Empak board and Messrs. Dauwalter, Geyer and Quernemoen were designated by the Fluoroware board.

Committees Of The Board Of Directors

The board of directors maintains an audit committee composed of Messrs. Bernards, Boehlke and McDaniel. The audit committee recommends to the board of directors the appointment of independent auditors, reviews and approves the scope of the annual audit and other non-audit services performed by the independent auditors, reviews the findings and recommendations of the independent auditors and periodically reviews and approves major accounting policies and significant internal accounting control procedures.

The board of directors also maintains a compensation and stock option committee comprised of Messrs. Quernemoen, Geyer, Jensen and McDaniel. The compensation and stock option committee reviews and makes recommendations regarding compensation of officers and directors, administers Entegris' stock option plans, and reviews major personnel matters.

Compensation Committee Interlocks And Insider Participation

Messrs. Quernemoen, Geyer, Jensen and McDaniel currently serve on our compensation and stock option committee. Messrs. Quernemoen, Geyer and Jensen are executive officers and employee directors of Entegris, Empak and Fluoroware. Mr. Quernemoen received a promissory note from Fluoroware for \$4,138,379 as consideration for the redemption of 68,950 shares of Fluoroware common stock. This promissory note bears interest at a rate of 8% per annum and is payable in equal monthly installments over a 15 year period. Prior to the formation of our compensation and stock option committee on August 9, 1999, all decisions regarding executive compensation were made by the full board of directors. No interlocking relationships exist between the board of directors or the compensation and stock option committee and the board of directors or compensation committee of any other company, nor has any interlocking relationship existed in the past.

Director Compensation

Each non-employee director of Entegris receives a monthly retainer of \$1,000 for their service to the board. Non-employee directors are also entitled to \$500 for every committee meeting that they attend. Entegris also maintains its Directors' Stock Option Plan (Directors' Plan) which provides that all non-employee directors receive an option to purchase 15,000 shares of common stock when they are first elected or appointed to the board, and then options to purchase 6,000 shares upon each reelection to the board at an annual meeting of shareholders. At the time of the Directors' Plan adoption in 1999, each non-employee director of Entegris also received an option to purchase 15,000 shares. Additionally, prior to the consolidation of Empak and Fluoroware, Fluoroware maintained its 1997 Directors Stock Option Plan and had stock options outstanding, all of which were converted at the time of the consolidation into Directors' Plan stock options. As of February 28, 2000, there were outstanding options to purchase an aggregate of 150,106 shares at a weighted average exercise price of \$4.00 per share.

Executive Compensation

The following table provides certain summary information concerning the compensation earned by Entegris' Chief Executive Officer and the four other most highly compensated executive officers of Entegris for fiscal 1999 whom we refer to as the Named Executive Officers.

Summary Compensation Table

Name and Position	Annual Compensation for Fiscal 1999(1)		All Other Compensation(2)
	Salary(\$)	Bonus(\$)	
Daniel R. Quernemoen.....	196,517	0	16,000
Chairman of the Board			
Stan Geyer	250,000	64,000	16,000
Chief Executive Officer			
Delmer M. Jensen.....	250,016	179,500	9,600
Executive Vice President of Operations			
James E. Dauwalter.....	230,000	64,000	16,000
Executive Vice President and Chief Operating Officer			
John D. Villas.....	133,269	41,200	13,313
Chief Financial Officer			

(1) None of the perquisites and other benefits paid to any Named Executive Officer exceeded the lesser of \$50,000 or 10% of the total annual salary and bonus amounts received by the Named Executive Officer.

(2) Represents payments made to defined contribution plans.

Options/SAR Grants in the Last Fiscal Year

There were no options or stock appreciation rights awarded to any of the Named Executive Officers during fiscal 1999.

Bonus Programs

We maintain an executive management incentive program providing annual bonus opportunities for certain qualified employees, including executive officers, under which such employees may be awarded cash bonuses based upon the achievement of individual performance criteria established at the beginning of each year and upon our financial performance. Under this program, an incentive pool is established at the end of each fiscal year based upon certain financial criteria for the then ending fiscal year, including sales growth, operating profit and return on assets. Our executive officers are eligible to receive a bonus payment of up to 100% of their base salary, up to 65% of which is based on the incentive pool, and up to 35% of which is based upon the accomplishment of their individual performance goals established at the beginning of the year. Other employees who qualify for this bonus program are eligible to receive lesser percentages of their base salary based upon the same financial and individual factors. Additionally, for our domestic employees who do not qualify for this bonus program, we maintain a quarterly incentive plan. The quarterly incentive plan provides bonuses based upon base salary, depending upon our domestic operating income results.

Our bonus programs are administered at the discretion of our board of directors. Bonuses paid under the executive management incentive program, if any, are included in the cash compensation table above.

Fiscal Year-End Option/SAR Values

None of the Named Executive Officers exercised options in the twelve months ended August 31, 1999. The following table sets forth the number and value of securities underlying unexercised options held by the Named Executive Officers at August 31, 1999:

Name and Position	Number of Securities Underlying Unexercised Options/SARs at August 31, 1999(1)		Value of Unexercised In-the-Money Options at August 31, 1999(2)	
	Exercisable	Unexercisable	Exercisable	Unexercisable
Daniel R. Quernemoen..... Chairman of the Board	173,688	0	\$185,846	\$ 0
Stan Geyer..... Chief Executive Officer	358,260	191,058	383,338	204,432
Delmer M. Jensen..... Vice President of Operations	274,780	0	747,402	0
James E. Dauwalter..... Executive Vice President and Chief Operating Officer	349,576	165,004	374,046	176,554
John Villas..... Chief Financial Officer	149,672	95,528	160,149	102,215
Totals.....	1,305,976	451,590	\$1,850,781	\$483,201

(1) The weighted average exercise price for all options is \$2.89 per share.

(2) The value of unexercised "in-the-money" options is based on the fair market value of \$4.22 as of August 31, 1999, as determined by the board, minus the exercise price, multiplied by the number of shares underlying the option.

Equity and Profit Sharing Plans

Employee Stock Option Plan. The Entegris, Inc. 1999 Long-Term Incentive and Stock Option Plan (Option Plan) was adopted by the board in August 1999 and approved by our shareholders in February 2000.

There are 9,000,000 common shares reserved for issuance under the Option Plan. Shares subject to awards that have lapsed or terminated without having been exercised in full may again become available for the grant of awards under the Option Plan.

The Option Plan provides for grants of incentive stock options that qualify under Section 422 of the Internal Revenue Code of 1986, as amended (Code), to our employees, including officers and employee directors, or the employees of any of our affiliates. Stock options that do not qualify under section 422 of the Code, restricted share awards and performance awards may be granted to employees, including officers, directors of and consultants to Entegris or any of our affiliates. We will refer to options, restricted share awards and performance awards under the Option Plan as awards. The Option Plan may be administered by the board or a committee appointed by the board. After this offering, the Option Plan will be administered by the compensation and stock option committee, currently consisting of Messrs. Quernemoen, Geyer, Jensen and McDaniel. The board or the compensation and stock option committee will have the authority to determine to whom awards are granted, the terms of such awards, including the type of awards to be granted, the exercise price, the number of shares subject to the awards, and the vesting and exercisability of the awards.

The term of options granted under the Option Plan generally may not exceed ten years. The exercise price of incentive stock options granted under the Option Plan is determined by the board or the compensation and stock option committee, but cannot be less than 100% of the fair market value of the underlying common shares on the date of grant. Other options granted under the Option Plan can be granted at exercise prices

below the fair market value of our common shares. Options granted under the Option Plan vest at the rate specified in the option agreement. No option may be transferred by the optionee other than by will or the laws of descent or distribution.

No incentive stock options may be granted to any person who, at the time of the grant, owns, or is deemed to own, shares possessing more than 10% of the total combined voting power of Entegris or any of our affiliates, unless the option exercise price is at least 110% of the fair market value of the shares subject to the option on the date of grant and the term of the option does not exceed five years from the date of grant. In addition, the aggregate fair market value, determined at the time of grant, of the common shares underlying incentive stock options which become exercisable by an optionee during any calendar year may not exceed \$100,000. Any options, or portions thereof, which exceed this limit are treated as nonqualified stock options.

As of April 30, 2000, there were 6,354,924 options outstanding under the Option Plan, held by 166 employees, to purchase shares of Entegris at a weighted average exercise price of \$2.64 per share. The Option Plan will terminate in August 2009, unless terminated sooner by the board. In addition, effective March 3, 2000, the board of directors approved additional grants to 54 employees to purchase a total of 544,000 shares of Entegris common stock, at a price equal to the finally determined price for this offering. On March 13, 2000, the board also approved a "broad-based" option grant covering nearly all of our U.S. employees. Employees who are eligible as of the date of this offering will each receive options to purchase 300 shares of common stock at a price equal to the finally determined price for this offering. The estimated total shares to be subject to these grants are 390,000.

Directors' Stock Option Plan. In August 1999, our Board adopted, and in February 2000, our shareholders approved, the Entegris, Inc. Outside Directors' Option Plan (Directors' Plan) to provide for the automatic grant of options to purchase Entegris common shares to directors of Entegris. The Directors' Plan is administered by our board.

The aggregate number of common shares that may be issued pursuant to options granted under the Directors' Plan is 1,000,000. Pursuant to the terms of the Directors' Plan, each of our directors who was not an employee of Entegris or one of our affiliates was automatically granted an option to purchase 30,000 common shares on the effective date of the Directors' Plan. The Director's Plan was amended so that each new director who is not an employee of Entegris will be granted an option to purchase 15,000 common shares upon their appointment or election to the board. On the effective date of the Director's Plan, options under this plan will be issued to replace the then current outstanding options issued under the Fluoroware, Inc. 1997 Directors Stock Option Plan with substantially the same terms. In addition, each non-employee director who is still a director after each annual meeting or regular stockholders' meeting will be automatically granted an option to purchase 6,000 common shares immediately after that annual meeting. The exercise price of options under the Directors' Plan will at least equal the fair market value of our common shares on the date of grant. No option granted under the Directors' Plan may be exercised after the expiration of ten years from the date on which it was granted.

As of April 30, 2000, there were 145,474 options outstanding to purchase common shares of Entegris under the Directors' Plan, at a weighted average exercise price of \$4.00 per share. Those shares are held by 4 non-employee directors of Entegris and 2 former non-employee directors of Fluoroware.

Employee Stock Purchase Plan. In March 2000, our board adopted, subject to shareholder approval, the Entegris, Inc. Employee Stock Purchase Plan (Purchase Plan). A total of 4,000,000 common shares of Entegris have been reserved for issuance under the Purchase Plan. The Purchase Plan is intended to qualify as an employee stock purchase plan within the meaning of Section 423 of the Code.

The Purchase Plan provides a means by which employees may purchase common shares of Entegris through payroll deductions. The Purchase Plan is implemented by offerings of rights to eligible employees. Under the Purchase Plan, the purchase period is six months, beginning on January 1 and July 1 of each

calendar year, but the first purchase period will commence on the effective date of this offering. Purchase dates under this Purchase Plan will occur on the last business day of each purchase period.

Employees who participate in this Purchase Plan may contribute up to 10% of their earnings, by having Entegris withhold part of their salary or otherwise. The amount withheld is then used to purchase common shares of Entegris on specified purchase dates. The price of common shares of Entegris purchased under the Purchase Plan will be equal to 85% of the lower of the fair market value of the common shares on the first business day of the corresponding purchase period or the fair market value of the common shares on that purchase date. Employees who become eligible to participate in the Purchase Plan for the first time during an ongoing offering may be permitted to begin participating in the Purchase Plan during such offering. The price of common shares of Entegris purchased under the Purchase Plan for employees who begin participating in the Purchase Plan during an ongoing offering will be equal to 85% of the lower of the fair market value of the common shares on the day they begin participating in the Purchase Plan or the fair market value of the common shares on the relevant purchase date. Participants in this Purchase plan may reduce the amount withheld from their pay or stop the withholding altogether at anytime. Participants can also increase the rate of withholding from their salary, but only on the first day of any purchase period. Employees' participation in all offerings under this Purchase Plan will end automatically on termination of their employment.

Unless otherwise determined by our board, employees are eligible to participate in the Purchase Plan in any given purchase period only if they are customarily employed by us or one of our U.S. subsidiaries for at least 20 hours per week and five months per calendar year immediately prior to the first day of a purchase period. No employee shall be eligible for the grant of any rights under the Purchase Plan if immediately after such rights are granted, such employee will have voting power over 5% or more of our outstanding capital shares. Eligible employees may be granted rights only if the rights, together with any other rights granted under employee stock purchase plans, do not permit such employees' rights to purchase shares of Entegris to accrue at a rate which exceeds \$25,000 of fair market value of those shares for each calendar year in which those rights are outstanding.

Employee Stock Ownership Plan. The Entegris, Inc. Employee Stock Ownership Plan (ESOP) is a tax-qualified employee stock ownership plan under Sections 401(a) and 4975(e)(7) of the Code and under Section 407(d)(6) of the Employee Retirement Income Security Act of 1974, as amended (ERISA). The ESOP was originally established by Fluoroware in 1984 to purchase common stock of Fluoroware held by Fluoroware's founder, Victor Wallestad. The ESOP purchased shares from Wallestad in August 1984, and in August 1989 utilizing proceeds from debt financing secured by the shares purchased. The ESOP serviced the indebtedness with funds received as discretionary contributions from Fluoroware and shares were allocated to participant accounts as they were released from security upon payment of the loan.

All ESOP loans have been completely paid off since August 1994, and all shares have been released from the security interest and fully allocated to participant accounts as of that date. On April 25, 1997, all company contributions were discontinued and all active participants were vested at 100%. As of June 7, 1999, the ESOP exchanged its shares of Fluoroware for shares of Entegris in connection with the consolidation of Fluoroware and Empak. The ESOP invests almost exclusively in Entegris common stock.

Participants in the ESOP who terminate employment with us have the right to request distribution of the Entegris shares allocated to their accounts as of the second August 31 following termination. Participants who terminate employment on account of death or disability, or upon retirement after age 65 also have the right to request distribution of the Entegris shares allocated to their accounts as of the first August 31 following termination. A terminated participant whose accounts are worth less than \$5,000 on the second August 31 after termination of employment, however, will automatically receive distribution of the shares even if the participant does not request distribution. Participants who are eligible to receive shares can elect to have the shares transferred directly to their Individual Retirement Accounts (IRAs).

The ESOP will be selling shares in this offering. In addition, contingent upon the successful completion of this offering, the ESOP will be amended to permit each ESOP participant to receive an annual distribution of

up to 10% of the shares in such participant's account. The first opportunity to elect such "in-service" distribution will be in or about May of 2001. ESOP participants who are eligible to receive shares from in-service distributions can elect to have the shares transferred directly to their IRAs.

As of February 28, 2000, the ESOP held an aggregate of 20,385,514 common shares. Approximately 530 of our current employees are participants in the ESOP.

Pension Plan. We maintain a defined contribution retirement plan, the Entegris, Inc. Pension Plan (Pension Plan), that covers eligible employees who have completed a year of service. The Pension Plan, and the accompanying trust, are intended to qualify as tax exempt under Sections 401(a) and 501(a) of the Code. All contributions to the Pension Plan are company contributions, and are subject to a vesting schedule. The trustee of the Pension Plan, at the direction of each participant, invests the assets of the Pension Plan in a number of investment options.

401(k) Savings and Profit Sharing Plan. In addition to the Pension Plan, we maintain the Entegris, Inc. 401(k) Savings and Profit Sharing Plan (401(k) Plan), a defined contribution plan that covers eligible employees. The 401(k) Plan, and the accompanying trust, are intended to qualify as tax exempt under Sections 401(a) and 501(a) of the Code. Eligible employees may elect to defer a percentage of their pre-tax gross compensation in the 401(k) Plan, subject to the statutory annual limit. The 401(k) Plan provides that we will make matching contributions on employee deferrals at prescribed levels. Employees are eligible to defer a portion of their compensation to the 401(k) Plan immediately upon their hire, but we will not match those contributions until the employee has completed a year of service with Entegris. Participants are fully vested in their deferrals and the matching contributions. We may also make profit sharing contributions to the 401(k) Plan, as determined at the discretion of our board of directors. Profit sharing contributions, if made, are subject to a vesting schedule in the accounts of the participants. The trustee of the 401(k) Plan, at the direction of each participant, invests the assets of the 401(k) Plan in a number of investment options.

Employment Agreements

None of the Named Executive Officers are employed pursuant to employment contracts with Entegris.

Limitation of Liability and Indemnification

Minnesota law and our articles of incorporation and bylaws provide that we will, subject to limitations, indemnify any person made or threatened to be made a party to a proceeding by reason of that person's former or present official capacity with us. We will indemnify this person against judgments, penalties, fines, settlements and reasonable expenses, and, subject to limitations, we will pay or reimburse reasonable expenses before the final disposition of the proceeding.

As permitted by Minnesota law, our articles of incorporation provide that our directors will not be personally liable to us or our shareholders for monetary damages for a breach of fiduciary duty as a director, subject to the following exceptions:

- . any breach of the director's duty of loyalty to us or our shareholders;
- . acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law;
- . liability for illegal distributions under section 302A.559 of the Minnesota Business Corporation Act or for civil liabilities for state securities law violations under section 80A.23 of the Minnesota statutes; and
- . any transaction from which the director derived an improper personal benefit.

Presently, there is no pending litigation or proceeding involving any of our directors, officers, employees or agents where indemnification will be required or permitted. We are not aware of any threatened litigation or proceeding that might result in a claim for indemnification.

Insofar as indemnification for liabilities arising under the Securities Act of 1933, as amended, may be permitted to directors, officers or persons controlling Entegris pursuant to the foregoing provisions, We have been informed that in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and therefore is unenforceable.

CERTAIN TRANSACTIONS

The following is a description of transactions since September 1, 1996, to which we or our subsidiaries have been a party, in which the amount involved in the transaction exceeds \$60,000, and in which any of our directors, executive officers or holders of more than 5% of our capital stock had or will have a direct or indirect material interest, other than compensation arrangements that are otherwise required to be described under "Management." We believe that all of the transactions set forth below were made on terms no less favorable to us than could have been obtained from unaffiliated third parties.

Leases. The estate of Wayne C. Bongard is the general partner of County 17, Chanhassen Partnership; the Waconia Partnership; and the Fleninge Partnership. The estate of Wayne C. Bongard also controls WCB Holding LLC, a family limited liability company formed by Wayne C. Bongard, which owns approximately 37% of the Entegris common shares. Empak, one of our wholly owned subsidiaries, leases its office and three production facilities from these partnerships or from Wayne C. Bongard directly on the terms described in the following paragraphs.

Empak entered into a lease agreement with Fleninge Partnership on June 15, 1993, to lease 4.37 acres of improved commercial real estate, located at 1501 Park Road, in Chanhassen, Minnesota, with an original term from September 1, 1993 to August 31, 2001. This lease is expected to be terminated on or before May 1, 2000, pursuant to the Real Estate Purchase and Sale Agreement described in the next subheading. The base rent for such lease is \$19,000 per month, to be adjusted every three years based on the consumer price index.

Empak also entered into a lease agreement with County 17, Chanhassen Partnership to lease a 95,000 sq. foot property located at 950 Lake Drive, Chanhassen, Minnesota with a term of 15 years commencing on December 1, 1989. The base rent is \$37,600 per month and is to be adjusted periodically with increases tied to the Twin Cities All Urban Wage Earners Cost-Of-Living Index. This lease gives Empak the option to purchase the leased premises at the end of the 10th year (1999) and at the end of the 15th year (2004) of the lease at the fair market value, as determined by an appraisal of a mutually agreed upon appraiser.

Empak entered into a lease agreement with Waconia Partnership on March 16, 1987, to lease a property in Waconia, Minnesota, until June 30, 2002. The base rent was set at \$21,791 per month, to be adjusted periodically with increases tied to the Twin Cities All Urban Wage Earners Cost-Of-Living Index. This lease also gives Empak the option to purchase the leased premise at the end of the 10th year (1997) and at the end of the 15th year (2002) of the lease at the fair market value, as determined by an appraisal of a mutually agreed upon appraiser.

Finally, Empak entered into a lease agreement with Wayne C. Bongard, now deceased, on September 22, 1998 to lease a property in Castle Rock, Colorado, until September 30, 2005. The base rent was set at \$25,000 per month or 150% of the amount of the monthly debt service due and payable by Mr. Bongard on financing secured by a first lien against that property or any other financing secured to improve the property, whichever is more. The rent could also be increased to reflect the then current market rental rates at Mr. Bongard's option. If Mr. Bongard and Empak disagree on the rental amount, the rental amount will be determined by a qualified appraiser.

Under the foregoing agreements, Empak is required to pay, as additional rent, all real estate taxes, utilities, and other related property expenses.

Purchase of Property. Entegris entered into a Real Estate Purchase and Sale Agreement with Fleninge Partnership on March 15, 2000, to purchase the 4.37 acres of improved commercial real estate and related personal property located at 1501 Park Road, Chanhassen, Minnesota, which Empak currently leases from the Fleninge Partnership. The purchase price of the property, which was purchased on May 1, 2000, was \$2,530,000. The purchase price was determined in an arms-length negotiation with representatives of the Fleninge Partnership who are not affiliated with or related to us.

Sublease Agreement. On April 28, 1997, Empak entered into a sublease agreement with Emplast, Inc. to sublease property located in Chanhassen, Minnesota to Emplast. Emplast is majority owned by WCB Holding LLC, our largest shareholder, and Mark A. Bongard, one of our board members, is the Chief Executive Officer of Emplast. Empak leases this property from County 17, Chanhassen Partnership, which lease is described above under the subheading "Leases." The term of the sublease ends on November 30, 2004. The base rent was set at \$550,000 per year from June 1, 1999 to May 31, 2000, and thereafter increases \$50,000 per year until the rental payment reaches the rental payment paid by Empak for the premises. As of February 28, 2000, Emplast owed Empak \$229,170 under the sublease. This amount is included in prepaid expenses and other current assets in the accompanying consolidated balance sheets.

Notes Payable. On April 6, 1992, Empak issued a promissory note for \$6,000,000 in favor of Marubeni America Corporation pursuant to a loan agreement between the parties, dated the same day, for the purpose of constructing our Colorado facility. Interest accrues on the promissory note at a rate of 9.07% per annum. Empak will repay the principal amount of this loan in 96 equal consecutive monthly installments and a final balloon payment of \$3,913,044, payable March 15, 2002. However, Empak has the option of extending this final balloon payment for an additional period of 15 years. Interest expense related to this note totaled \$204,738 for the six months ended February 28, 2000.

Fluoroware issued a promissory note on January 5, 1996 in the amount of \$4,138,379 to Daniel R. Quernemoen, Chairman of the Board of Entegris, as consideration for the redemption of 2,758,000 shares of Fluoroware common stock. The price of the redeemed shares was based on the book value of Fluoroware pursuant to a buy-sell agreement between us and Mr. Quernemoen. The note bears interest rate at the rate of 8.0% and is payable in equal monthly installments of approximately \$39,300 until January 5, 2011.

Notes Receivable. On April 15, 1999, the estate of Wayne C. Bongard executed a promissory note in the amount of \$801,347 payable to Empak, to be repaid in equal installments over a 36 month period beginning October 15, 2001, at a rate of interest of 8.0% per annum. At February 28, 2000, the total debt was \$801,347.

Debt Guarantees. Empak entered into a guaranty agreement with U.S. Bank National Association (formerly known as First Bank National Association) on March 1, 1994, to guarantee the obligations of Wayne C. Bongard, now deceased, under the Loan Agreement by and between Mr. Bongard and U.S. Bank, dated March 1, 1994, related to the facility in Castle Rock, Colorado that is leased by Empak. This guarantee totals \$1,558,500 at February 28, 2000.

Sales to Minority Stockholder. Prior to this offering, Marubeni Corporation held 4.15% of our outstanding shares as of February 28, 2000. In the fiscal year 1999, sales to Marubeni Corporation accounted for 4.9% of our sales. On December 1, 1999, Entegris and Marubeni Corporation amended their distribution agreement to reflect the consolidation of Empak and Fluoroware into Entegris. Pursuant to the terms of the amended agreement, we appointed Marubeni Corporation as our exclusive distributor to sell certain of our products in Japan. Marubeni Corporation, as distributor, agreed to use its best efforts to sell the agreed upon products and spare parts in Japan. Unless the contract is terminated under specific conditions, the distribution agreement expires on February 27, 2003. Sales to Marubeni Corporation were \$11,960,387 in fiscal 1999. At February 28, 2000 Entegris had receivables from Marubeni Corporation totaling \$2,765,881, which are due under normal trade terms.

Sales to Affiliated Entities. Entegris currently holds 20.8% of Metron's outstanding shares, and in fiscal 1999, products distributed by Metron accounted for 14.3% of our sales. In addition, Mr. Dauwalter, a supervisory director of Metron, is Executive Vice President, Chief Operation Officer and Director of Entegris. As a supervisory director of Metron, Mr. Dauwalter receives yearly option grants. In connection with Mr. Dauwalter's employment with Entegris, he entered into an agreement pursuant to which he agreed to exercise his options to purchase common shares of Metron at our request, to vote the shares received upon exercise of the options as directed by us and to hold title to these shares only as a nominee on our behalf, without any beneficial right, ownership, or interest in the shares. In addition, Mr. Dauwalter agreed to convey

title to the option (if this is permitted by its terms) and any shares received upon exercise of the option to us or to sell the shares and remit the proceeds to us upon our request.

In July 1995, Metron and Fluoroware entered into a distribution agreement. Subsequent to the consolidation of Empak and Fluoroware to form Entegris and pursuant to the terms of the agreement, Entegris and Metron agreed that, with some exceptions, Metron would be the exclusive, independent distributor of some of Entegris' products in specific countries, primarily in Europe and Asia. Metron, as distributor, agreed to use its best efforts to sell the agreed upon products in the designated countries. Unless the contract is terminated under specific conditions, the contract will remain in place until July 1, 2000, and is automatically renewed thereafter for additional terms of two years. The contract can be terminated upon written notification given more than twelve months prior to the expiration of the applicable term.

In September of 1997, Fluoroware entered into a distribution agreement with T.A. Kyser Co., a wholly owned subsidiary of Metron. Pursuant to the terms of that agreement, Fluoroware and Kyser agreed that Kyser would be stocking distributor for specific Fluoroware gas and liquid management products in certain U.S. states. Kyser, as distributor, agreed to use its best efforts to stock, market and sell products within the states which comprise its territory. The agreement is for a term of five years, expiring on August 31, 2002, and, unless either party terminates, the agreement is renewed automatically for successive five-year terms. Notice of termination must be given one year prior to the expiration of the term of the agreement for termination without cause. Termination for cause may occur at any time if specific conditions are met.

Stock Options. On February 28, 1997, Marubeni America Corporation and Marubeni Corporation were granted Empak stock options. The grants were immediately vested and exercisable for ten years. In connection with the consolidation of Empak and Fluoroware to form Entegris, Marubeni America Corporation exchanged the Empak option for an option to purchase up to 85,978 shares of Entegris common stock at an exercise price of \$5.19. These options may be exercised at any time before February 27, 2007. Similarly, Marubeni Corporation exchanged the Empak option for an option to purchase up to 128,964 shares of Entegris common stock at an exercise price of \$5.19. These options may be exercised at any time before February 27, 2007.

Consulting Agreement. James A. Bernards, a director of Entegris, renders consulting services to Entegris for a fee of \$6,000 per month under an oral agreement.

Contributions to Charity. Fluoroware had historically made charitable contributions to the Wallestad Foundation, a private foundation qualified under Section 170 of the Code, established by Victor Wallestad, the founding shareholder of Fluoroware, Inc. The Wallestad Foundation is dedicated to the support of Christian ministries in Minnesota, the United States and throughout the world. Dan Quernemoen, Stan Geyer and James Dauwalter, executive officers and directors of Entegris, are also directors of the Wallestad Foundation. Fluoroware contributed approximately \$270,000 to the Wallestad Foundation for fiscal 1997. Entegris currently intends to annually contribute 5% of its net income to charitable organizations, primarily through the Wallestad Foundation. Entegris has accrued a charitable deduction of \$0.9 million for the first six months of fiscal 2000.

PRINCIPAL AND SELLING SHAREHOLDERS

The following table sets forth certain information regarding the beneficial ownership of our common shares as of April 30, 2000, and as adjusted to reflect the sale of our common shares offered in this offering: (1) each shareholder who is known by us to own beneficially more than 5% of our common shares; (2) each member of our board of directors; (3) each of our Named Executive Officers; (4) all of our directors and executive officers as a group; and (5) all selling shareholders as a group. Unless otherwise indicated, to our knowledge, all persons listed below have sole voting and investment power with respect to their common shares, except to the extent authority is shared by spouses under applicable law. Unless otherwise noted, the address of each shareholder is c/o Entegris, Inc., 3500 Lyman Boulevard, Chaska, Minnesota, 55318.

Name	Beneficial Ownership Before Offering(1)		Number of Shares Being Offered	Beneficial Ownership After Offering(1)(2)	
	Shares	Percent		Shares	Percent
WCB Holding LLC.....	21,580,608	37.0%	1,925,000	19,655,608	29.3%
950 Lake Drive, Chaska, Minnesota 55317					
Entegris, Inc. Employee Stock Ownership Plan....	20,385,514	34.9%	2,475,000	17,910,514	26.7%
James A. Bernards.....	59,310(2)	*	--	59,310	*
Mark A. Bongard.....	66,638(2)(3)	*	--	66,638	*
James E. Dauwalter.....	5,556,127(4)	9.5%	--	5,556,127	8.2%
Stan Geyer.....	2,937,562(5)	5.0%	--	2,937,562	4.4%
Daniel R. Quernemoen.....	1,982,442(6)	3.4%	--	1,982,442	3.0%
Delmer M. Jensen.....	274,780(2)	*	--	274,780	*
John D. Villas.....	485,163(7)	*	--	485,163	*
Robert J. Boehlke.....	46,210(2)	*	--	46,210	*
Roger D. McDaniel.....	48,248(8)	*	--	48,248	*
All directors and executive officers as a group (9 persons)(9).....	11,456,480	19.1%	--	11,456,480	16.7%
All selling shareholders as a group.....	41,966,122	71.9%	4,400,000	37,566,122	56.1%

*Represents beneficial ownership of less than one percent of the common shares.

(1) Beneficial ownership is determined in accordance with the rules of the SEC. Applicable percentage ownership is based on 58,399,610 common shares outstanding as of February 28, 2000 and 66,999,610 shares outstanding immediately following the completion of this offering.

(2) The shares indicated are subject to stock options exercisable within 60 days.

(3) Mr. Bongard is Chief Manager of WCB Holding LLC and disclaims beneficial ownership of the shares held by WCB Holding LLC.

(4) Includes 4,113,542 shares held directly, 692,152 held by family members, 345,856 shares allocated to Mr. Dauwalter's individual account under the ESOP, and an aggregate of 404,577 shares subject to stock options exercisable within 60 days.

(5) Includes 1,724,828 shares held directly; 430,466 shares held by family members, 360,322 shares allocated to Mr. Geyer's account under the ESOP, and 421,946 shares subject to stock options exercisable within 60 days.

(6) Includes 968,970 shares held directly, 393,696 held by family members, 446,088 shares allocated to Mr. Quernemoen's account under the ESOP, and 173,688 shares subject to options exercisable within 60 days.

(7) Includes 157,104 shares held directly, 146,544 shares allocated to Mr. Villas' account under the ESOP and 181,515 shares subject to options exercisable within 60 days.

(8) Includes 13,616 shares held directly and 34,632 shares subject to options exercisable within 60 days.

(9) Includes an aggregate of 8,494,374 shares held directly, 1,298,810 shares allocated to all of the officers and directors' accounts under the ESOP, and 1,663,296 shares subject to options exercisable within 60 days.

DESCRIPTION OF CAPITAL SHARES

Common Stock

As of April 30, 2000, we had 58,399,610 common shares outstanding held by 86 shareholders of record. Based upon the number of shares outstanding as of April 30, 2000, and giving effect to the issuance of the common shares being offered by us, we will have 66,999,610 common shares outstanding upon the closing of the offering.

Holders of our common shares are entitled to one vote for each share held of record on all matters on which shareholders are entitled or permitted to vote. Our board of directors is divided into three classes, serving staggered three year terms. However, there is no cumulative voting for the election of directors. Holders of our common shares are entitled to receive dividends when and as declared by the board of directors out of funds legally available for dividends. Our loan agreements restrict our ability to pay dividends without the consent of our lenders. Holders of our common shares have no preemptive or subscription rights. There are no conversion rights, redemption rights, sinking fund provisions or fixed dividend rights with respect to our common shares. All of our outstanding common shares are fully paid and nonassessable, and the common shares to be issued upon completion of this offering will be fully paid and nonassessable. As of April 30, 2000, there were 2,936,754 common shares of Entegris held in holdback escrow in accordance with the Consolidation Agreement dated June 1, 1999. The escrow was established to secure certain representations and warranties made by the former shareholders of Fluoroware and Empak upon the combination of the companies. There have been no claims of breach through the date of this filing. The escrow will be liquidated under the terms of the Consolidation Agreement as of June 7, 2000.

Our directors and executive officers as a group beneficially own approximately 19.1% of our outstanding common shares. Upon the completion of the offering, such persons will beneficially own approximately 16.7% of our outstanding common shares. Accordingly, such persons may be able to control our affairs, including, without limitation, the sale of our equity or debt securities, the appointment of officers, the determination of officers' compensation and the determination as to whether to register outstanding securities.

Options And Warrants

Besides options granted under employee options plans, as of April 30, 2000, Marubeni America Corporation and Marubeni Corporation hold options to purchase an aggregate of 214,942 of our common shares at an exercise price of \$5.19. Marubeni America Corporation and Marubeni Corporation received the grant, originally for stock of Empak as consideration for their equity interest in EMPAK International, which was merged into Empak in February 1997. The grant was immediately vested and exercisable for ten years. With the consolidation of Empak and Fluoroware to form Entegris, Entegris offered to exchange warrants and options to purchase Fluoroware and Empak stock outstanding at the time of the consolidation for options to purchase Entegris common shares, with terms comparable to the prior options.

Provisions of Our Articles and Bylaws and State Law with Potential Anti-Takeover Effect

The existence of a staggered board, the requirement of a 75% shareholder vote to change the maximum number of directors and the provisions of Minnesota law, described below, could have an anti-takeover effect. These provisions are intended to provide management with flexibility, to enhance the likelihood of continuity and stability in the composition and policies of our board of directors and to discourage an unsolicited takeover of Entegris, if our board of directors determines that the takeover is not in the best interests of Entegris and our shareholders. However, these provisions could have the effect of discouraging attempts to acquire Entegris, which could deprive our shareholders of opportunities to sell their common shares at prices higher than prevailing market prices.

Our board of directors is divided into three classes, serving staggered three-year terms. As a result of this division, generally at least two shareholders' meetings will be required for shareholders to effect a change in

control of the board of directors. Also, our bylaws require the approval of 75% of the shareholders present at a shareholders meeting to increase the maximum number of directors to more than nine members. In addition, our bylaws contain provisions that establish specific procedures and requirements for calling meetings of shareholders, appointing and removing members of the board of directors or changing the number of directors on the board.

We are governed by the provisions of Sections 302A.671 and 302A.673 of the Minnesota Business Corporation Act, which are anti-takeover laws. In general, Section 302A.671 provides that the shares of a corporation acquired in a "control share acquisition" have no voting rights unless voting rights are approved in a prescribed manner. A "control share acquisition" is an acquisition, directly or indirectly, of beneficial ownership of shares that would, when added to all other shares beneficially owned by the acquiring person, entitle the acquiring person to have voting power of 20% or more in the election of directors. In general, Section 302A.673 prohibits a publicly-held Minnesota corporation from engaging in a "business combination" with an "interested shareholder" for a period of four years after the date of the transaction in which the person became an interested shareholder, unless the business combination is approved in a prescribed manner. "Business combination" includes mergers, asset sales and other transactions resulting in a financial benefit to the interested shareholder. An "interested shareholder" is a person who is the beneficial owner, directly or indirectly, of 10% or more of the corporation's voting stock, or an affiliate or associate of the corporation and, at any time within four years prior to the date in question, was the beneficial owner, directly or indirectly, of 10% or more of the corporation's voting shares.

Transfer Agent And Registrar

Norwest Bank Minnesota, N.A., is the transfer agent and registrar for our common shares.

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has been no public market for our common shares. A significant public market for the Entegris common shares may not develop or be sustained after this offering. Future sales of substantial amounts of Entegris common shares in the public market, or the possibility of such sales occurring, could harm prevailing market prices for the Entegris common shares or our future ability to raise capital through an offering of equity securities.

Based on the numbers of shares outstanding as of April 30, 2000, we will have 66,999,610 outstanding common shares upon completion of this offering. Of these shares, the 13,000,000 shares to be sold in this offering (14,950,000 shares if the underwriters' over-allotment option is exercised in full) will be freely tradable in the public market without restriction under the Securities Act, unless such shares are held by "affiliates" of Entegris, as that term is defined in Rule 144 under the Securities Act.

The remaining 58,399,610 shares outstanding upon completion of this offering will be "restricted securities" as that term is defined under Rule 144. We issued and sold the restricted shares in private transactions in reliance on exemptions from registration under the Securities Act. Restricted shares may be sold in the public market only if they are registered or if they qualify for an exemption from registration under Rule 144 or Rule 701 under the Securities Act, as summarized below.

A total of 1,250,922 of the restricted shares are available for immediate sale, and an additional 69,892 of the restricted shares will be available for sale 90 days from the date of this offering. We expect that a total of 52,678,796 shares will be subject to lock-up arrangements between the shareholders and us or the underwriters. Pursuant to these lock-up agreements, the holders of these shares would not offer, sell, pledge or otherwise dispose of, directly or indirectly, or announce their intention to do the same, any common shares or security convertible into, or exchangeable or exercisable for any security of Entegris for a period of 180 days from the date of this offering. However, if the holder of the restricted shares is an individual, he or she may transfer any such securities either during his or her lifetime or on death by will or intestacy to his or her immediate family or to a trust the beneficiaries of which are exclusively the holder of the securities and/or a member of his or her immediate family. We also have entered into an agreement with the underwriters pursuant to which we will not offer, sell or otherwise dispose of common shares for a period of 180 days from the date of this offering. The agreement further provides that we will not file a registration statement on Form S-8 to register our stock option and purchase plans for a period of 180 days after the effective date of this offering. On the date of the expiration of the 180 day lock-up agreements, 6,612,300 shares will be eligible for immediate sale without restriction, and 46,066,496 of the restricted shares will be eligible for immediate sale, although these shares will be subject to certain volume, manner of sale and other limitations under Rule 144. In addition, approximately 4,723,402 of our common shares are subject to immediately exercisable options, and we expect that none of these shares will be eligible for sale in the public market until 180 days following the date of this prospectus.

Following the expiration of such lock-up periods, certain shares issued upon exercise of options we granted prior to the date of this offering will also be available for sale in the public market pursuant to Rule 701 under the Securities Act. Rule 701 permits resales of such shares in reliance upon Rule 144 under the Securities Act but without compliance with certain restrictions, including the holding-period requirement, imposed under Rule 144. In general, under Rule 144 as in effect at the closing of this offering, a person, or persons whose shares are aggregated, may sell shares within any three-month period beginning 90 days after the date of this prospectus, if

- (i) the person has beneficially owned restricted shares for at least one year, including the holding period of any prior owner who is not an affiliate; and
- (ii) the number of shares sold within any three-month period does not exceed the greater of (a) 1% of the then outstanding common shares or (b) the average weekly trading volume of the common shares during the four calendar weeks preceding the filing of a Form 144 with respect to such sale.

Sales under Rule 144 are also subject to certain manner of sale and notice requirements and to the availability of current public information about us. Under Rule 144(k), a person who is not deemed to have been an affiliate at any time during the 90 days preceding a sale and who has beneficially owned the shares proposed to be sold for at least two years, including the holding period of any prior owner who is not an affiliate, is entitled to sell such shares without complying with the manner of sale, public information, volume limitation or notice provisions of Rule 144.

We intend to file, 180 days after the effective date of this offering, a registration statement on Form S-8 to register approximately 14,000,000 common shares reserved for issuance under the Option Plan, the Directors' Plan and the Purchase Plan. The registration statement will become effective automatically upon filing. Shares issued under the foregoing plans, after the filing of a registration statement on Form S-8, may be sold in the open market, subject, in the case of certain holders, to the Rule 144 limitations applicable to affiliates and vesting restrictions imposed by us.

UNDERWRITING

Entegris and the selling shareholders are offering the common shares described in this prospectus through a number of underwriters. Banc of America Securities LLC, Donaldson, Lufkin & Jenrette, Salomon Smith Barney Inc. and U.S. Bancorp Piper Jaffray Inc. are the representatives of the underwriters. Entegris and certain of the selling shareholders have entered into an underwriting agreement with the representatives. Subject to the terms and conditions of the underwriting agreement, Entegris and the selling shareholders have agreed to sell to the underwriters, and each underwriter has severally agreed to purchase, the number of common shares listed next to its name in the following table:

Underwriter -----	Number of Shares -----
Banc of America Securities LLC.....	
Donaldson, Lufkin & Jenrette.....	
Salomon Smith Barney Inc.....	
U.S. Bancorp Piper Jaffray Inc.....	

Total.....	13,000,000 =====

Shares sold by the underwriters to the public will initially be offered on the terms set forth on the cover page of this prospectus. The underwriters may allow to selected dealers a concession of not more than \$ per share, and the underwriters may also allow, and any other dealers may reallocate, a concession of not more than \$ per share to other dealers. If all the shares are not sold at the assumed initial public offering price, the underwriters may change the offering price and the other selling terms. The common shares are offered subject to receipt and acceptance by the underwriters and other conditions, including the right to reject orders in whole or in part.

If the underwriters sell more shares than the total number of shares set forth in the table above, they have an option to buy up to a maximum of 1,290,000 additional shares from Entegris and a maximum of 660,000 additional shares from a selling shareholder to cover such sales. The underwriters have 30 days to exercise this option. If any shares are purchased pursuant to this option, the underwriters will severally purchase shares in approximately the same proportion as set forth in the table above. If purchased, the underwriters will offer such additional shares on the same terms as those on which the shares set forth in the table above are being offered. The following table shows the underwriters' discounts to be paid to the underwriters by Entegris and the selling shareholders. Such amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase additional shares.

	Per Share		Total	
	Without Over- Allotment	With Over- Allotment	Without Over- Allotment	With Over- Allotment
Underwriting discounts and commissions payable by Entegris...	\$	\$	\$	\$
Underwriting discounts and commissions payable by the selling shareholders.....	\$	\$	\$	\$

We estimate that the total expenses of the offering, excluding underwriting discounts and commissions, will be approximately \$1,312,000 and will be paid by Entegris. The offering of the shares is made for delivery, when, as and if accepted by the underwriters and subject to prior sale and to withdrawal, cancellation or modification of the offering without notice.

Entegris and holders of substantially all of our outstanding common shares, including all of our executive officers and directors, as well as holders of options to purchase common shares who are senior officers, have

agreed with the underwriters not to dispose of or hedge any of their common shares or securities convertible into or exchangeable for common shares during the period from the date of this prospectus continuing through 180 days after the date of this prospectus without the prior written consent of Banc of America Securities LLC. At any time and without notice, Banc of America Securities LLC may, in its sole discretion, release all or any portion of the securities from these lock-up agreements.

The underwriting agreement provides that Entegris and the selling shareholders will indemnify the underwriters against liabilities set forth in that agreement, including civil liabilities under the Securities Act, or will contribute to payments the underwriters may be required to make under that agreement.

At our request, the underwriters have reserved up to 650,000 shares or 5% of the common shares offered by this prospectus for sale at the initial public offering price to persons having business and other relationships with us. The number of shares of common stock available to the general public will be reduced to the extent that these persons purchase the reserved shares. Any reserved common shares that are not purchased by such persons at the closing of the initial public offering will be offered by the underwriters to the general public on the same terms as the other shares in the initial public offering.

In connection with this offering, the underwriters may purchase and sell common shares in the open market. These transactions may include:

- . short sales;
- . stabilizing transactions; and
- . purchases to cover positions created by short sales.

Short sales involve the sale by the underwriters of a greater number of shares than they are required to purchase in this offering. Stabilizing transactions consist of bids or purchases made for the purpose of preventing or retarding a decline in the market price of the common shares while this offering is in progress.

The underwriters also may impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representatives have repurchased shares sold by or for the account of such underwriter in stabilizing or short covering transactions.

The underwriters may engage in activities that stabilize, maintain or otherwise affect the price of the common shares, including:

- . over-allotments;
- . stabilization;
- . syndicate covering transactions; and
- . imposition of penalty bids.

As a result of these activities, the price of the common shares may be higher than the price that otherwise might exist in the open market. If the underwriters commence these activities, they may discontinue them at any time. The underwriters may carry out these transactions on the Nasdaq National Market, in the over-the-counter market or otherwise.

The underwriters do not expect sales to discretionary accounts to exceed % of the total number of common shares offered by this prospectus.

Prior to this offering, there has been no public market for the common shares of Entegris. The initial public offering price was negotiated among Entegris and the underwriters. Among the factors considered in such negotiations were:

- . the history of, and the prospects for, Entegris and the industry in which it competes;

- . the past and present financial performance of Entegris;
- . an assessment of Entegris' management;
- . the present state of Entegris' development;
- . the prospects for Entegris' future earnings;
- . the prevailing market conditions of the applicable U.S. securities market at the time of this offering;
- . market valuations of publicly traded companies that Entegris and the representatives believe to be comparable to Entegris; and
- . other factors deemed relevant.

U.S. FEDERAL TAX CONSIDERATIONS FOR NON-U.S. HOLDERS

The following is a general discussion of the material United States federal income and estate tax consequences of the ownership and disposition of our common shares by a non-U.S. holder. As used herein, the term non-U.S. holder generally means a holder that for United States federal income tax purposes is an individual or entity other than:

- . a citizen or individual resident of the United States;
- . a corporation or partnership, including an entity treated as a corporation or partnership for federal income tax purposes, created or organized in or under the laws of the United States or of any state thereof or in the District of Columbia unless, in the case of a partnership, U.S. Treasury regulations promulgated in the future provide otherwise;
- . an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- . a trust if a court within the U.S. is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust.

This discussion does not address all aspects of United States federal income and estate taxes that may be relevant to non-U.S. holders in light of their personal circumstances, including the fact that in the case of a non-U.S. holder that is a partnership, the U.S. tax consequences of holding and disposing of shares of common stock may be affected by determinations made at the partner level, or that may be relevant to various types of non-U.S. holders which may be subject to special treatment under United States federal income tax laws, including, for example, insurance companies, tax-exempt organizations, financial institutions, dealers in securities and holders of securities held as part of a straddle, hedge, or conversion transaction, and does not address U.S. state or local or foreign tax consequences. Furthermore, this discussion is based on provisions of the Internal Revenue Code of 1986, as amended, existing and proposed regulations promulgated thereunder and administrative and judicial interpretations thereof, all as of the date of this prospectus, and all of which are subject to change, possibly with retroactive effect. The following summary is included herein for general information. Accordingly, prospective investors should consult their own tax advisers regarding the United States federal, state, local and foreign income and other tax consequences of acquiring, holding and disposing of shares of common stock.

Dividends

We do not anticipate declaring or paying cash dividends on our common shares in the foreseeable future. However, if dividends are paid on our common shares, dividends paid to a non-U.S. holder of common shares generally will be subject to withholding of United States federal income tax at a 30% rate, or the lower rate provided by the income tax treaty between the United States and a foreign country if the non-U.S. holder is treated as a resident of that foreign country within the meaning of the applicable treaty. Non-U.S. holders should consult their own tax advisers regarding their entitlement to benefits under a relevant income tax treaty.

Dividends that are effectively connected with a non-U.S. holder's conduct of a trade or business in the United States or, if an income tax treaty applies, attributable to a permanent establishment in the United States, are generally subject to U.S. federal income tax on a net income basis at regular graduated rates, but are not generally subject to the 30% withholding tax if the non-U.S. holder files a properly executed appropriate U.S. Internal Revenue Service form with the payor. Any U.S. trade or business income received by a non-U.S. holder that is a corporation may also be subject to an additional branch profits tax at a 30% rate or a lower rate specified by an applicable income tax treaty.

Under currently applicable U.S. Treasury regulations, dividends paid to an address in a foreign country are presumed, absent actual knowledge to the contrary, to be paid to a resident of that country for purposes of the withholding discussed above and for purposes of determining the applicability of a tax treaty rate. Under U.S. Treasury regulations generally effective for payments made after December 31, 2000, however, a non-U.S. holder of our common shares who wishes to claim the benefit of an applicable treaty rate generally will be required to satisfy applicable certification and other requirements.

A non-U.S. holder of our common shares that is eligible for a reduced rate of U.S. withholding tax under an income tax treaty may obtain a refund of any excess amounts withheld by filing an appropriate claim for a refund with the Internal Revenue Service.

Gain on disposition of common shares

A non-U.S. holder generally will not be subject to U.S. federal income tax in respect of gain recognized on a disposition of our common shares unless:

- . the gain is effectively connected with a trade or business of the non-U.S. holder in the United States, or where a tax treaty applies, is attributable to a United States permanent establishment of the non-U.S. holder;
- . the non-U.S. holder is an individual who holds our common shares as a capital asset within the meaning of Section 1221 of the Internal Revenue Code, is present in the United States for 183 or more days in the taxable year of the disposition and meets other requirements;
- . we are or have been a U.S. real property holding corporation for federal income tax purposes at any time during the shorter of the five-year period preceding the disposition or the period that the non-U.S. holder held our common shares; or
- . the non-U.S. holder is subject to tax under provisions applicable to certain former citizens or residents of the United States.

Generally, a corporation is a U.S. real property holding corporation if the fair market value of its U.S. real property interests equals or exceeds 50% of the sum of the fair market value of its worldwide real property interests plus its other assets used or held for use in a trade or business. We believe that we have not been, are not currently, and do not anticipate becoming, a U.S. real property holding corporation for U.S. federal income tax purposes. The tax with respect to stock in a U.S. real property holding corporation does not apply to a non-

U.S. holder whose holdings, direct and indirect, at all times during the applicable period, constituted 5% or less of our common shares, provided that our common shares were regularly traded on an established securities market.

If a non-U.S. holder who is an individual is subject to tax under the first bullet point above, the individual generally will be taxed on the net gain derived from a sale of common shares under regular graduated United States federal income tax rates. If an individual non-U.S. holder is subject to tax under the second bullet point above, the individual generally will be subject to a flat 30% tax on the gain derived from a sale, which may be offset by particular United States capital losses.

If a non-U.S. holder that is a foreign corporation is subject to tax under the first bullet point above, such foreign corporation generally will be taxed on its net gain under regular graduated United States federal income tax rates and, in addition, will be subject to the branch profits tax equal to 30% of its effectively connected earnings and profits, within the meaning of the Internal Revenue Code for the taxable year, as adjusted for certain items, unless it qualifies for a lower rate under an applicable tax treaty.

Federal estate tax

Common shares that are owned or treated as owned by an individual non-U.S. holder at the time of death will be included in the individual's gross estate for United States federal estate tax purposes, unless an applicable estate tax or other treaty provides otherwise and, therefore, may be subject to United States federal estate tax.

Information reporting and backup withholding tax

Under United States Treasury regulations, we must report annually to the Internal Revenue Service and to each non-U.S. holder the amount of dividends paid to that holder and the tax withheld with respect to those dividends. Copies of the information returns reporting dividends and withholding may also be made available to the tax authorities in the country in which the non-U.S. holder is a resident under the provisions of an applicable income tax treaty or agreement.

United States backup withholding, which generally is a withholding tax imposed at the rate of 31% on payments to persons that fail to furnish certain required information generally will not apply:

- . to dividends paid to non-U.S. holders that are subject to the 30% withholding discussed above or that are not so subject because a tax treaty applies that reduces or eliminates such 30% withholding; or
- . before January 1, 2001, to dividends paid to a non-U.S. holder at an address outside of the United States unless the payor has actual knowledge that the payee is a U.S. holder.

Backup withholding and information reporting generally will apply to dividends paid to addresses inside the United States on our common shares to beneficial owners that are not exempt recipients and that fail to provide identifying information in the manner required.

The payment of the proceeds of the disposition of our common shares by a holder to or through the U.S. office of a broker or through a non-U.S. branch of a U.S. broker generally will be subject to information reporting and backup withholding at a rate of 31% unless the holder either certifies its status as a non-U.S. holder under penalties of perjury or otherwise establishes an exemption. The payment of the proceeds of the disposition by a non-U.S. holder of common shares to or through a non-U.S. office of a non-U.S. broker will

not be subject to backup withholding or information reporting unless the non-U.S. broker has particular types of U.S. relationships. In the case of the payment of proceeds from the disposition of our common shares effected by a foreign office of a broker that is a U.S. person or a U.S. related person, existing regulations require information reporting on the payment unless the broker receives a statement from the owner, signed under penalty of perjury, certifying its non-U.S. status or the broker has documentary evidence in its files as to the non-U.S. holder's foreign status and the broker has no actual knowledge to the contrary. For this purpose, a U.S. related person includes:

- . a controlled foreign corporation for U.S. federal income tax purposes; or
- . a foreign person 50% or more of whose gross income for a certain period is derived from activities that are effectively connected with the conduct of a U.S. trade or business.

New U.S. Treasury regulations, which are generally effective for payment made after December 31, 2000, alter the foregoing rules in certain respects. Among other things, these regulations provide presumptions under

which a non-U.S. holder is subject to backup withholding at the rate of 31% and information reporting unless we receive certification from the holder of non-U.S. status. Depending on the circumstances, this certification will need to be provided:

- . directly by the non-U.S. holder;
- . in the case of a non-U.S. holder that is treated as a partnership or certain other types of entities for U.S. income tax purposes, by the partners, stockholders or other beneficiaries of that entity; or
- . by particular qualified financial institutions or other qualified entities on behalf of the non-U.S. holder.

Any amounts withheld under the backup withholding rules from a payment to a non-U.S. holder will be refunded or credited against the holder's U.S. federal income tax liability, if any, provided that the required information is furnished to the Internal Revenue Service.

LEGAL MATTERS

The validity of the issuance of the common shares offered by this prospectus will be passed upon for Entegris by Dorsey & Whitney, LLP, Minneapolis, Minnesota. Certain legal matters in connection with the offering will be passed upon for the underwriters by Latham & Watkins, Chicago, Illinois.

EXPERTS

The consolidated balance sheets of Entegris, Inc. and subsidiaries as of August 31, 1999, August 31, 1998 and August 31, 1997, and the related consolidated statements of income, shareholders' equity (deficit) and cash flows for each of the fiscal years in the three year period ended August 31, 1999, have been included in this prospectus and elsewhere in the registration statement in reliance upon the reports of KPMG LLP and Arthur Andersen LLP, independent public accountants, and upon the authority of said firms as experts in accounting and auditing.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

A registration statement on Form S-1, including amendments to the registration statement, relating to the common shares offered by this prospectus has been filed by us with the SEC. This prospectus, which constitutes a part of the registration statement, does not contain all of the information set forth in the registration statement and the exhibits and schedules to the registration statement. Statements contained in this prospectus as to the contents of any contract or other document referred to are not necessarily complete, and in each instance reference is made to the copy of such contract or other document filed as an exhibit to the registration statement, each such statement being qualified in all respects by such reference. For further information with respect to us and the common shares offered by this prospectus, reference is made to such registration statement, exhibits and schedules. A copy of the registration statement may be inspected by anyone without charge at the public reference facilities maintained by the SEC at 450 Fifth Street, NW, Judiciary Plaza, Washington, D.C. 20549, and copies of all or any part thereof may be obtained from the SEC upon payment of certain fees prescribed by the Commission. The telephone number for the public reference facilities maintained by the SEC is (800) SEC-0330. The SEC maintains a World Wide Web site that contains reports, proxy and information statements and other information filed electronically with the SEC. The address of the site is <http://www.sec.gov>.

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REPORT OF INDEPENDENT AUDITORS

The Board of Directors

Entegris, Inc.:

We have audited the accompanying consolidated balance sheets of Entegris, Inc. and subsidiaries as of August 31, 1999 and 1998, and the related consolidated statements of operations, shareholders' equity (deficit) and cash flows for each of the years in the three-year period ended August 31, 1999. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We did not audit the 1998 and 1997 financial statements of Empak, Inc., a wholly-owned subsidiary, which statements reflect total assets constituting 33% of the 1998 total consolidated assets and total revenues constituting 40% and 43% of total consolidated revenues in 1998 and 1997. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Empak, Inc., is based solely on the report of the other auditors.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits and the report of the other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audits and the report of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Entegris, Inc. and subsidiaries as of August 31, 1999 and 1998, and the results of their operations and their cash flows for each of the years in the three-year period ended August 31, 1999 in conformity with generally accepted accounting principles.

/s/ KPMG LLP

Minneapolis, Minnesota

October 27, 1999, except as to notes 7 and 21,

which are as of December 22, 1999 and March 31, 2000

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To Empak, Inc. and Subsidiaries:

We have audited the consolidated balance sheet of Empak, Inc. (a Minnesota corporation) and Subsidiaries as of August 31, 1998, and the related consolidated statements of operations, shareholders' equity and cash flows for each of the years ended August 31, 1998 and 1997, not presented separately herein. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted accounting standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above, not separately presented herein, present fairly, in all material respects, the financial position of Empak, Inc. and Subsidiaries as of August 31, 1998, and the results of their operations and their cash flows for each of the years ended August 31, 1998 and 1997, in conformity with generally accepted accounting principles.

/s/ Arthur Andersen LLP

Denver, Colorado
October 8, 1998

ENTEGRIS, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(Dollars in thousands)

	August 31		February 28,
	1998	1999	2000
			(Unaudited)
ASSETS			
Current assets:			
Cash and cash equivalents.....	\$ 8,235	\$ 16,411	\$ 25,029
Trade accounts receivable, net of allowance for doubtful accounts of \$1,322, \$1,205 and \$1,311, respectively.....	30,076	32,932	38,083
Trade accounts receivable due from affiliates.....	7,402	9,962	19,278
Inventories.....	36,935	35,047	35,132
Refundable income taxes.....	2,395	--	--
Deferred tax assets.....	6,688	6,276	6,241
Other current assets.....	4,890	4,737	5,805
Total current assets.....	96,621	105,365	129,568
Property, plant and equipment, net.....	133,323	117,624	112,200
Other assets:			
Investments in affiliates.....	13,013	10,421	13,576
Intangible assets, less accumulated amortization of \$2,236, \$3,217 and \$3,811, respectively.....	7,368	6,318	8,389
Investments in marketable securities.....	387	860	1,067
Other.....	2,229	1,476	1,740
Total assets.....	\$252,941	\$242,064	\$266,540
	=====	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)			
Current liabilities:			
Current maturities of long-term debt.....	\$ 8,685	\$ 6,566	\$ 6,336
Current maturities of capital lease obligations.....	2,333	2,642	2,430
Short-term borrowings.....	10,019	8,439	8,021
Accounts payable.....	12,568	10,548	14,162
Accrued liabilities.....	21,239	26,780	28,723
Income tax payable.....	--	1,530	392
Total current liabilities.....	54,844	56,505	60,064
Long-term debt, less current maturities.....	67,547	48,023	46,274
Capital lease obligations, less current maturities.....	5,695	5,807	4,496
Deferred tax liabilities.....	5,255	6,139	8,982
Minority interest in subsidiaries.....	1,201	907	3,755
Redeemable ESOT common stock.....	47,906	145,570	202,980
Shareholders' equity (deficit):			
Common stock, par value \$.01; 200,000,000 shares authorized.			
Issued and outstanding shares; 18,359,755, 18,354,344 and 36,776,962, respectively....	184	184	368
Additional paid-in capital.....	15,066	15,066	14,962
Retained earnings (deficit).....	57,564	(36,069)	(75,111)
Accumulated other comprehensive loss.....	(2,321)	(68)	(230)
Total shareholders' equity (deficit).....	70,493	(20,887)	(60,011)
Commitments and contingent liabilities			
Total liabilities and shareholders' equity.....	\$252,941	\$242,064	\$266,540
	=====	=====	=====

See the accompanying notes to consolidated financial statements.

ENTEGRIS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS
(Dollars in thousands, except per share data)

	Year Ended August 31,			Six Months Ended February 28,	
	1997	1998	1999	1999	2000
	(Unaudited)				
Sales to non-affiliates.....	\$223,300	\$216,852	\$195,421	\$ 91,862	\$110,113
Sales to affiliates.....	53,990	49,739	46,531	19,728	46,549
Net sales.....	277,290	266,591	241,952	111,590	156,662
Cost of sales.....	161,732	156,508	148,106	72,026	85,260
Gross profit.....	115,558	110,083	93,846	39,564	71,402
Selling, general and administrative expenses....	62,384	65,536	64,336	28,896	34,962
Engineering, research and development expenses.....	17,986	19,912	14,565	7,571	6,234
Operating profit.....	35,188	24,635	14,945	3,097	30,206
Interest expense, net.....	6,652	6,995	5,498	3,040	2,020
Other (income) expense, net.....	2,201	(273)	(1,850)	(1,312)	(6,282)
Income before income taxes and other items below....	26,335	17,913	11,297	1,369	34,468
Income tax expense.....	10,578	4,536	4,380	89	11,589
Equity in net (income) loss of affiliates.....	(1,750)	118	1,587	1,196	(582)
Minority interest in subsidiaries' net income (loss).....	573	176	(399)	(16)	348
Net income.....	\$ 16,934	\$ 13,083	\$ 5,729	\$ 100	\$ 23,113
Earnings per common share:					
Basic.....	\$ 0.28	\$ 0.22	\$ 0.10	\$ 0.00	\$ 0.39
Diluted.....	\$ 0.27	\$ 0.21	\$ 0.09	\$ 0.00	\$ 0.36

See the accompanying notes to consolidated financial statements.

ENTEGRIS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (DEFICIT)
(in thousands)

	Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total	Comprehensive income
	Number of Shares	Amount					
Balance at August 31, 1996.....	16,727	\$167	\$ 2,743	\$ 4,379	\$ (462)	\$ 6,827	
Repurchase and retirement of shares.....	(22)	--	--	(29)	--	(29)	
Issuance of stock for merger.....	1,210	12	10,719	--	--	10,731	
Shares issues pursuant to stock options exercised.....	293	3	337	--	--	340	
Options granted below fair value.....	--	--	968	--	--	968	
Market value adjustment to redeemable ESOT common stock.....	--	--	--	(3,045)	--	(3,045)	
Foreign currency translation adjustment.....	--	--	--	--	(278)	(278)	\$ (278)
Increase in unrealized holding gain on marketable securities.....	--	--	--	--	209	209	209
Net income.....	--	--	--	16,934	--	16,934	16,934

Total comprehensive income.....							\$16,865 =====
Balance at August 31, 1997.....	18,208	182	14,767	18,239	(531)	32,657	
Repurchase and retirement of shares.....	(143)	(1)	--	(928)	--	(929)	
Shares issues pursuant to stock options exercised.....	295	3	299	--	--	302	
Market value adjustment to redeemable ESOT common stock.....	--	--	--	27,170	--	27,170	
Foreign currency translation adjustment.....	--	--	--	--	(1,622)	(1,622)	\$(1,622)
Decrease in unrealized holding gain on marketable securities.....	--	--	--	--	(168)	(168)	(168)
Net income.....	--	--	--	13,083	--	13,083	13,083

Total comprehensive income.....							\$11,293 =====
Balance at August 31, 1998.....	18,360	184	15,066	57,564	(2,321)	70,493	
Repurchase and retirement of shares.....	(6)	--	--	(20)	--	(20)	
Dilution of ownership on equity investment.....	--	--	--	(588)	--	(588)	
Market value adjustment to redeemable ESOT common stock.....	--	--	--	(98,754)	--	(98,754)	
Foreign currency translation adjustment.....	--	--	--	--	1,792	1,792	\$ 1,792
Increase in unrealized holding gain on marketable securities.....	--	--	--	--	461	461	461
Net income.....	--	--	--	5,729	--	5,729	5,729

Total comprehensive income.....							\$ 7,982 =====
Balance at August 31, 1999.....	18,354	184	15,066	(36,069)	(68)	(20,887)	
Repurchase and retirement of shares (unaudited).....	(8)	--	--	(89)	--	(89)	
Shares issues pursuant to stock options							

exercised (unaudited).....	22	--	80	--	--	80	
Dilution of ownership on investments (unaudited).....	--	--	--	3,523	--	3,523	
Market value adjustment to redeemable ESOT common stock.....	20	--	--	(65,589)	--	(65,589)	
Foreign currency translation adjustment (unaudited).....	--	--	--	--	(138)	(138)	\$ (138)
Decrease in unrealized holding gain on marketable securities (unaudited).....	--	--	--	--	(24)	(24)	(24)
Net income (unaudited).....	--	--	--	23,113	--	23,113	23,113
Stock split adjustment (unaudited).....	18,389	184	(184)	--	--	--	-----
Total comprehensive income (unaudited)...	-----	-----	-----	-----	-----	-----	\$22,951 =====
Balance at February 28, 2000 (unaudited).....	36,777 =====	\$368 =====	\$14,962 =====	\$(75,111) =====	\$ (230) =====	\$(60,011) =====	

See the accompanying notes to consolidated financial statements.

ENTEGRIS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(Dollars in thousands)

	Year Ended August 31,			Six Months Ended February 28,	
	1997	1998	1999	1999	2000
				(Unaudited)	
Operating Activities:					
Net income.....	\$16,934	\$13,083	\$ 5,729	\$ 100	\$23,113
Adjustments to reconcile net income to net cash provided by operating activities:					
Depreciation and amortization..	23,395	26,591	28,810	13,670	13,369
Asset impairment.....	--	425	1,996	--	1,287
Provision for doubtful accounts.....	404	57	213	245	106
Provision for deferred income taxes.....	261	667	1,296	--	2,879
Stock option compensation expense.....	968	--	--	--	--
Equity in net (income) loss of affiliates.....	(1,750)	118	1,587	1,196	(582)
Loss (gain) on sale of property and equipment.....	112	(360)	543	(16)	611
Gain on sale of investment in affiliate.....	--	--	--	--	(5,468)
Minority interest in subsidiaries' net income (loss).....	573	176	(399)	(16)	348
Changes in operating assets and liabilities:					
Trade accounts receivable....	(4,151)	7,983	(3,069)	(136)	(4,992)
Trade accounts receivable due from affiliates.....	448	113	(2,560)	(1,380)	(9,316)
Inventories.....	(4,402)	7,122	1,888	2,624	(85)
Accounts payable and accrued liabilities.....	4,771	(11,685)	3,520	1,611	5,217
Other current assets.....	(8,807)	5,457	152	(3,887)	(1,067)
Accrued income taxes.....	798	(4,094)	3,925	(353)	(1,119)
Other.....	(1,063)	256	(222)	(399)	(139)
Net cash provided by operating activities.....	28,491	45,909	43,409	13,259	24,162
Investing Activities:					
Acquisition of property and equipment.....	(44,928)	(33,512)	(10,079)	(5,178)	(7,323)
Purchase of intangible assets....	(695)	(618)	(621)	(21)	(2,013)
Proceeds from sales of property and equipment.....	315	343	1,285	493	290
Proceeds from sale of investment in affiliate.....	--	--	--	--	7,399
(Decrease) increase in investment in affiliates.....	(1,012)	(213)	159	--	(1,840)
Net cash used in investing activities.....	(46,321)	(34,000)	(9,256)	(4,706)	(3,487)
Financing Activities:					
Principal payments on short-term borrowings and long-term debt...	(9,507)	(28,567)	(32,339)	(14,165)	(6,155)
Proceeds from short-term borrowings and long-term debt...	29,193	15,895	6,382	2,373	2,312
Issuance of common stock.....	389	302	--	--	80
Repurchase of redeemable and non- redeemable common stock.....	(2,225)	(2,578)	(1,110)	(1,110)	(8,268)
Net cash provided by (used in) financing activities...	17,851	(14,948)	(27,067)	(12,902)	(12,031)
Effect of exchange rate changes on cash and cash equivalents....	82	(80)	1,090	940	(26)
(Decrease) increase in cash and cash equivalents.....	103	(3,119)	8,176	(3,409)	8,618
Cash and cash equivalents at beginning of period.....	11,251	11,354	8,235	8,235	16,411
Cash and cash equivalents at end of period.....	\$11,354	\$ 8,235	\$16,411	\$ 4,825	\$25,029
	=====	=====	=====	=====	=====

See accompanying notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(1) Summary of Significant Accounting Policies

(a) Principles of Consolidation and Basis of Presentation

Entegris, Inc. (the Company) is a worldwide leader in providing advanced materials management products using polymers developed for applications in the microelectronics industry and other targeted markets. The accompanying consolidated financial statements include the accounts of the Company, its wholly owned subsidiaries, Fluoroware, Inc., Empak, Inc., Fluoroware Jamaica, Ltd. and Empak Bermuda, both foreign sales corporations (FSC), Fluoroware PEI, Inc., Empak GmbH, Fluoroware Europa GmbH, Empak Hanbal Korea, Empak Korea Yuhan Hoesa, Empak UK, and Empak Malaysia. The results of operations of Nippon Fluoroware K.K., a 90% owned subsidiary, Fluoroware GmbH, a 90% owned subsidiary, Fluoroware Southeast Asia Pte Ltd., a 70% owned subsidiary; Fluoroware Valqua Japan K.K., a 51% owned subsidiary, and Unified Container Solutions, Inc., an 80% owned subsidiary of the Company, have also been consolidated with the Company's results. See Notes 21 and 22 regarding transactions subsequent to August 31, 1999 which affect certain of the preceding information. The Company accounts for its investments in its 30.0% and 20.8% owned affiliates, FJV (Korea) Ltd. and Metron Technology N.V. (Metron), respectively, using the equity method (See Note 21). The Company's investment in Metron is accounted for using a three-month lag due to Metron's May year end. Intercompany profits, transactions and balances have been eliminated.

The Company's fiscal year is a 52 or 53 week period ending on the last Saturday in August. Fiscal years 1997, 1998 and 1999 ended on August 30, 1997, August 29, 1998 and August 28, 1999, respectively. For convenience, the accompanying financial statements have been presented as ending on the last day of the month.

The unaudited interim consolidated financial statements for the six months ended February 28, 1999 and 2000, have been prepared on the same basis as the audited financial statements and, in the opinion of management, reflect all normal recurring adjustments necessary to present fairly the financial information set forth therein, in accordance with generally accepted accounting principles. The results of operations for the six months ended February 28, 2000 are not necessarily indicative of the operating results to be expected for the year ended August 31, 2000.

(b) Business Combination

On June 7, 1999, Fluoroware, Inc. and Empak, Inc. completed a business combination which resulted in the formation of Entegris, Inc., a new corporation formed for the purpose of effecting the business combination. Entegris, Inc. issued 36 million shares of its common stock in exchange for 100% of the outstanding shares of Fluoroware, Inc. and 24 million shares in exchange for 100% of the outstanding shares of Empak, Inc.

For financial reporting purposes, the business combination has been recorded using the pooling-of-interests method of accounting under generally accepted accounting principles. Accordingly, the historical financial statements of Entegris, Inc. include the historical accounts and results of operations of Empak, Inc. and subsidiaries and Fluoroware, Inc. and subsidiaries as if the business combination had been in effect for all periods presented.

The results of operations for the separate companies and combined amounts presented in the consolidated financial statements are as follows:

	1997	1998	1999
	-----	-----	-----
Net sales:			
Fluoroware, Inc.....	\$165,772	152,805	141,758
Empak, Inc.....	111,518	113,786	100,194
	-----	-----	-----
Combined.....	\$277,290	266,591	241,952
	=====	=====	=====
Net income before merger-related expenses, impairment of asset charges and adjustments recorded to conform accounting methods:			
Fluoroware, Inc.....	\$ 6,056	1,940	149
Empak, Inc.....	10,741	11,414	9,843
	-----	-----	-----
Combined.....	\$ 16,797	13,354	9,992
	=====	=====	=====
Net income (loss):			
Fluoroware, Inc.....	\$ 6,202	1,724	(3,630)
Empak, Inc.....	10,732	11,359	9,359
	-----	-----	-----
Combined.....	\$ 16,934	13,083	5,729
	=====	=====	=====

Adjustments to conform the companies' methods of depreciation reduced combined net income for the years ended August 31, 1998 and 1999 by approximately \$0.5 million and \$1.9 million, respectively.

Expenses related to the business combination were approximately \$3.6 million for 1999, of which approximately \$2.6 million is in accrued liabilities at August 31, 1999. In addition, the Company recorded asset impairment charges related to the business combination of approximately \$1.3 million during 1999.

(c) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with original maturities of three months or less.

(d) Inventories

Inventories are stated at the lower of cost or market. Cost is determined by the last-in, first-out (LIFO) method for approximately 78% and 73% of total inventories at August 31, 1998 and 1999, respectively. Inventories not valued at LIFO are recorded using the first-in, first-out method.

(e) Property, Plant, and Equipment

Property, plant, and equipment are carried at cost and are depreciated principally on the straight-line method. When assets are retired or disposed of, the cost and related accumulated depreciation are removed from the accounts, and gains or losses are recognized in the same period. Maintenance and repairs are expensed as incurred; significant renewals and betterments are capitalized.

(f) Capitalized Software

The Company capitalizes certain costs associated with significant software obtained and developed for internal use. Certain costs are capitalized when both the preliminary project stage is completed and management deems the project will be completed and used to perform the intended function. Capitalization of such costs ceases no later than the point at which the project is substantially complete and ready for its intended purpose.

Capitalized software costs are amortized over the estimated useful life of the project which is generally 4 to 5 years. Capitalized software of approximately \$4.6 million was included in office furniture and equipment as of August 31, 1998 and 1999.

(g) Intangible Assets

Patents, trademarks and goodwill are carried at cost, less accumulated amortization, and are being amortized over 5 to 17 year periods, using the straight-line method. Costs associated with bond and debt issuance are carried at cost, less accumulated amortization, and are being amortized on a straight-line basis over the life of the applicable bond or debt instrument, which is 10 to 15 years.

The carrying value of intangible assets is reviewed when circumstances suggest that there has been possible impairment. If this review indicates that intangible assets will not be recoverable based on the estimated undiscounted cash flows over the remaining amortization period, the carrying value of intangible assets is reduced to estimated fair value.

(h) Investments in Marketable Securities

Certain of the Company's investments are classified as available-for-sale, and accordingly, any unrealized holding gains and losses, net of taxes, are excluded from income, and recognized as a separate component of shareholders' equity until realized. Fair market value of the securities is determined based on published market prices. At August 31, 1999, the gross unrealized gains on marketable securities were \$0.5 million.

(i) Foreign Currency Translation/Foreign Currency Contracts

Except for certain foreign subsidiaries whose functional currency is the United States dollar, assets and liabilities of foreign subsidiaries are translated from foreign currencies into U.S. dollars at current exchange rates. Income statement amounts are translated at the weighted average exchange rates for the year. Gains and losses resulting from foreign currency transactions are included in net income. For certain foreign subsidiaries whose functional currency is the U.S. dollar, currency gains and losses resulting from translation are determined using a combination of current and historical rates and are reported as a component of net income.

The Company periodically enters into forward foreign currency contracts to reduce certain exposures relating to rate changes in foreign currency. These contracts are subject to gain or loss from changes in foreign currency rates, however, any realized gain or loss will be offset by gains or losses on the underlying hedged foreign currency transactions. Certain exposures to credit losses related to counterparty nonperformance exist, however, the Company does not anticipate nonperformance by the counterparties as they are large, well-established financial institutions. The fair values of the Company's forward hedging instruments discussed below are estimated based on prices quoted by financial institutions for these instruments.

The Company was a party to forward foreign currency contracts with notional amounts of \$1.6 million at August 31, 1999.

(j) Revenue Recognition/Concentration of Risk

Revenue and the related cost of sales are recognized upon shipment of the products. The Company provides for estimated returns and warranty obligations when the revenue is recorded. The Company sells its products to semiconductor manufacturing companies throughout the world. The Company performs continuing credit evaluations of its customers and, generally, does not require collateral. Letters of credit may be required from its customers in certain circumstances. The Company maintains an allowance for doubtful accounts which management believes is adequate to cover any losses on trade receivables.

Certain of the materials included in the Company's products are obtained from a single source or a limited group of suppliers. Although the Company seeks to reduce dependence on those sole and limited source suppliers, the partial or complete loss of certain of these sources could have at least a temporary adverse effect on the Company's results of operations. Furthermore, a significant increase in the price of one or more of these components could adversely affect the Company's results of operations.

(k) Income Taxes

Deferred income taxes are provided in amounts sufficient to give effect to temporary differences between financial and tax reporting. The Company accounts for tax credits as reductions of income tax expense in the year in which such credits are allowable for tax purposes.

The Company utilizes the asset and liability method for computing its deferred income taxes. Under the asset and liability method, deferred tax assets and liabilities are based on the temporary difference between the financial statement and tax basis of assets and liabilities and the enacted tax rates expected to apply to taxable income in the years in which these temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

(l) Long-lived Assets

Long-lived assets and certain identifiable intangibles are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable based on estimated future undiscounted cash flows. The Company recorded asset write-offs on molds and equipment which were determined to have no future use of approximately \$0.4 million and \$2.0 million for 1998 and 1999, respectively. All impairment losses are included in the Company's selling, general and administrative expenses.

(m) Earnings per Share

Basic EPS is computed by dividing net income by the weighted average number of common shares outstanding. Diluted EPS is computed by dividing net income by the weighted average number of common shares outstanding and all potential dilutive securities outstanding. The dilutive effect of options is determined under the treasury stock method and is included only where the effect would be dilutive.

(n) Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(o) Stock-based Compensation

The Company accounts for stock-based compensation under Accounting Principles Board (APB) Opinion No. 25, Accounting for Stock Issued to Employees. APB No. 25 requires compensation cost to be recorded on the date of the grant only if the current market price of the underlying stock exceeds the exercise price. The Company has adopted the disclosure-only provisions of SFAS No. 123, Accounting for Stock-based Compensation.

(p) Comprehensive Income

Comprehensive income (loss) represents the change in shareholders' equity resulting from other than shareholder investments and distributions. The Company's foreign currency translation adjustments and unrealized gains and losses on marketable securities are included in accumulated comprehensive income (loss). The effect of deferred taxes on other comprehensive income (loss) is not material.

(q) Recent Accounting Pronouncements

In June 1998, FASB issued SFAS No. 133, Accounting for Derivative Instruments and Hedging Activities, which, as amended, becomes effective for fiscal years beginning after June 15, 2000. The pronouncement requires companies to record derivatives on the balance sheet as assets or liabilities, measured at fair value. Gains or losses resulting from changes in the value of those derivatives would be accounted for depending on the use of derivatives and whether it qualifies for hedge accounting. The Company is presently analyzing this statement and the impact, if any, on the Company's financial statements.

(2) Acquisitions

On April 30, 1998, the Company acquired all the common stock of Hanbal Korea, a Korean corporation, for a nominal amount. Subsequent to the acquisition, the Company contributed additional capital of \$2.3 million. The acquisition has been accounted for under the purchase method of accounting. The excess of the purchase price over the net book value of the common stock acquired was \$0.8 million and was allocated to goodwill. Results of operations of Hanbal Korea are included in the consolidated financial statements subsequent to April 30, 1998.

On January 26, 1998, the Company acquired an additional 37.5% interest in Nippon Fluoroware K.K. for \$0.9 million.

(3) Inventories

Inventories consist of the following (in thousands):

	1998	1999
	-----	-----
Raw materials.....	\$ 7,564	\$ 7,194
Work-in-process.....	876	4,377
Finished goods.....	28,161	22,703
Supplies.....	334	773
	-----	-----
	\$ 36,935	\$35,047
	=====	=====

If the first-in, first-out (FIFO) cost method had been used by the company, inventories would have been \$4.5 million and \$4.9 million higher at August 29, 1998 and August 28, 1999, respectively.

During fiscal 1998 and 1999, inventory quantities were reduced, which resulted in a liquidation of LIFO inventory layers carried at lower costs than those prevailing in prior years. The effect of this liquidation was to increase income before income taxes in fiscal 1998 and 1999 by approximately \$1.0 million and \$1.6 million, respectively.

(4) Property, Plant, and Equipment

Property, plant, and equipment, together with annual depreciation lives, consist of the following (in thousands):

	1998	1999	Estimated Useful Lives
	-----	-----	-----
Land.....	\$ 6,268	\$ 7,307	
Buildings and improvements.....	53,117	55,349	5-35
Manufacturing equipment.....	80,127	77,625	5-10
Molds.....	65,174	68,352	3-5
Office furniture and equipment.....	32,213	34,291	3-8
	-----	-----	
	236,900	242,924	
Less accumulated depreciation.....	103,577	125,300	
	-----	-----	
	\$ 133,323	\$117,624	
	=====	=====	

Depreciation expense was \$22.9 million, \$25.6 million and \$27.8 million in 1997, 1998 and 1999, respectively.

(5) Investments in Affiliates

The investment in Metron was reduced from 37.5% to 32.8% in 1999 due to the dilution of ownership resulting from an acquisition by Metron. The Company recorded this \$0.6 million reduction in its investment through retained earnings in fiscal 1999. This ownership percentage was further reduced in November 1999 as explained in Note 22. A summary of assets, liabilities, and results of operations for Metron, a 32.8% owned affiliate accounted for using the equity method, is as follows (in thousands):

	May 31,	
	1998	1999
Current assets.....	\$ 97,859	\$ 86,713
Noncurrent assets, net.....	16,302	12,912
Current liabilities.....	73,390	64,930
Noncurrent liabilities.....	2,722	2,743
Total shareholders' equity.....	\$ 38,049	\$ 31,952
	=====	=====
	Fiscal Years Ended May 31,	
	1998	1999
Net sales.....	\$275,024	\$228,121
Net income (loss).....	\$ 1,102	\$ (4,534)
	=====	=====

Metron operates mainly in Europe, Asia Pacific, and the United States. Sales to Metron, which are recorded in accordance with the Company's revenue recognition policy, were \$34.6 million, \$31.8 million and \$34.6 million in 1997, 1998 and 1999, respectively. Trade accounts receivable relating to these sales as of August 31, 1998 and 1999 were \$6.6 million and \$8.1 million, respectively.

The Company also has a 30% investment in FJV (Korea) Ltd. Neither this investment nor FJV (Korea) Ltd.'s financial statements are material.

(6) Accrued Liabilities

Accrued liabilities consist of the following (in thousands):

	1998	1999
Payroll and related benefits.....	\$ 8,061	\$ 6,896
Insurance.....	1,440	2,248
Taxes, other than income taxes.....	1,384	1,472
Pension.....	2,377	3,218
Interest.....	829	570
Other.....	7,148	12,376
	\$ 21,239	\$26,780
	=====	=====

(7) Long-term Debt

Long-term debt consists of the following (in thousands):

	1998	1999
	-----	-----
Unsecured senior notes payable in various semiannual principal installments, including semiannual interest installments at 7.42% through February 2011.....	\$20,000	\$19,200
Unsecured reducing revolving commitments with two commercial banks for aggregate borrowing of \$35,833 with interest only payable monthly at 6.43% to 8.50% during 1999, based on a factor of the banks' reference rates....	13,400	--
Stock redemption notes payable in various installments along with monthly interest of 6%, 8%, and 9% through December 2010.....	9,112	8,490
Unsecured senior notes payable in various quarterly principal installments, including monthly interest installments at 9.46% through February 2005.....	8,900	8,400
Mortgage loans payable in monthly installments of \$55 including principal and interest at 8.75% and 9.95% through July 2000 and July 2008; secured by land and buildings.....	2,758	2,331
Commercial loans payable on a monthly basis in principal installments of \$271, with interest ranging from 1.925% to 9.0% and various maturities through September 2015....	7,929	5,391
Commercial loan payable on a semiannual basis in principal installments of \$252 and interest ranging from 4.9% to 6% and various maturities through December 2007.....	4,446	3,416
Industrial Revenue Bonds payable on a semiannual basis with principal installments of \$50 through October 2012, and variable interest ranging from 3.10% to 4.35%.....	1,550	1,450
Note payable to Marubeni Corporation, interest at 9.07%, due monthly; balloon payment of \$3,913 due March 2002; secured by building.....	4,804	4,543
Other.....	3,333	1,368
	-----	-----
Total.....	76,232	54,589
Less current maturities.....	8,685	6,566
	-----	-----
	\$67,547	\$48,023
	=====	=====

Annual maturities of long-term debt as of August 31, 1999, are as follows (in thousands):

Year Ending August 31,

2000.....	\$ 6,566
2001.....	6,791
2002.....	9,167
2003.....	4,927
2004.....	5,434
Thereafter.....	21,703

	\$54,589
	=====

Subsequent to year end through December 22, 1999, the Company signed new debt agreements which replaced the unsecured senior notes payable and the unsecured reducing revolving commitments. These new agreements contain substantially identical terms as the former agreements. The new agreements require the

Company to maintain certain quarterly financial covenants beginning with the quarter ending February 28, 2000.

(8) Short-term Bank Borrowings

The Company has a revolving commitment with three commercial banks for aggregate borrowings of \$25 million with interest at the LIBOR rate (5.4% at August 31, 1999), plus 2.0%, or at prime (8.25% at August 31, 1999). During 1999 interest ranged between 7.75% and 8.5%. The balance outstanding under this commitment was \$5.0 million and \$0 at August 31, 1998 and 1999, respectively.

The Company has entered into line of credit agreements with six international commercial banks, which provide for aggregate borrowings of 5.1 million Deutsche marks, 5.0 million Malaysia ringgits, 0.5 million Singapore dollars and 850 million yen for its foreign subsidiaries, which is equivalent to \$12.0 million as of August 31, 1999. Interest rates for these facilities are based on a factor of the banks' reference rates and ranged from 1.625% to 9.5% during 1999. Borrowings outstanding under these line of credit agreements at August 31, 1998 and 1999, were \$5.0 million and \$8.4 million, respectively.

(9) Lease Commitments

The Company is obligated under noncancellable lease agreements for certain equipment and buildings. Future minimum lease payments for all capital and operating leases with initial or remaining terms in excess of one year at August 31, 1999 are as follows (in thousands):

Year Ending August 31,	Operating	Capital	Total
	-----	-----	-----
2000.....	\$ 4,359	\$ 3,150	\$ 7,508
2001.....	3,491	2,836	6,328
2002.....	2,387	1,433	3,820
2003.....	1,205	707	1,911
2004.....	1,212	489	1,701
Thereafter.....	1,247	1,120	2,368
	-----	-----	-----
Total minimum lease payments.....	\$13,900	\$ 9,735	\$23,636
	=====	=====	=====
Less amount representing interest imputed at rates ranging from 5% to 9%.....		1,286	

Capital lease obligations, including current maturities of \$2,641.....		\$ 8,449	
		=====	

The minimum lease payments for operating leases have not been reduced by minimum sublease rentals of \$3.5 million due through November 2004.

Equipment under capital lease is summarized as follows (in thousands):

	1998	1999
	-----	-----
Cost.....	\$14,163	\$16,367
Less accumulated depreciation.....	4,632	6,145
	-----	-----
	\$ 9,530	\$10,222
	=====	=====

Total rental expense for all equipment and building operating leases was \$3.4 million, \$4.3 million and \$6.1 million in 1997, 1998 and 1999, respectively. See note 20(a) for related party leases included above.

(10) Interest Expense, net

Interest expense, net consists of the following (in thousands):

	1997	1998	1999
	-----	-----	-----
Interest expense.....	\$ 6,747	\$ 7,111	\$ 6,441
Less interest income.....	95	116	943
	-----	-----	-----
Interest expense, net.....	\$ 6,652	\$ 6,995	\$ 5,498
	=====	=====	=====

(11) Other Income (Expense), net

Other income (expense), net consists the following (in thousands):

	1997	1998	1999
	-----	-----	-----
Gain (loss) on sale of property and equipment....	\$ (112)	\$ 1,225	\$ (543)
Gain (loss) on foreign currency exchange.....	--	(904)	1,121
Other, net.....	(2,089)	(48)	1,272
	-----	-----	-----
	\$(2,201)	\$ 273	\$ 1,850
	=====	=====	=====

(12) Income Taxes

Income (loss) before income taxes was derived from the following sources (in thousands):

	1997	1998	1999
	-----	-----	-----
Domestic.....	\$26,974	\$16,634	\$ 7,592
Foreign.....	(639)	1,279	3,705
	-----	-----	-----
	\$26,335	\$17,913	\$11,297
	=====	=====	=====

Income tax expense (benefit) is summarized as follows (in thousands):

	1997	1998	1999
	-----	-----	-----
Current:			
Federal.....	\$ 8,541	\$ 2,919	\$ 2,790
State.....	1,018	876	495
Foreign.....	842	280	1,343
	-----	-----	-----
	10,401	4,075	4,628
	-----	-----	-----
Deferred:			
Federal.....	150	546	(264)
State.....	27	(85)	16
	-----	-----	-----
	177	461	(248)
	-----	-----	-----
	\$10,578	\$ 4,536	\$ 4,380
	=====	=====	=====

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities at August 31, 1998 and 1999 are as follows (in thousands):

	1998	1999
	-----	-----
Net current deferred tax assets:		
Allowance for doubtful accounts.....	\$ 1,056	\$ 749
Inventory reserve.....	2,284	2,449
Accruals not currently deductible for tax purposes....	3,008	2,549
Other, net.....	340	529
	-----	-----
Total current deferred tax assets.....	6,688	6,276
	-----	-----
Non-current deferred tax liabilities:		
Accelerated depreciation.....	(5,841)	(7,098)
Capital leases.....	(502)	(519)
DISC earnings.....	(967)	(860)
Accruals not currently deductible for tax purposes....	914	453
Other, net.....	1,141	1,886
	-----	-----
Total gross deferred tax liabilities.....	(5,255)	(6,139)
	-----	-----
Net deferred tax assets.....	\$ 1,433	\$ 137
	=====	=====

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. Based upon the level of historical taxable income and projections for future taxable income over the periods during which deferred tax assets are deductible, the Company believes it is more likely than not that the benefit of these deductible differences will be realized.

Actual income tax expense differs from the expected amounts based upon the statutory federal tax rates as follows:

	1997	1998	1999
	----	----	----
Expected federal income tax at statutory rate.....	35.0%	35.0%	35.0%
State income taxes, net of federal tax effect.....	2.8	2.5	2.9
Effect of foreign source income.....	2.7	2.1	6.3
Foreign sales corporation income not subject to tax.....	(4.1)	(5.5)	(6.2)
Research tax credit.....	(2.6)	(5.2)	(3.1)
Foreign losses not previously benefited.....	--	(5.1)	--
Discontinued use of domestic sales corporation.....	2.4	--	--
Other items, net.....	4.0	1.5	3.9
	-----	-----	-----
	40.2%	25.3%	38.8%
	====	====	====

(13) Employee Stock Ownership Plan and Trust

Entegris maintains an Employee Stock Ownership Plan and Trust (ESOT).

In August 1985, the ESOT purchased 23,158,464 shares of common stock of the Company from a shareholder. The ESOT borrowed funds, guaranteed by the Company, for \$3.6 million and obtained additional contributions to fund this purchase in October 1985. In August 1989, the ESOT borrowed additional funds of \$1.2 million guaranteed by the Company, to purchase an additional 4,631,692 shares of common stock from a stockholder.

Employer contributions to the ESOT are determined from time to time by the Board of Directors at its discretion, and are made without regard to the profits of the Company. Contributions shall not exceed the

amount allowable by the Internal Revenue Code. No contributions were made to the ESOT for 1997, 1998 or 1999.

Employer contributions are allocated to separate accounts maintained for each participant in the proportion that the total qualified compensation of each participant bears to the total qualified compensation for all participants. Each participant's account is adjusted, at least annually, to reflect investment gains or losses.

The ESOT shares were 23,833,718 and 23,252,398 as of August 31, 1998 and 1999, respectively. The ESOT plan contains a put option, whereby the Company agrees to purchase the vested shares distributed to terminated participants or their estates, at the appraised value of the shares as of the second August 31 following termination, or after the first August 31 upon death, disability, or attainment of age 65. The fair value of shares was estimated by an independent appraiser to be \$3.15, \$2.01 and \$6.25 as of August 31, 1997, 1998 and 1999, respectively. As a result of this redemption feature, these shares are classified separately from shareholders' equity. Pursuant to the terms of the ESOT plan, upon the consummation of an initial public offering these shares would no longer be redeemable and would be reclassified into shareholders' equity.

On August 20, 1998, the Board of Directors approved a change to the distribution procedures, whereby a corporate bylaw restriction was eliminated. The impact of this restriction elimination allows participants (beneficiaries and alternate payees) to receive their distribution in Company stock. This change was effective for distributions based on the August 31, 1998 valuation.

(14) Pension and 401(k) Savings Plans

Entegris, Inc. has a defined contribution pension plan covering eligible employees. Contributions under this plan are determined by a formula set forth in the plan agreement. Total pension costs for 1997, 1998 and 1999 related to this plan were \$2.2 million, \$1.7 million and \$2.0 million, respectively.

The Company maintains 401(k) employee savings plans (the Plans) that qualify as deferred salary arrangements under Section 401(k) of the Internal Revenue Code. Under the Plans, eligible employees may defer a portion of their pretax wages, up to the Internal Revenue Service annual contribution limit. The Company matches 50% of the employee's contribution, up to a maximum of 6% of the employee's eligible wages. The Board of Directors may, at its discretion, declare a profit sharing contribution in addition to the matching contribution, but all contributions are limited to the maximum amount deductible for federal income tax purposes. The employer profit sharing and matching contribution expense under the Plans was \$1.5 million, \$1.6 million and \$1.8 million in 1997, 1998 and 1999, respectively.

(15) Stock Option Plans

In August 1999, Entegris, Inc. established the Entegris, Inc. 1999 Long-Term Incentive and Stock Option Plan (the 1999 Plan) and the Entegris, Inc. Outside Directors' Stock Option Plan (the Directors' Plan). These plans replaced similar plans in effect prior to the business combination described in Note 1(b). The maximum aggregate number of shares that may be granted under the plans is 9,000,000 and 1,000,000, respectively. The Plans state that the exercise price for these shares shall not be less than 100% of the fair market value of the common stock on the date of grant of such option.

On February 12, 1998, 10-year stock options were granted at a price equal to the most recent fair market appraised value. Some of the options became immediately exercisable while others are exercisable on a cumulative basis at a rate of 25% per year.

Prior to the effective date of this offering, the Company intends to amend the Directors' Plan so that each outside director shall automatically be granted an option to purchase 15,000 shares upon the date the individual

becomes a director. Annually, each outside director will automatically be given an option to purchase 6,000 shares. Options will be exercisable six months subsequent to the date of grant. The term of the option shall be ten years. The Plan states that the exercise price for these shares shall not be less than 100% of the fair market value of the common stock on the date of grant of such option.

Option activity for the 1999 Plan and the Directors' Plan is summarized as follows (shares in thousands):

	1997		1998		1999	
	Number of shares	Option price	Number of shares	Option price	Number of shares	Option price
Options outstanding, beginning of year.....	1,952	\$1.46	1,810	\$1.43	6,010	\$2.72
Granted.....	92	1.37	4,610	3.15	--	--
Canceled.....	(234)	1.50	(410)	2.01	(111)	2.57
Options outstanding, end of year.....	1,810	\$1.43	6,010	\$2.72	5,899	\$2.72
Options exercisable, end of year.....	452	\$1.38	2,769	\$2.45	3,855	\$2.54
Options available for grant, end of year.....	8,190		3,990		4,101	

At August 31, 1999, the exercise price for 4,454,000 options outstanding, with a weighted average remaining contractual life of 8.5 years, was \$3.15 and the exercise prices for 1,445,000 options outstanding, with a weighted average remaining life of 6.5 years, ranged from \$0.96 to \$1.50. At August 31, 1999, 2,527,000 options were exercisable at \$3.15 and 1,328,000 options were exercisable at prices ranging from \$0.96 to \$1.50. No options were exercised in 1997, 1998 or 1999.

The Company determined pro forma compensation expense under the provisions of SFAS No. 123 using the Black-Scholes pricing model and the following assumptions:

	5 Year	8 Year	10 Year
Expected dividend yield.....	0%	0%	0%
Expected stock price volatility.....	0%	0%	0%
Risk-free interest rate.....	5.32-5.47%	6.33-6.86%	5.39-5.96%
Expected life.....	5 years	8 years	10 years

Had compensation cost for option grants been determined consistent with SFAS No. 123, the Company's net income, on a pro forma basis, would have been as follows (in thousands, except per share data):

	1997	1998	1999
Net income, as reported.....	\$16,934	\$13,083	\$5,729
Pro forma net income.....	16,610	10,018	4,603
Basic net earnings per share, as reported.....	0.28	0.22	0.10
Pro forma basic net earnings per share.....	0.27	0.17	0.08
Diluted net earnings per share, as reported.....	0.27	0.21	0.09
Pro forma diluted net earnings per share.....	0.27	0.16	0.07

The weighted average fair value of options granted during the years ended August 31, 1997 and 1998 with exercise prices equal to the market price at the date of grant was \$0.84 and \$1.33 per share, respectively.

(16) Earnings per Share

Basic earnings per share is based upon the weighted average common shares outstanding during each year. Diluted earnings per share is based upon the weighted average common shares outstanding and dilutive

common stock equivalent shares outstanding during each year. The following table presents a reconciliation of the denominators used in the computation of basic and diluted earnings per share (in thousands):

	1997	1998	1999
	-----	-----	-----
Basic earnings per share--Weighted common shares outstanding.....	59,967	60,747	60,270
Weighted common shares assumed upon exercise of stock options.....	1,819	745	1,950
	-----	-----	-----
Diluted earnings per share--Weighted common shares and potential common shares outstanding.....	61,786	61,492	62,220
	=====	=====	=====

(17)Segment Information

The Company operates in one segment as it designs, develops, manufactures, markets and sells material management and handling products predominantly within the semiconductor industry. All products are sold on a worldwide basis.

The following table summarizes total net sales, based upon the country from which sales were made, and long-lived assets attributed to significant countries for 1997, 1998 and 1999, respectively (in thousands):

	1997	1998	1999
	-----	-----	-----
Net sales:			
United States.....	\$252,230	\$217,171	\$176,345
Japan.....	13,232	19,129	20,337
Germany.....	10,103	18,853	26,278
Malaysia.....	818	5,828	12,100
Korea.....	--	1,249	2,443
Singapore.....	907	4,361	4,449
	-----	-----	-----
	\$277,290	\$266,591	\$241,952
	=====	=====	=====
Long-lived assets:			
United States.....	\$ 95,847	\$102,190	\$ 84,271
Japan.....	7,404	6,044	7,100
Germany.....	5,034	7,143	6,484
Malaysia.....	9,807	13,094	12,955
Korea.....	25	2,742	5,131
Singapore.....	2,037	2,110	1,683
	-----	-----	-----
	\$120,154	\$133,323	\$117,624
	=====	=====	=====

Export sales, principally from the United States, amounted to \$95.8 million, \$70.7 million and \$50.3 million in 1997, 1998 and 1999, respectively. In 1997, 1998 and 1999, no single customer accounted for 10% or more of net sales.

(18) Supplementary Cash Flow Information

	1997	1998	1999
	-----	-----	-----
Schedule of interest and income taxes paid (in thousands):			
Interest.....	\$6,945	\$6,881	\$ 6,633
Income taxes, net of refunds received.....	8,427	7,777	(3,052)

(19) Fair Value of Financial Instruments

The carrying amount of cash equivalents and short-term debt approximates fair value due to the short maturity of those instruments.

The fair value of long-term debt was estimated using discounted cash flows based on market interest rates for similar instruments and approximated \$54.7 million compared to a carrying value of \$54.6 million at August 31, 1999.

(20) Related-Party Transactions

(a) Leases

The Company leases office space and production facilities under operating leases from a major stockholder's trust or from entities related to this stockholder. These leases, which expire through the year 2004, may be adjusted periodically based on a percentage of the increase in the consumer price index. The Company is required to pay for all real estate taxes, utilities and other operating expenses. Rent expense for continuing operations relating to these agreements totaled \$0.6 million, \$0.9 million and \$1.2 million for 1997, 1998 and 1999, respectively.

(b) Service Agreement

The Company allocated rental payments to Emplast, a previously owned company, totaling \$0.5 million, \$0.4 million and \$0.3 million in 1997, 1998 and 1999, respectively. As of August 31, 1998 and 1999, Emplast owed the Company \$0.7 million and \$0.8 million and respectively, which are included in prepaid expenses and other current assets in the accompanying consolidated balance sheets.

(c) Note Payable

The Company has a note payable to Marubeni, a minority stockholder. Interest expense related to this note totaled \$0.5 million, \$0.5 million and \$0.4 million for 1997, 1998 and 1999, respectively.

(d) Notes Receivable

At August 31, 1999, the Company has a \$0.8 million note receivable from a major stockholder trust which bears interest at 8.0% per year.

(e) Debt Guarantees

The Company guarantees a loan of a former officer and a major stockholder related to the Company's leased facility in Castle Rock, Colorado. This guarantee totaled \$1.2 million and \$1.6 million and at August 31, 1998 and 1999, respectively.

(f) Sales to Minority Shareholder

The Company sells products to Marubeni under normal business terms. Sales to Marubeni were \$19.4 million, \$18.0 million and \$12.0 million in 1997, 1998 and 1999, respectively. At August 31, 1998 and 1999, the Company had a receivable from Marubeni totaling \$0.8 million and \$1.9 million, respectively, due under normal trade terms. In addition, in February 1997, Marubeni was granted an option to buy 214,942 shares of the Company's common stock with an exercise price of \$5.19 per share. The grant was immediately vested and exercisable for ten years.

(21) Subsequent Events

The accompanying consolidated financial statements reflect a 2-for-1 stock split of the Company's common stock to be effective prior to its initial public offering. The Company filed a registration statement with the Securities and Exchange Commission on March 31, 2000.

In August 1999, the Company acquired the 10% minority interest in Fluoroware, GmbH resulting in 100% ownership of the entity for \$0.4 million.

In October 1999, the Company acquired the assets of a polymer machining business located in Upland, California for \$2.7 million.

(22) Subsequent Events (Unaudited)

In October 1999, the Company's Nippon Fluoroware K.K. subsidiary (NFKK) agreed to issue equity of \$2.2 million and debt of \$2.2 million in exchange for property and equipment. As a result, the Company's ownership percentage in NFKK decreased from 90.0% to 51.0%.

In November 1999, the Company sold approximately 612,000 shares of its investment in Metron Technology N.V. (Metron) stock as part of Metron's initial public offering. As a result of the sale, the company received proceeds of \$7.4 million and recognized a gain of \$5.5 million. The Company's ownership percentage decreased from 32.8% to 20.8% as a result of the sale in the public offering. As a result of the initial public offering the value of the Company's investment increased and was reflected as an increase to retained earnings of \$3.5 million. At February 28, 2000, the Company owned approximately 2.7 million shares of Metron with a market value of approximately \$65.2 million.

In February 2000, the Company acquired the 30% minority interest in Fluoroware Southeast Asia Pte Ltd. resulting in 100% of the entity for \$0.7 million.

In March 2000, the Company entered into an agreement with a related party to purchase certain real estate and personal property, which the Company currently leases from the related party (see Note 20(a)). The purchase price of the property, which was purchased on May 1, 2000, was \$2.5 million.

In March 2000, the Company's Board of Directors approved an increase in the Company's number of authorized common shares from 100,000,000 shares to 200,000,000 shares in conjunction with our 2-for-1 stock split.

In March 2000, the Company's Board of Directors adopted, subject to shareholder approval, the Entegris, Inc. Employee Stock Purchase Plan (the Plan). A total of 4,000,000 common shares were reserved for issuance under the Plan.

At various dates subsequent to August 31, 1999, the Company granted options to purchase 1,396,000 common shares under the Entegris, Inc. 1999 Long-Term Incentive and Stock Option Plan. The exercise price of grants for 1,196,000 common shares was equal to either the finally determined offering price or the deemed fair value based on an independent appraisal. The exercise price for grants for 200,000 common shares was equal to \$6.25 per share. The Company intends to record compensation expense for these grants based on the difference between the exercise price and the offering price over the four-year vesting term of the options.

SCHEDULE II

ENTEGRIS, INC.

Valuation and Qualifying Accounts
(In thousands)

	Balance at beginning of period	Charged to costs and expenses	Deductions from reserves (1)	Balance at end of period
	-----	-----	-----	-----
For the year ended August 31, 1997:				
Allowance for doubtful receivables.....	\$1,524	404	439	\$1,489
	=====	=====	=====	=====
Inventory reserves.....	\$2,001	4,225	3,371	\$2,855
	=====	=====	=====	=====
For the year ended August 31, 1998:				
Allowance for doubtful receivables.....	\$1,489	57	224	\$1,322
	=====	=====	=====	=====
Inventory reserves.....	\$2,855	2,475	2,818	\$2,512
	=====	=====	=====	=====
For the year ended August 31, 1999:				
Allowance for doubtful receivables.....	\$1,322	213	330	\$1,205
	=====	=====	=====	=====
Inventory reserves.....	\$2,512	2,701	2,043	\$3,170
	=====	=====	=====	=====

- -----
(1) Net of recoveries

Advanced Manufacturing Capabilities

Graphic of Globe depicting locations of sales offices and manufacturing

[Photo of blow molding equipment with caption stating: Blow Molding]

[Photo of injection molding equipment with caption stating: Injection Molding]

[Photo of roto molding equipment with caption stating: Roto Molding]

[Photo of sheet lining equipment with caption stating: Sheet Lining]

[Photo of assembly equipment with caption stating: Assembly Operations]

[Photo of laboratory with caption stating: Materials Laboratory]

Germany Japan Korea Malaysia
California Colorado Minnesota Oregon Texas

Worldwide Infrastructure

[Logo]

13,000,000 Shares

[LOGO OF ENTEGRIS]

Prospectus

, 2000

Banc of America Securities LLC

Donaldson, Lufkin & Jenrette

Salomon Smith Barney

U.S. Bancorp Piper Jaffray

Until , 2000 (25 days after the date of this prospectus),
all dealers effecting transactions in the common shares, whether or not
participating in this distribution, may be required to deliver a prospectus.
This is in addition to the obligation of dealers to deliver a prospectus when
acting as underwriters and with respect to their unsold allotments or
subscriptions.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 13. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION

The following table sets forth the costs and expenses, other than underwriting discounts and commissions, payable by the registrant in connection with the distribution of the common shares being registered. All amounts are estimated, except the SEC Registration Fee, the NASD Filing Fee and the Nasdaq National Market Filing Fee:

SEC Registration Fee.....	\$ 63,150
NASD Filing Fee.....	27,410
Nasdaq National Market Filing Fee.....	95,000
Blue Sky Fees and Expenses.....	10,000
Accounting Fees.....	200,000
Legal Fees and Expenses.....	600,000
Transfer Agent and Registrar Fees.....	5,000
Printing and Engraving.....	100,000
ESOP Related Fees.....	160,000
Miscellaneous.....	51,440

Total.....	\$1,312,000
	=====

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* To be supplied by amendment.

None of the expenses will be borne by selling shareholders.

ITEM 14. INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 302A.521 of the Minnesota Statutes requires Entegris to indemnify a person made or threatened to be made a party to a proceeding, by a reason of the former or present official capacity of the person with respect to Entegris, against judgment, penalties, fines, including without limitation, excise taxes assessed against the person with respect to an employee benefit plan, settlements, and reasonable expenses, including attorneys' fees and disbursements, if, with respect to the acts or omissions of the person complained of in the proceeding, such person (1) has not been indemnified by another organization or employee benefit plan for the same judgments, penalties, fines, including without limitation, excise taxes assessed against the person with respect to an employee benefit plan, settlements, and reasonable expenses, including attorneys' fees and disbursements, incurred by the person in connection with the proceeding with respect to the same acts or omissions; (2) acted in good faith; (3) received no improper personal benefit, and statutory procedure has been followed in the case of any conflict of interest by a director; (4) in the case of a criminal proceeding, had no reasonable cause to believe the conduct was unlawful; and (5) in the case of acts or omissions occurring in the person's performance in the official capacity of director or, for a person not a director, in the official capacity of officer, committee member, employee or agent, reasonably believed that the conduct was in the best interests of Entegris, or in the case of performance by a director, officer, employee or agent of Entegris as a director, officer, partner, trustee, employee or agent of another organization or employee benefit plan, reasonably believed that the conduct was not opposed to the best interests of Entegris. In addition, Section 302A.521, subd. 3 requires payment by Entegris, upon written request, of reasonable expenses in advance of final disposition in certain instances. A decision as to required indemnification is made by a majority of the disinterested board of directors present at a meeting at which a disinterested quorum is present, or a designated committee of disinterested directors, by special legal counsel, by the disinterested shareholders, or by a court.

Provisions regarding the indemnification of officers and directors of Entegris, to the extent permitted by Section 302A.521, are contained in Entegris' articles of incorporation and bylaws.

Entegris maintains a policy of directors' and officers' liability insurance that insures Entegris' directors and officers against the cost of defense, settlement or payment of a judgment under certain circumstances. In conjunction with the effectiveness of the registration statement, Entegris plans to expand its coverage to include securities law claims.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling Entegris pursuant to the foregoing provisions, Entegris has been informed that in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act, and is therefore unenforceable.

ITEM 15. RECENT SALES OF UNREGISTERED SECURITIES

Since September 1, 1996, we have sold and issued the following unregistered securities (references to common shares reflect a 2-for-1 stock split to be effected prior to our initial public offering):

- (1) On June 7, 1999, we issued 59,999,958 common shares to former shareholders of Fluoroware and Empak as part of a consolidation in which Fluoroware and Empak became our wholly owned subsidiaries;
- (2) Between June 1999 and March 2000, we issued an aggregate of 1,554,350 shares as distributions to current or former participants of the ESOP; and
- (3) As of March 30, 2000, we had granted options to purchase an aggregate of 7,556,400 common shares to our employees, directors and consultants pursuant to our 1999 Long-Term Incentive and Stock Option Plan and our Outside Directors' Option Plan. Of these options, 244,748 shares have been cancelled without being exercised and 43,716 shares have been issued pursuant to stock option exercises.
- (4) The total options outstanding as of April 30, 2000 includes the following.
 - . Grants made in April 2000 for the purchase of an aggregate of 28,000 common shares, at an exercise price to be equal to the finally determined offering price. The options vest over a four-year period. The deemed fair value of the underlying common stock at the date of grant is equal to the finally determined offering price.
 - . Grants made in March 2000 for the purchase of an aggregate of 316,000 common shares, at an exercise price to be equal to the finally determined offering price. The options vest over a four-year period. The deemed fair value of the underlying common stock at the date of grant is equal to the finally determined offering price.
 - . Grants made in March 2000 for the purchase of an aggregate of 200,000 common shares, at an exercise price equal to \$6.25 per share. The options vest over a four-year period. The deemed fair value of the underlying common stock at the date of grant is equal to the finally determined offering price. The Company intends to record compensation expense based on the difference between the exercise price and the offering price over the four-year vesting term of the options.
 - . Grants made in September 1999 for the purchase of an aggregate of 852,000 common shares, at an exercise price equal to \$4.21 per share. The options vest over a four-year period. The deemed fair value of the underlying common stock at the date of grant is equal to \$4.21, as determined by the Company's Board of Directors based on an independent appraisal.

The sale and issuance of securities in the transaction described in paragraph 1 above was deemed to be exempt from registration under the Securities Act by virtue of Section 4(2) as a transaction not involving a public offering.

The sales and issuances of securities in the transactions described in paragraph 2 and 3 above were deemed to be exempt from registration under the Securities Act by virtue of Section 4(2) and Rule 701.

None of the transactions set forth in Item 15(a) involved underwritten offerings.

ITEM 16. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) Exhibits

Numbers -----	Description -----
1.1	Form of Underwriting Agreement
3.1**	Articles of Incorporation of Entegris, Inc.
3.2**	Bylaws of Entegris, Inc.
3.3**	Audit Committee Charter of Entegris, Inc.
4.1**	Specimen of Common Stock Certificate
5.1	Opinion of Dorsey & Whitney LLP
9.1**	Form Shareholder Agreement for Fluoroware, Inc. Shareholders in relation to the consolidation of Fluoroware, Inc. and Empak, Inc. to form Entegris, Inc.
9.2**	Form Shareholder Agreement for Empak, Inc. Shareholders in relation to the consolidation of Fluoroware, Inc. and Empak, Inc. to form Entegris, Inc.
10.1**	Entegris, Inc. 1999 Long-Term Incentive and Stock Option Plan
10.2**	Entegris, Inc. Outside Directors' Option Plan
10.3	Entegris, Inc. 2000 Employee Stock Purchase Plan
10.4**	Entegris, Inc. Employee Stock Ownership Plan
10.5**	Entegris, Inc. Pension Plan
10.6**	Entegris, Inc. 401(k) Savings and Profit Sharing Plan
10.7**	Employment Agreement between Delmer Jensen and Empak, Inc., dated as of January 1, 1999
10.8**	Lease Agreement between Empak, Inc. and Fleninge Partnership, dated June 15, 1993
10.9**	Lease Agreement between Empak, Inc. and Wayne C. Bongard, dated September 22, 1998
10.10**	Amended and Restated Sublease Agreement between Empak, Inc. and Emplast, Inc., dated April 28, 1997
10.11**	Real Estate Purchase and Sale Agreement between Fleninge Partnership and Entegris, Inc., dated March 15, 2000
10.12**	Promissory Note between Wayne C. Bongard estate and Empak, Inc., dated April 15, 1999
10.13**	Promissory Note between Fluoroware, Inc. and Dan Quernemoen, dated January 5, 1996
10.14**	Guaranty between Empak, Inc. and First Bank National Association, dated March 1, 1994
10.15**	Consolidation Agreement by and among Entegris, Inc., Fluoroware, Inc. and Empak, Inc., dated June 1, 1999
10.16**	Distribution Agreement between Fluoroware, Inc. and Metron Semiconductors Europa B.V., dated July 6, 1995, as amended by Entegris, Inc., ISS Amendments to Metron/Fluoroware Distribution Contract, between Entegris, Inc. Integrated Shipping Systems and Metron Technology, Inc., dated October 22, 1999
10.17**	Metron Semiconductors Europa B.V. Investor Rights Agreement dated July 6, 1995
10.18**	U.S. Stocking Distributor Five-Year Agreement as of September 1, 1997 between Fluoroware, Inc. and Kyser Company
10.19+	STAT-PRO(R) 3000 and STAT-PRO(R) 3000E Purchase and Supply Agreement between Fluoroware, Inc. and Miller Waste Mills, d/b/a RTP Company, dated April 6, 1998
10.20**	Amended and Restated Distributorship Agreement by and among Entegris, Inc., Empak, Inc., Marubeni America Corporation and Marubeni Corporation, dated as of December 1, 1999
10.21+	PFA Purchase and Supply Agreement by and between E.I. Du Pont De Nemours and Company and Fluoroware, Inc., dated January 7, 1999, which was made effective retroactively to November 1, 1998, and supplemented by the Assignment and Limited Amendment by and between the same parties and Entegris, Inc., dated as of September 24, 1999

Numbers	Description
-----	-----
21.1**	Subsidiaries of the Company
23.1	Consent of Dorsey & Whitney LLP (Included in Exhibit 5.1)
23.2**	Consent of KPMG LLP
23.3**	Consent of Arthur Andersen LLP
24.1**	Powers of Attorney (Included on signature page)
27.1	Financial Data Schedule
27.2	Financial Data Schedule
27.3	Financial Data Schedule
27.4	Financial Data Schedule

- -----

**Previously Filed.

+ Confidential information has been omitted from these exhibits and filed separately with the SEC accompanied by a confidential treatment request pursuant to Rule 406 under the Securities Act of 1933, as amended.

Pursuant to Item 601(b)(4)(iii) of Regulation S-K, copies of instruments defining the rights of holders of certain long-term debt of Entegris are not filed, and in lieu thereof, Entegris agrees to furnish copies thereof to the SEC upon request.

(b) Financial Statement Schedules

ITEM 17. UNDERTAKINGS

The undersigned Registrant hereby undertakes to provide to the Underwriters at the closing specified in the Underwriting Agreement, certificates in such denominations and registered in such names as required by the Underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 (the "Act") may be permitted to directors, officers, and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question of whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

The undersigned Registrant hereby undertakes that:

(1) For purposes of determining any liability under the Act, the information omitted from the form of prospectus filed as part of this Registration Statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Act shall be deemed to be a part of this Registration Statement as of the time it was declared effective.

(2) For purposes of determining any liability under the Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURE

Pursuant to the requirements of the Securities Act of 1933, Registrant has duly caused this Amendment No. 1 to the Registration Statement to be signed on its behalf, by the undersigned, thereunto duly authorized, in the City of Minneapolis, County of Hennepin, State of Minnesota, on May 5, 2000.

ENTEGRIS, INC.

/s/ Stan Geyer

By: _____
Stan Geyer Chief Executive Officer

In accordance with the requirements of the Securities Act of 1933, this Amendment No. 1 to the Registration Statement was signed by the following persons in the capacities indicated on May 5, 2000.

Signature	Title	Date
/s/ Stan Geyer ----- Stan Geyer	President, Chief Executive Officer and Director (principal executive officer)	May 5, 2000
/s/ John D. Villas ----- John D. Villas	Chief Financial Officer (principal accounting and financial officer)	May 5, 2000
* ----- Daniel R. Quernemoen	Chairman of the Board	May 5, 2000
* ----- James E. Dauwalter	Executive Vice President, Chief Operating Officer and Director	May 5, 2000
* ----- James A. Bernards	Vice Chairman, Director	May 5, 2000
* ----- Robert J. Boehlke	Director	May 5, 2000
* ----- Roger D. McDaniel	Director	May 5, 2000
* ----- Mark A. Bongard	Director	May 5, 2000
* ----- Delmer H. Jensen	Director	May 5, 2000

*By: _____

Stan Geyer
Attorney-in-Fact

EXHIBIT INDEX

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**Previously Filed

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May __, 2000

BANC OF AMERICA SECURITIES LLC
DONALDSON, LUFKIN & JENRETTE SECURITIES CORPORATION
SALOMON SMITH BARNEY INC.
U.S. BANCORP PIPER JAFFRAY INC.
As Representatives of the several Underwriters
c/o BANC OF AMERICA SECURITIES LLC
600 Montgomery Street
San Francisco, California 94111

Ladies and Gentlemen:

Introductory. Entegris, Inc., a corporation organized under the laws of Minnesota (the "Company"), proposes to issue and sell to the several underwriters named in Schedule A (the "Underwriters") an aggregate of 8,600,000 of its common shares, par value \$0.01 per share (the "Common Shares"); and Entegris, Inc. Employee Stock Ownership Plan (the "Plan") and WCB Holding LLC ("WCB") propose to sell to the Underwriters an aggregate of 4,400,000 Common Shares. The Plan and WCB are sometimes collectively referred to herein as the "Selling Shareholders." The 8,600,000 Common Shares to be sold by the Company and the 4,400,000 Common Shares to be sold by the Selling Shareholders are collectively called the "Firm Shares." In addition, the Company and WCB have granted to the Underwriters an option to purchase up to an additional 1,950,000 Common Shares as provided in Section 2. The additional 1,950,000 Common Shares to be sold by the Company and WCB are called the "Optional Shares." The Firm Shares and, if and to the extent such option is exercised, the Optional Shares are collectively called the "Shares." Banc of America Securities LLC, Donaldson, Lufkin & Jenrette Securities Corporation, Salomon Smith Barney Inc. and U.S. Bancorp Piper Jaffray Inc. have agreed to act as representatives of the several Underwriters (in such capacity, the "Representatives") in connection with the offering and sale of the Shares.

The Company has prepared and filed with the Securities and Exchange Commission (the "Commission") a registration statement on Form S-1 (File No. 333-33668), which contains a form of prospectus to be used in connection with the public offering and sale of the Shares. Such registration statement, as amended, including the financial statements, exhibits and schedules thereto, in the form in which it was declared effective by the Commission under the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder (collectively, the "Securities Act"), including any information deemed to be a part thereof at the time of effectiveness pursuant to Rule 430A or Rule 434 under the Securities Act, is called the "Registration Statement." Any registration statement filed by the Company pursuant to Rule 462(b) under the Securities Act is called the "Rule 462(b) Registration Statement", and from and after the date and time of filing of the Rule 462(b) Registration Statement the term "Registration Statement" shall include the Rule 462(b) Registration Statement. Such prospectus, in the form first used by the Underwriters to confirm sales of the Shares, is called the

"Prospectus"; provided, however, if the Company has, with the consent of the Representatives, elected to rely upon Rule 434 under the Securities Act, the term "Prospectus" shall mean the Company's prospectus subject to completion (each, a "preliminary prospectus") dated _____, _____, together with the applicable term sheet (the "Term Sheet") prepared and filed by the Company with the Commission under Rules 434 and 424(b) under the Securities Act and all references in this Agreement to the date of the Prospectus shall mean the date of the Term Sheet. All references in this Agreement to the Registration Statement, the Rule 462(b) Registration Statement, a preliminary prospectus, the Prospectus or the Term Sheet, or any amendments or supplements to any of the foregoing, shall include any copy thereof filed with the Commission pursuant to its Electronic Data Gathering, Analysis and Retrieval System ("EDGAR").

The Company and each of the Selling Shareholders hereby confirm their respective agreements with the Underwriters as follows:

Section 1. Representations and Warranties.

A. Representations and Warranties of the Company. The Company hereby represents, warrants and covenants to each Underwriter as follows:

(a) Compliance with Registration Requirements. The Registration Statement and any Rule 462(b) Registration Statement have been declared effective by the Commission under the Securities Act. The Company has complied to the Commission's satisfaction with all requests of the Commission for additional or supplemental information. No stop order suspending the effectiveness of the Registration Statement or any Rule 462(b) Registration Statement is in effect and no proceedings for such purpose have been instituted or are pending or, to the best knowledge of the Company, are contemplated or threatened by the Commission.

Each preliminary prospectus and the Prospectus when filed complied in all material respects with the Securities Act and, if filed by electronic transmission pursuant to EDGAR (except as may be permitted by Regulation S-T under the Securities Act), was identical to the copy thereof delivered to the Underwriters for use in connection with the offer and sale of the Shares. Each of the Registration Statement, any Rule 462(b) Registration Statement and any post-effective amendment thereto, at the time it became effective and at all subsequent times up to and including the last to occur of (i) the First Closing Date (and, if any Optional Shares are purchased, the Second Closing Date, if applicable) and (ii) the last day of the Prospectus Delivery Period (as defined in Section 3(A)(a) below), complied and will comply in all material respects with the Securities Act and did not and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading. The Prospectus, as amended or supplemented, as of its date and at all subsequent times up to and including the last to occur of (i) the First Closing Date (and, if any Optional Shares are purchased, the Second Closing Date, if applicable) and (ii) the last day of the Prospectus Delivery Period, did not and will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The representations and warranties set forth in the two immediately

preceding sentences do not apply to statements in or omissions from the Registration Statement, any Rule 462(b) Registration Statement, or any post-effective amendment thereto, or the Prospectus, or any amendments or supplements thereto, made in reliance upon and in conformity with information relating to any Underwriter furnished to the Company in writing by the Representatives expressly for use therein. There are no contracts or other documents required to be described in the Prospectus or to be filed as exhibits to the Registration Statement which have not been described or filed as required.

(b) Offering Materials Furnished to Underwriters. The Company has delivered to the Representatives four complete manually signed copies of the Registration Statement and of each consent and certificate of experts filed as a part thereof, and conformed copies of the Registration Statement (without exhibits) and preliminary prospectuses and the Prospectus, as amended or supplemented, in such quantities and at such places as the Representatives have reasonably requested for each of the Underwriters.

(c) Distribution of Offering Material By the Company. The Company has not distributed and will not distribute, prior to the later of the Second Closing Date (as defined below) and the completion of the Underwriters' distribution of the Shares, any offering material in connection with the offering and sale of the Shares other than a preliminary prospectus, the Prospectus or the Registration Statement.

(d) The Underwriting Agreement. This Agreement has been duly authorized, executed and delivered by, and is a valid and binding agreement of, the Company, enforceable in accordance with its terms, except as rights to indemnification hereunder may be limited by applicable law and except as the enforcement hereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting the rights and remedies of creditors or by general equitable principles.

(e) Authorization of the Shares. The Shares to be purchased by the Underwriters from the Company have been duly authorized for issuance and sale pursuant to this Agreement and, when issued and delivered by the Company pursuant to this Agreement, will be validly issued, fully paid and nonassessable.

(f) No Applicable Registration or Other Similar Rights. There are no persons with registration or other similar rights to have any equity or debt securities registered for sale under the Registration Statement or included in the offering contemplated by this Agreement, except for such rights as have been duly waived or complied with.

(g) No Material Adverse Change. Except as otherwise disclosed in the Prospectus, subsequent to the respective dates as of which information is given in the Prospectus: (i) there has been no material adverse change, or any development that could reasonably be expected to result in a material adverse change, in the condition, financial or otherwise, or in the earnings, business, operations or prospects, whether or not arising from transactions in the ordinary course of business, of the Company and its subsidiaries, considered as one entity (any such change is called a "Material Adverse Change"); (ii) the Company and its subsidiaries, considered as one entity, have not incurred any

material liability or obligation, indirect, direct or contingent, not in the ordinary course of business nor entered into any material transaction or agreement not in the ordinary course of business; and (iii) there has been no dividend or distribution of any kind declared, paid or made by the Company or, except for dividends paid to the Company or other subsidiaries, any of its subsidiaries on any class of capital stock or repurchase or redemption by the Company or any of its subsidiaries of any class of capital stock.

(h) Independent Accountants. KPMG LLP and Arthur Andersen LLP, who have expressed their opinion with respect to the financial statements (which term as used in this Agreement includes the related notes thereto) filed with the Commission as a part of the Registration Statement and included in the Prospectus, are independent public or certified public accountants as required by the Securities Act.

(i) Preparation of the Financial Statements. The financial statements filed with the Commission as a part of the Registration Statement and included in the Prospectus present fairly the consolidated financial position of the Company and its subsidiaries as of and at the dates indicated and the results of their operations and cash flows for the periods specified. Such financial statements have been prepared in conformity with United States generally accepted accounting principles applied on a consistent basis throughout the periods involved, except as may be expressly stated in the related notes thereto. No other financial statements or supporting schedules are required to be included in the Registration Statement. The financial data set forth in the Prospectus under the captions "Prospectus Summary-Summary Consolidated Financial Data", "Selected Consolidated Financial Data" and "Capitalization" fairly present the information set forth therein on a basis consistent with that of the audited financial statements contained in the Registration Statement.

(j) Incorporation and Good Standing of the Company and its Subsidiaries. Each of the Company and its subsidiaries has been duly incorporated and is validly existing as a corporation in good standing under the laws of the jurisdiction of its incorporation and has corporate power and authority to own, lease and operate its properties and to conduct its business as described in the Prospectus and, in the case of the Company, to enter into and perform its obligations under this Agreement. Each of the Company and each subsidiary is duly qualified as a foreign corporation to transact business and is in good standing in each jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except for such jurisdictions where the failure to so qualify or to be in good standing would not, individually or in the aggregate, result in a Material Adverse Change. All of the issued and outstanding capital stock of each subsidiary has been duly authorized and validly issued, is fully paid and nonassessable and is owned by the Company, directly or through subsidiaries, free and clear of any security interest, mortgage, pledge, lien, encumbrance or claim. Fluoroware, Inc. and Empak, Inc. are the only significant subsidiaries (as defined in Rule 405 under the Securities Act) of the Company. The Company does not own or control, directly or indirectly, any corporation, association or other entity other than the subsidiaries listed in Exhibit 21.1 to the Registration Statement.

(k) Capitalization and Other Capital Shares Matters. The authorized, issued and outstanding capital stock of the Company is as set forth in the Prospectus under the caption "Capitalization" (other than for subsequent issuances, if any, pursuant to employee benefit plans described in the Prospectus or upon exercise of outstanding options described in the Prospectus). The Common Shares (including the Shares) conform in all material respects to the description thereof contained in the Prospectus. All of the issued and outstanding Common Shares (including the Common Shares owned by the Selling Shareholders) have been duly authorized and validly issued, are fully paid and nonassessable and have been issued in compliance with federal and state securities laws. None of the outstanding Common Shares were issued in violation of any preemptive rights, rights of first refusal or other similar rights to subscribe for or purchase securities of the Company. There are no authorized or outstanding options, warrants, preemptive rights, rights of first refusal or other rights to purchase, or equity or debt securities convertible into or exchangeable or exercisable for, any capital stock of the Company or any of its subsidiaries other than those accurately described in the Prospectus. The description of the Company's stock option, stock bonus and other stock plans or arrangements, and the options or other rights granted thereunder, set forth in the Prospectus accurately and fairly presents the information required to be shown with respect to such plans, arrangements, options and rights.

(l) Stock Exchange Listing. The Common Shares have been approved for listing on the Nasdaq National Market, subject only to official notice of issuance.

(m) Non-Contravention of Existing Instruments; No Further Authorizations or Approvals Required. Neither the Company nor any of its subsidiaries is in violation of its charter or by-laws or is in default (or, with the giving of notice or lapse of time, would be in default) ("Default") under any indenture, mortgage, loan or credit agreement, note, contract, franchise, lease or other instrument to which the Company or any of its subsidiaries is a party or by which it or any of them may be bound or to which any of the property or assets of the Company or any of its subsidiaries is subject including, without limitation, the Plan and the documents or instruments governing the Plan (each, an "Existing Instrument"), except for such Defaults as would not, individually or in the aggregate, result in a Material Adverse Change. The Company's

execution, delivery and performance of this Agreement and consummation of the transactions contemplated hereby and by the Prospectus (i) have been duly authorized by all necessary corporate action and will not result in any violation of the provisions of the charter or by-laws of the Company or any subsidiary, (ii) will not conflict with or constitute a breach of, or Default or a Debt Repayment Triggering Event (as defined below) under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Company or any of its subsidiaries pursuant to, or require the consent of any other party to, any Existing Instrument, except for such conflicts, breaches, Defaults, liens, charges or encumbrances as would not, individually or in the aggregate, result in a Material Adverse Change, (iii) will not trigger any excise or other taxes in connection with the Plan and (iv) will not result in any violation of any law, administrative regulation or administrative or court decree applicable to the Company or any subsidiary. No consent, approval, authorization or other order of, or registration or filing with, any court or other governmental or regulatory authority or agency, is required for the Company's execution, delivery and performance of this Agreement and consummation of the transactions contemplated hereby and by the Prospectus, except such as have been obtained or made by the Company and are in full force and effect under the Securities Act, applicable state securities or blue sky laws and from the National Association of Securities Dealers, Inc. (the "NASD"). As used herein, a "Debt Repayment Triggering Event" means any event or condition which gives, or with the giving of notice or lapse of time would give, the holder of any note, debenture or other evidence of indebtedness (or any person acting on such holder's behalf) the right to require the repurchase, redemption or repayment of all or a portion of such indebtedness by the Company or any of its subsidiaries.

(n) No Material Actions or Proceedings. There are no legal or governmental actions, suits or proceedings pending or, to the best of the Company's knowledge, threatened (i) against or affecting the Company or any of its subsidiaries, (ii) which has as the subject thereof any officer or director of, or property owned or leased by, the Company or any of its subsidiaries or (iii) relating to environmental or discrimination matters, where in any such case (A) there is a reasonable possibility that such action, suit or proceeding might be determined adversely to the Company or such subsidiary and (B) any such action, suit or proceeding, if so determined adversely, would reasonably be expected to result in a Material Adverse Change or adversely affect the consummation of the transactions contemplated by this Agreement. No labor dispute with the employees of the Company or any of its subsidiaries exists or, to the best of the Company's knowledge, is threatened or imminent. The Company is not aware of any existing or imminent labor disturbance by the employees of any of its material suppliers which may reasonably be expected to result in a Material Adverse Change.

(o) Intellectual Property Rights. The Company and its subsidiaries own or possess sufficient trademarks, trade names, patent rights, copyrights, licenses, approvals, trade secrets and other similar rights (collectively, "Intellectual Property Rights") reasonably necessary to conduct their businesses as now conducted; and the expected expiration of any of such Intellectual Property Rights would not result in a Material Adverse Change. Neither the Company nor any of its subsidiaries has received any notice of infringement or conflict with asserted Intellectual Property Rights of others, which infringement or conflict, if the subject of an unfavorable decision, would result in a Material Adverse Change.

(p) All Necessary Permits, etc. The Company and each subsidiary possess such valid and current certificates, authorizations or permits issued by the appropriate state, federal or foreign regulatory agencies or bodies necessary to conduct their respective businesses, and neither the Company nor any subsidiary has received any notice of proceedings relating to the revocation or modification of, or non-compliance with, any such certificate, authorization or permit which, singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, could result in a Material Adverse Change.

(q) Title to Properties. The Company and each of its subsidiaries has good and marketable title to all the properties and assets reflected as owned in the financial

statements referred to in Section 1(A)(i) above (or elsewhere in the Prospectus), in each case free and clear of any security interests, mortgages, liens, encumbrances, equities, claims and other defects, except such as do not materially and adversely affect the value of such property and do not materially interfere with the use made or proposed to be made of such property by the Company or such subsidiary. The real property, improvements, equipment and personal property held under lease by the Company or any subsidiary are held under valid and enforceable leases, with such exceptions as are not material and do not materially interfere with the use made or proposed to be made of such real property, improvements, equipment or personal property by the Company or such subsidiary.

(r) Tax Law Compliance. The Company and its consolidated subsidiaries have filed all necessary federal, state, local and foreign income and franchise tax returns or have properly requested extensions thereof and have paid all taxes required to be paid by any of them and, if due and payable, any related or similar assessment, fine or penalty levied against any of them, except as are being contested in good faith and by appropriate procedures. The Company has made adequate charges, accruals and reserves in the applicable financial statements referred to in Section 1(A)(i) above in respect of all federal, state, local and foreign income and franchise taxes for all periods as to which the tax liability of the Company or any of its consolidated subsidiaries has not been finally determined.

(s) Company Not an "Investment Company." The Company is not, and after receipt of payment for the Shares to be sold by it will not be, an "investment company" within the meaning of Investment Company Act of 1940, as amended (the "Investment Company Act"), and will conduct its business in a manner so that it will not become subject to the Investment Company Act.

(t) Insurance. Each of the Company and its subsidiaries are insured by recognized, financially sound and reputable institutions with policies in such amounts and with such deductibles and covering such risks as are generally deemed adequate and customary for their businesses including, but not limited to, policies covering real and personal property owned or leased by the Company and its subsidiaries against theft, damage, destruction and acts of vandalism. To the best of the Company's knowledge, the Company and its subsidiaries will be able (i) to renew existing insurance coverage as and when such policies expire or (ii) to obtain comparable coverage from similar institutions as may be necessary or appropriate to conduct their business as now conducted and at a cost that would not result in a Material Adverse Change. Neither of the Company nor any subsidiary has been denied any insurance coverage which it has sought or for which it has applied.

(u) No Price Stabilization or Manipulation. The Company has not taken and will not take, directly or indirectly, any action designed to or that might be reasonably expected to cause or result in stabilization or manipulation of the price of the Common Shares to facilitate the sale or resale of the Shares.

(v) Related Party Transactions. There are no business relationships or related-party transactions involving the Company or any subsidiary or any other person required to be described in the Prospectus which have not been described as required.

(w) No Unlawful Contributions or Other Payments. Neither the Company nor any of its subsidiaries nor, to the best of the Company's knowledge, any employee or agent of the Company or any subsidiary, has made any contribution or other payment to any official of, or candidate for, any federal, state or foreign office in violation of any law or of the character required to be disclosed in the Prospectus.

(x) Company's Accounting System. The Company maintains a system of accounting controls sufficient to provide reasonable assurances that (i) transactions are executed in accordance with management's general or specific authorization; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles as applied in the United States and to maintain accountability for assets; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

(y) Compliance with Environmental Laws. Except as would not, individually or in the aggregate, result in a Material Adverse Change (i) neither the Company nor any of its subsidiaries is in violation of any federal, state, local or foreign law or regulation relating to pollution or protection of human health or the environment (including, without limitation, ambient air, surface water, groundwater, land surface or subsurface strata) or wildlife, including without limitation, laws and regulations relating to emissions, discharges, releases or threatened releases of chemicals, pollutants, contaminants, wastes, toxic substances, hazardous substances, petroleum and petroleum products (collectively, "Materials of Environmental Concern"), or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Materials of Environmental Concern (collectively, "Environmental Laws"), which violation includes, but is not limited to, noncompliance with any permits or other governmental authorizations required for the operation of the business of the Company or its subsidiaries under applicable Environmental Laws, or noncompliance with the terms and conditions thereof, nor has the Company or any of its subsidiaries received any written communication, whether from a governmental authority, citizens group, employee or otherwise, that alleges that the Company or any of its subsidiaries is in violation of any Environmental Law; (ii) there is no claim, action or cause of action filed with a court or governmental authority, no investigation with respect to which the Company has received written notice, and no written notice by any person or entity alleging potential liability for investigatory costs, cleanup costs, governmental responses costs, natural resources damages, property damages, personal injuries, attorneys' fees or penalties arising out of, based on or resulting from the presence, or release into the environment, of any Material of Environmental Concern at any location owned, leased or operated by the Company or any of its subsidiaries, now or in the past (collectively, "Environmental Claims"), pending or, to the best of the Company's knowledge, threatened against the Company or any of its subsidiaries or any person or entity whose

liability for any Environmental Claim the Company or any of its subsidiaries has retained or assumed either contractually or by operation of law; and (iii) to the best of the Company's knowledge, there are no past or present actions, activities, circumstances, conditions, events or incidents, including, without limitation, the release, emission, discharge, presence or disposal of any Material of Environmental Concern, that reasonably could result in a violation of any Environmental Law or form the basis of a potential Environmental Claim against the Company or any of its subsidiaries or against any person or entity whose liability for any Environmental Claim the Company or any of its subsidiaries has retained or assumed either contractually or by operation of law.

(z) ERISA Compliance. The Company and its subsidiaries and any "employee benefit plan" (as defined under the Employee Retirement Income Security Act of 1974, as amended, and the regulations and published interpretations thereunder (collectively, "ERISA")) established or maintained by the Company, its subsidiaries or their "ERISA Affiliates" (as defined below) are in compliance in all material respects with ERISA and the Internal Revenue Code of 1986, as amended, and the regulations and published interpretations thereunder (the "Code"). "ERISA Affiliate" means, with respect to the Company or a subsidiary, any member of any group of organizations described in Sections 414(b),(c),(m) or (o) of the Code of which the Company or such subsidiary is a member. No "reportable event" (as defined under ERISA) has occurred or is reasonably expected to occur with respect to any "employee benefit plan" established or maintained by the Company, its subsidiaries or any of their ERISA Affiliates. No "employee benefit plan" established or maintained by the Company, its subsidiaries or any of their ERISA Affiliates, if such "employee benefit plan" were terminated, would have any "amount of unfunded benefit liabilities" (as defined under ERISA). Neither the Company, its subsidiaries nor any of their ERISA Affiliates has incurred or reasonably expects to incur any liability under (i) Title IV of ERISA with respect to termination of, or withdrawal from, any "employee benefit plan" or (ii) Sections 412, 4971, 4975 or 4980B of the Code. Each "employee benefit plan" established or maintained by the Company, its subsidiaries or any of their ERISA Affiliates that is intended to be qualified under Section 401(a) of the Code is so qualified and nothing has occurred, whether by action or failure to act, which would cause the loss of such qualification.

(aa) Year 2000. All disclosure regarding year 2000 compliance that is required to be described under the Securities Act (including disclosures required by Staff Legal Bulletin No. 5) has been included in the Prospectus. The Company has not incurred, and does not expect to incur, any operating expenses or costs to ensure that its information systems will be year 2000 compliant, other than as disclosed in the Prospectus.

(bb) Directed Shares. No consent, approval, authorization or order of, or qualification with, any governmental body or agency, other than those obtained, is required in connection with the offering of the Directed Shares (as defined in Section 2 below). The Company has not offered, or caused the Underwriters to offer, Shares to any person pursuant to the directed share program with the specific intent to unlawfully influence (i) a customer or supplier of the Company to alter the customer's or supplier's level or type of business with the Company, or (ii) a trade journalist or publication to write or publish favorable information about the Company or its products.

Any certificate signed by an officer of the Company and delivered to the Representatives or to counsel for the Underwriters in connection with the consummation of the transactions contemplated hereby shall be deemed to be a representation and warranty by the Company to each Underwriter as to the matters set forth therein.

B. Representations and Warranties of the Selling Shareholders. In addition to the representations, warranties and covenants set forth in Section 1(A):

(a) Each Selling Shareholder severally and not jointly represents, warrants and covenants to each Underwriter as follows:

(i) The Underwriting Agreement. This Agreement has been duly authorized, executed and delivered by or on behalf of such Selling Shareholder and is a valid and binding agreement of such Selling Shareholder, enforceable in accordance with its terms, except as rights to indemnification hereunder may be limited by applicable law and except as the enforcement hereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting the rights and remedies of creditors or by general equitable principles.

(ii) The Custody Agreement. The Custody Agreement signed by such Selling Shareholder and [____], as custodian (the "Custodian"), relating to the deposit of the Shares to be sold by such Selling Shareholder (the "Custody Agreement"), has been duly authorized, executed and delivered by such Selling Shareholder and is a valid and binding agreement of such Selling Shareholder, enforceable in accordance with its terms, except as rights to indemnification thereunder may be limited by applicable law and except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting the rights and remedies of creditors or by general equitable principles.

(iii) Title to Shares to be Sold; All Authorizations Obtained. Such Selling Shareholder has, and on the First Closing Date (as defined below) will have, valid title to all of the Shares which may be sold by Selling Shareholder pursuant to this Agreement on such date and the legal right and power, and all authorizations and approvals required by law and, if applicable, under its charter or by laws, limited liability company agreement or other organizational documents to enter into this Agreement to sell, transfer and deliver all of the Shares which may be sold by such Selling Shareholder pursuant to this Agreement and to comply with its other obligations hereunder and thereunder.

(iv) Delivery of the Shares to be Sold. Delivery of the Shares which are sold by such Selling Shareholder pursuant to this Agreement will pass good and valid title to such Common Shares, free and clear of any security interest, mortgage, pledge, lien, encumbrance or other claim.

(v) Non-Contravention; No Further Authorizations or Approvals Required. The execution and delivery by such Selling Shareholder of, and the performance by such Selling Shareholder of its obligations under, this Agreement and the Custody Agreement will not contravene or conflict with, result in a breach of, or constitute a Default under, or

require the consent of any other party to, the charter or by-laws, limited liability company agreement or other organizational documents of such Selling Shareholder or any other agreement or instrument to which such Selling Shareholder is a party or by which it is bound or under which it is entitled to any right or benefit, any provision of applicable law or any judgment, order, decree or regulation applicable to such Selling Shareholder of any court, regulatory body, administrative agency, governmental body or arbitrator having jurisdiction over such Selling Shareholder. No consent, approval, authorization or other order of, or registration or filing with, any court or other governmental authority or agency, is required for the consummation by such Selling Shareholder of the transactions contemplated in this Agreement, except such as have been, or will be, obtained or made by the Company, the trustee under the Plan or the Underwriters and are, or will be, in full force and effect under the Securities Act, applicable state securities or blue sky laws and from the NASD.

(vi) No Registration or Other Similar Rights. Such Selling Shareholder does not have any registration or other similar rights to have any equity or debt securities registered for sale by the Company under the Registration Statement or included in the offering contemplated by this Agreement, except for such rights as are described in the Prospectus under "Shares Eligible for Future Sale."

(vii) No Further Consents, etc. No consent, approval or waiver is required under any instrument or agreement to which such Selling Shareholder is a party or by which it is bound or under which it is entitled to any right or benefit, in connection with the offering, sale or purchase by the Underwriters of any of the Shares which may be sold by such Selling Shareholder under this Agreement or the consummation by such Selling Shareholder of any of the other transactions contemplated hereby.

(viii) Disclosure Made by Such Selling Shareholder in the Prospectus. All information furnished by or on behalf of such Selling Shareholder in writing expressly for use in the Registration Statement and Prospectus is, and on the First Closing Date and the Second Closing Date will be, true, correct, and complete in all material respects, and does not, and on the First Closing Date and the Second Closing Date will not, contain any untrue statement of a material fact or omit to state any material fact necessary to make such information not misleading. Such Selling Shareholder confirms as accurate the number of Common Shares set forth opposite such Selling Shareholder's name in the Prospectus under the caption "Principal and Selling Shareholders" (both prior to and after giving effect to the sale of the Shares).

(ix) No Price Stabilization or Manipulation. Such Selling Shareholder has not taken and will not take, directly or indirectly, any action designed to or that might be reasonably expected to cause or result in stabilization or manipulation of the price of the Common Shares to facilitate the sale or resale of the Shares.

(x) Confirmation of Company Representations and Warranties. Such Selling Shareholder has no reason to believe that the representations and warranties of the Company contained in Section 1(A) hereof are not true and correct, is familiar with the Registration Statement and the Prospectus and has no knowledge of any material fact,

condition or information not disclosed in the Registration Statement or the Prospectus which has had or may have a Material Adverse Change and is not prompted to sell shares of Shares by any information concerning the Company which is not set forth in the Registration Statement and the Prospectus.

(b) The Plan hereby represents, warrants and covenants to each Underwriter as follows:

(i) Establishment and Qualification of Plan. The Plan has been duly adopted and established as a grantor trust in accordance with the laws of the State of Minnesota. The Plan is qualified under Section 401 of the Code and meets the requirements of an "employee stock ownership plan" within the meaning of Section 4975(e)(7) of the Code and 407(d)(6) of ERISA. The trustee under the Plan has all requisite trust powers to enter into the transaction contemplated by this Agreement.

(ii) No Prohibited Transaction; No Fiduciary. The sale of the Shares to be sold by the Plan to the Underwriters will not, in whole or in part, constitute a prohibited transaction pursuant to Section 4975(c) of the Code or Section 406 of ERISA, and none of the Underwriters or any person or entity affiliated with them is a "fiduciary" (within the meaning of Section 3(21) of ERISA) of the Plan or a "named fiduciary" (as such term is defined in Section 402(a) (2) of ERISA) of the Plan.

Any certificate signed by or on behalf of any Selling Shareholder and delivered to the Representatives or to counsel for the Underwriters in connection with the consummation of the transactions contemplated hereby shall be deemed to be a representation and warranty by such Selling Shareholder to each Underwriter as to the matters covered thereby.

Section 2. Purchase, Sale and Delivery of the Shares.

The Firm Shares. Upon the terms herein set forth, (i) the Company agrees to issue and sell to the several Underwriters an aggregate of 8,600,000 Firm Shares and (ii) the Selling Shareholders agree to sell to the several Underwriters an aggregate of 4,400,000 Firm Shares, each Selling Shareholder selling the number of Firm Shares set forth opposite such Selling Shareholder's name on Schedule B. On the basis of the representations, warranties and agreements herein contained, and upon the terms but subject to the conditions herein set forth, the Underwriters agree, severally and not jointly, to purchase from the Company and the Selling Shareholders the respective number of Firm Shares set forth opposite their names on Schedule A. The purchase price per Firm Share to be paid by the several Underwriters to the Company and the Selling Shareholders shall be \$_____ per share.

The First Closing Date. Delivery of certificates for the Firm Shares to be purchased by the Underwriters and payment therefor shall be made at the offices of Banc of America Securities LLC, 600 Montgomery Street, San Francisco, California (or such other place as may be agreed to by the Company and the Representatives) at 6:00 a.m. San Francisco time, on _____, 2000 or such other time and date not later than 10:30 a.m. San Francisco time, on _____, 2000 as the Representatives shall designate by notice to the Company and the Selling Shareholders (the time and date of such closing are called the "First Closing

Date"). The Company and the Selling Shareholders hereby acknowledge that circumstances under which the Representatives may provide notice to postpone the First Closing Date as originally scheduled include, but are in no way limited to, any determination by the Company, the Selling Shareholders or the Representatives to recirculate to the public copies of an amended or supplemented Prospectus or a delay as contemplated by the provisions of Section 10.

The Optional Shares; the Second Closing Date. In addition, on the basis of the representations, warranties and agreements herein contained, and upon the terms but subject to the conditions herein set forth, the Company and WCB hereby grant an option to the several Underwriters to purchase, severally and not jointly, up to 1,290,000 Optional Shares from the Company and up to 660,000 Optional Shares from WCB at the purchase price per share to be paid by the Underwriters for the Firm Shares. The option granted hereunder is for use by the Underwriters solely in covering any over-allotments in connection with the sale and distribution of the Firm Shares. The option granted hereunder may be exercised at any time (but not more than once) upon notice by the Representatives to the Company and WCB, which notice may be given at any time within 30 days from the date of this Agreement. Such notice shall set forth (i) the number of Optional Shares from each of the Company and WCB as to which the Underwriters are exercising the option, (ii) the names and denominations in which the certificates for the Optional Shares are to be registered and (iii) the time, date and place at which such certificates will be delivered (which time and date may be simultaneous with, but not earlier than, the First Closing Date; and in such case the term "First Closing Date" shall refer to the time and date of delivery of certificates for the Firm Shares and the Optional Shares). Such time and date of delivery, if subsequent to the First Closing Date, is called the "Second Closing Date" and shall be determined by the Representatives and shall not be earlier than three nor later than five full business days after delivery of such notice of exercise. If any Optional Shares are to be purchased, (a) each Underwriter agrees, severally and not jointly, to purchase the number of Optional Shares (subject to such adjustments to eliminate fractional shares as the Representatives may determine) that bears the same proportion to the total number of Optional Shares to be purchased as the number of Firm Shares set forth on Schedule A opposite the name of such Underwriter bears to the total number of Firm Shares and (b) the Company and WCB agree to sell the total number of Optional Shares. The Representatives may cancel the option at any time prior to its expiration by giving written notice of such cancellation to the Company and WCB.

Public Offering of the Shares. The Representatives hereby advise the Company and the Selling Shareholders that the Underwriters intend to offer for sale to the public, as described in the Prospectus, their respective portions of the Shares as soon after this Agreement has been executed and the Registration Statement has been declared effective as the Representatives, in its sole judgment, has determined is advisable and practicable. The Company and the Underwriters hereby agree that up to _____ Firm Shares to be purchased to by the Underwriters (the "Directed Shares") shall be reserved for sale by the Underwriters to [persons having business relationships with the Company] (the "Directed Share Purchasers"), as part of the distribution of the Shares by the Underwriters subject to the terms of this Agreement, the applicable rules, regulations and interpretations of the National Association of Securities Dealers, Inc., and all other applicable laws, rules and regulations; provided, however, that under no circumstances will the Representatives or any other Underwriter be liable to the Company or to any of the Directed Share Purchasers for any action taken or omitted in good faith in connection with the transactions effected with regard to the Directed Share Purchasers. Any

Directed Shares not orally confirmed for purchase by Directed Share Purchasers by the end of the business day on which this Agreement is executed will be offered to the public by the Underwriters as part of the offering contemplated hereby.

Payment for the Shares. Payment for the Shares to be sold by the Company shall be made at the First Closing Date (and, if applicable, at the Second Closing Date) by wire transfer of immediately available funds to the order of the Company. Payment for the Shares to be sold by WCB shall be made at the First Closing Date (and, if applicable, at the Second Closing Date) by wire transfer of immediately available funds to the order of WCB.

It is understood that the Representatives have been authorized, for their own accounts and the accounts of the several Underwriters, to accept delivery of and receipt for, and make payment of the purchase price for, the Firm Shares and any Optional Shares the Underwriters have agreed to purchase. Each of Banc of America Securities LLC, Donaldson, Lufkin & Jenrette Securities Corporation, Salomon Smith Barney Inc. and U.S. Bancorp Piper Jaffray Inc., individually and not as Representatives of the Underwriters, may (but shall not be obligated to) make payment for any Shares to be purchased by any Underwriter whose funds shall not have been received by the Representatives by the First Closing Date or the Second Closing Date, as the case may be, for the account of such Underwriter, but any such payment shall not relieve such Underwriter from any of its obligations under this Agreement.

Each Selling Shareholder hereby agrees that (i) it will pay all stock transfer taxes, stamp duties and other similar taxes, if any, payable upon the sale or delivery of the Shares to be sold by such Selling Shareholder to the several Underwriters, or otherwise in connection with the performance of such Selling Shareholder's obligations hereunder and (ii) the Underwriters are authorized to deduct from such payment any such amounts from the proceeds to such Selling Shareholder hereunder and to hold such amounts for the account of such Selling Shareholder.

Delivery of the Shares. The Company and the Selling Shareholders shall deliver, or cause to be delivered, to the Representatives for the accounts of the several Underwriters certificates, if any, for the Firm Shares to be sold by them at the First Closing Date, against the irrevocable release of a wire transfer of immediately available funds for the amount of the purchase price therefor. The Company and WCB shall also deliver, or cause to be delivered, to the Representatives for the accounts of the several Underwriters, certificates, if any, for the Optional Shares the Underwriters have agreed to purchase from them at the First Closing Date or the Second Closing Date, as the case may be, against the irrevocable release of a wire transfer of immediately available funds for the amount of the purchase price therefor. The certificates for the Shares shall be in definitive form and registered in such names and denominations as the Representatives shall have requested at least two full business days prior to the First Closing Date (or the Second Closing Date, as the case may be) and shall be made available for inspection on the business day preceding the First Closing Date (or the Second Closing Date, as the case may be) at a location in New York City as the Representatives may designate. Time shall be of the essence, and delivery at the time and place specified in this Agreement is a further condition to the obligations of the Underwriters.

Delivery of Prospectus to the Underwriters. Not later than 12:00 p.m. on the second business day following the date the Shares are first released by the Underwriters for sale

to the public, the Company shall deliver or cause to be delivered, copies of the Prospectus in such quantities and at such places as the Representatives shall request.

Section 3. Additional Covenants.

A. Covenants of the Company. The Company further covenants and agrees with each Underwriter as follows:

(a) Representatives' Review of Proposed Amendments and Supplements. During such period beginning on the date hereof and ending on the later of the First Closing Date or such date, as in the opinion of counsel for the Underwriters, the Prospectus is no longer required by law to be delivered in connection with sales by an Underwriter or dealer (the "Prospectus Delivery Period"), prior to amending or supplementing the Registration Statement (including any registration statement filed under Rule 462(b) under the Securities Act) or the Prospectus, the Company shall furnish to the Representatives for review a copy of each such proposed amendment or supplement, and the Company shall not file any such proposed amendment or supplement to which the Representatives reasonably object.

(b) Securities Act Compliance. After the date of this Agreement, the Company shall promptly advise the Representatives in writing (i) of the receipt of any comments of, or requests for additional or supplemental information from, the Commission, (ii) of the time and date of any filing of any post-effective amendment to the Registration Statement or any amendment or supplement to any preliminary prospectus or the Prospectus, (iii) of the time and date that any post-effective amendment to the Registration Statement becomes effective and (iv) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or any post-effective amendment thereto or of any order preventing or suspending the use of any preliminary prospectus or the Prospectus, or of any proceedings to remove, suspend or terminate from listing or quotation the Common Shares from any securities exchange upon which it is listed for trading or included or designated for quotation, or of the threatening or initiation of any proceedings for any of such purposes. If the Commission shall enter any such stop order at any time, the Company will use its best efforts to obtain the lifting of such order at the earliest possible moment. Additionally, the Company agrees that it shall comply with the provisions of Rules 424(b), 430A and 434, as applicable, under the Securities Act and will use its reasonable efforts to confirm that any filings made by the Company under such Rule 424(b) were received in a timely manner by the Commission.

(c) Amendments and Supplements to the Prospectus and Other Securities Act Matters. If, during the Prospectus Delivery Period, any event shall occur or condition exist as a result of which it is necessary to amend or supplement the Prospectus in order to make the statements therein, in the light of the circumstances when the Prospectus is delivered to a purchaser, not misleading, or if in the opinion of the Representatives or counsel for the Underwriters it is otherwise necessary to amend or supplement the Prospectus to comply with law, the Company agrees to promptly prepare (subject to Section 3(A)(a) hereof), file with the Commission and furnish at its own expense to the

Underwriters and to dealers, amendments or supplements to the Prospectus so that the statements in the Prospectus as so amended or supplemented will not, in the light of the circumstances when the Prospectus is delivered to a purchaser, be misleading or so that the Prospectus, as amended or supplemented, will comply with law.

(d) Copies of any Amendments and Supplements to the Prospectus. The Company agrees to furnish the Representatives, without charge, during the Prospectus Delivery Period, as many copies of the Prospectus and any amendments and supplements thereto as the Representatives may request.

(e) Blue Sky Compliance. The Company shall cooperate with the Representatives and counsel for the Underwriters to qualify or register the Shares for sale under (or obtain exemptions from the application of) the state securities or blue sky laws or Canadian provincial securities laws of those jurisdictions reasonably designated by the Representatives, shall comply with such laws and shall continue such qualifications, registrations and exemptions in effect so long as required for the distribution of the Common Shares. The Company shall not be required to qualify as a foreign corporation or to take any action that would subject it to general service of process in any such jurisdiction where it is not presently qualified or where it would be subject to taxation as a foreign corporation. The Company will advise the Representatives promptly of the suspension of the qualification or registration of (or any such exemption relating to) the Shares for offering, sale or trading in any jurisdiction or any initiation or threat of any proceeding for any such purpose, and in the event of the issuance of any order suspending such qualification, registration or exemption, the Company shall use its best efforts to obtain the withdrawal thereof at the earliest possible moment.

(f) Use of Proceeds. The Company shall apply the net proceeds from the sale of the Shares sold by it in the manner described under the caption "Use of Proceeds" in the Prospectus.

(g) Transfer Agent. The Company shall engage and maintain, at its expense, a registrar and transfer agent for the Common Shares.

(h) Earnings Statement. As soon as practicable, the Company will make generally available to its security holders and to the Representatives an earnings statement (which need not be audited) covering the twelve-month period ending _____, 2001 that satisfies the provisions of Section 11(a) of the Securities Act.

(i) Periodic Reporting Obligations. During the Prospectus Delivery Period the Company shall file, on a timely basis, with the Commission and the Nasdaq National Market all reports and documents required to be filed under the Exchange Act. Additionally, the Company shall report the use of proceeds from the issuance of the Common Shares as may be required under Rule 463 under the Securities Act.

(j) Agreement Not To Offer or Sell Additional Securities During the period of 180 days following the date of the Prospectus, the Company will not, without the prior

written consent of Banc of America Securities LLC (which consent may be withheld at the sole discretion of Banc of America Securities LLC), directly or indirectly, sell, offer, contract or grant any option to sell (including without limitation any short sale), pledge, transfer or establish an open "put equivalent position" within the meaning of Rule 16a-1(h) under the Securities Exchange Act of 1934, as amended, (the "Exchange Act"), or otherwise dispose of or transfer, or announce the offering of, or file any registration statement under the Securities Act in respect of, any Common Shares, options or warrants to acquire Common Shares or securities exchangeable or exercisable for or convertible into Common Shares (other than as contemplated by this Agreement with respect to the Shares); provided, however, that the Company may issue Common Shares or options to purchase its Common Shares, upon exercise of options, pursuant to any stock option, stock bonus or other stock plan or arrangement described in the Prospectus, but only if the holders of such shares, options, or shares issued upon exercise of such options, agree in writing not to sell, offer, dispose of or otherwise transfer any such shares or options during such 180 day period without the prior written consent of Banc of America Securities LLC (which consent may be withheld at the sole discretion of Banc of America Securities LLC).

(k) Future Reports to the Representatives. During the period commencing on the date hereof and continuing for five years hereafter, the Company will furnish to the Representatives at c/o Banc of America Securities LLC, 600 Montgomery Street, San Francisco, CA 94111 (i) as soon as practicable after the end of each fiscal year, copies of the Annual Report of the Company containing the balance sheet of the Company as of the close of such fiscal year and statements of income, shareholders' equity and cash flows for the year then ended and the opinion thereon of the Company's independent public or certified public accountants; (ii) as soon as practicable after the filing thereof, copies of each proxy statement, Annual Report on Form 10-K, Quarterly Report on Form 10-Q, Current Report on Form 8-K or other report filed by the Company with the Commission, the NASD or any securities exchange; and (iii) as soon as available, copies of any report or communication of the Company mailed generally to holders of its capital stock.

(l) Registration Statement on Form S-8. During the period of 180 days following the date of the Prospectus, the Company will not, without the prior written consent of Banc of America Securities LLC (which consent may be withheld at the sole discretion of Banc of America Securities LLC), file a registration statement on Form S-8 to register the Company's common shares reserved for issuance or issued under any of the Company's option or stock plans.

B. Covenants of the Selling Shareholders. Each Selling Shareholder further covenants and agrees with each Underwriter:

(a) Agreement Not to Offer or Sell Additional Securities. Such Selling Shareholder will not, without the prior written consent of Banc of America Securities LLC (which consent may be withheld in its sole discretion), directly or indirectly, sell, offer, contract or grant any option to sell (including without limitation any short sale), pledge, transfer, establish an open "put equivalent position" within the meaning of Rule 16a-1(h) under the Exchange Act, or otherwise dispose of any Common Shares, options

or warrants to acquire Common Shares, or securities exchangeable or exercisable for or convertible into Common Shares currently or hereafter owned either of record or beneficially (as defined in Rule 13d-3 under the Exchange Act) by the undersigned, or publicly announce the undersigned's intention to do any of the foregoing, for a period commencing on the date hereof and continuing through the close of trading on the date 180 days after the date of the Prospectus; provided, however, that the foregoing shall not apply to any Common Shares which are required in accordance with the terms of the Plan and Section 401(a)(9) of the Code to be distributed from the Plan to employees, their heirs or beneficiaries on account of death, Disability (as defined in the Plan) or retirement from the Company after age 65.

(b) Delivery of Forms W-8 and W-9 . To deliver to the Representatives prior to the First Closing Date a properly completed and executed United States Treasury Department Form W-8 (if the Selling Shareholder is a non-United States person) or Form W-9 (if the Selling Shareholder is a United States Person).

Banc of America Securities LLC, on behalf of the several Underwriters, may, in its sole discretion, waive in writing the performance by the Company or the Selling Shareholder of any one or more of the foregoing covenants or extend the time for their performance.

Section 4. Payment of Expenses. The Company agrees to pay all costs, fees and expenses incurred in connection with the performance of its obligations hereunder and in connection with the transactions contemplated hereby, including without limitation (i) all expenses incident to the issuance and delivery of the Shares (including all printing and engraving costs), (ii) all fees and expenses of the registrar and transfer agent of the Shares, (iii) all necessary issue, transfer and other stamp taxes in connection with the issuance and sale of the Shares to the Underwriters, (iv) all fees and expenses of the Company's counsel, independent public or certified public accountants and other advisors, (v) all costs and expenses incurred in connection with the preparation, printing, filing, shipping and distribution of the Registration Statement (including financial statements, exhibits, schedules, consents and certificates of experts), each preliminary prospectus and the Prospectus, and all amendments and supplements thereto, and this Agreement, (vi) all filing fees, attorneys' fees and expenses incurred by the Company or the Underwriters in connection with qualifying or registering (or obtaining exemptions from the qualification or registration of) all or any part of the Shares for offer and sale under the state securities or blue sky laws or the provincial securities laws of Canada, and, if requested by the Representatives, preparing and printing a "Blue Sky Survey" or memorandum, and any supplements thereto, advising the Underwriters of such qualifications, registrations and exemptions, (vii) the filing fees incident to, and the reasonable fees and expenses of counsel for the Underwriters in connection with, the NASD's review and approval of the Underwriters' participation in the offering and distribution of the Shares, (viii) the fees and expenses associated with listing the Common Shares on the Nasdaq National Market, and (ix) all other fees, costs and expenses referred to in Item 13 of Part II of the Registration Statement. Except as provided in this Section 4, Section 6, Section 8 and Section 9 hereof, the Underwriters shall pay their own expenses, including the fees and disbursements of their counsel.

The Selling Shareholders further agree with each Underwriter to pay (directly or by reimbursement) all fees and expenses incident to the performance of their obligations under

this Agreement, including but not limited to (i) fees and expenses of counsel and other advisors for such Selling Shareholders and (ii) taxes incident to the sale and delivery of the Shares to be sold by such Selling Shareholders to the Underwriters hereunder (which taxes, if any, may be deducted by the Underwriters under the provisions of Section 2 of this Agreement).

This Section 4 shall not affect or modify any separate, valid agreement relating to the allocation of payment of expenses between the Company, on the one hand, and the Selling Shareholders, on the other hand.

Section 5. Conditions of the Obligations of the Underwriters. The obligations of the several Underwriters to purchase and pay for the Shares as provided herein on the First Closing Date and, with respect to the Optional Shares, the Second Closing Date, shall be subject to the accuracy of the representations and warranties on the part of the Company and the Selling Shareholders set forth in Sections 1(A) and 1(B) hereof as of the date hereof and as of the First Closing Date as though then made and, with respect to the Optional Shares, as of the Second Closing Date as though then made, to the timely performance by the Company and the Selling Shareholders of its covenants and other obligations hereunder, and to each of the following additional conditions:

(a) Accountants' Comfort Letter. On the date hereof, the Representatives and the Selling Shareholders shall have received from KPMG LLP, independent public or certified public accountants for the Company, a letter dated the date hereof addressed to the Underwriters, in form and substance satisfactory to the Representatives, containing statements and information of the type ordinarily included in accountant's "comfort letters" to underwriters, delivered according to Statement of Auditing Standards No. 72 (or any successor bulletin), with respect to the audited and unaudited financial statements and certain financial information contained in the Registration Statement and the Prospectus (and the Representatives shall have received an additional three conformed copies of such accountants' letter).

(b) Compliance with Registration Requirements; No Stop Order; No Objection from NASD. For the period from and after effectiveness of this Agreement and prior to the First Closing Date and, with respect to the Optional Shares, the Second Closing Date:

(i) the Company shall have filed the Prospectus with the Commission (including the information required by Rule 430A under the Securities Act) in the manner and within the time period required by Rule 424(b) under the Securities Act; or the Company shall have filed a post-effective amendment to the Registration Statement containing the information required by such Rule 430A, and such post-effective amendment shall have become effective; or, if the Company elected to rely upon Rule 434 under the Securities Act and obtained the Representatives' consent thereto, the Company shall have filed a Term Sheet with the Commission in the manner and within the time period required by such Rule 424(b);

(ii) no stop order suspending the effectiveness of the Registration Statement, any Rule 462(b) Registration Statement, or any post-effective amendment to

the Registration Statement, shall be in effect and no proceedings for such purpose shall have been instituted or threatened by the Commission; and

(iii) the NASD shall have raised no objection to the fairness and reasonableness of the underwriting terms and arrangements.

(c) No Material Adverse Change or Ratings Agency Change. For the period from and after the date of this Agreement and prior to the First Closing Date and, with respect to the Optional Shares, the Second Closing Date:

(i) in the judgment of the Representatives there shall not have occurred any Material Adverse Change; and

(ii) there shall not have occurred any downgrading, nor shall any notice have been given of any intended or potential downgrading or of any review for a possible change that does not indicate the direction of the possible change, in the rating accorded any securities of the Company or any of its subsidiaries by any "nationally recognized statistical rating organization" as such term is defined for purposes of Rule 436(g)(2) under the Securities Act.

(d) Opinion of Counsel for the Company. On each of the First Closing Date and the Second Closing Date the Representatives shall have received the favorable opinion of Dorsey & Whitney, LLP, special counsel for the Company, dated as of such Closing Date, the form of which is attached as Exhibit A (and the Representatives shall have received an additional two conformed copies of such counsels' legal opinion).

(e) Opinion of Counsel for the Underwriters. On each of the First Closing Date and the Second Closing Date the Representatives shall have received the favorable opinion of Latham & Watkins, special counsel for the Underwriters, dated as of such Closing Date, in form and substance satisfactory to the Representatives (and the Representatives shall have received an additional two conformed copies of such counsel's legal opinion).

(f) Officers' Certificate. On each of the First Closing Date and the Second Closing Date the Representatives shall have received a written certificate executed by the Chairman of the Board, Chief Executive Officer or President of the Company and the Chief Financial Officer or Chief Accounting Officer of the Company, dated as of such Closing Date, to the effect set forth in subsections (b)(ii) and (c)(ii) of this Section 5, and further to the effect that:

(i) for the period from and after the date of this Agreement and prior to such Closing Date, there has not occurred any Material Adverse Change;

(ii) the representations, warranties and covenants of the Company set forth in Section 1(A) of this Agreement are true and correct with the same force and effect as though expressly made on and as of such Closing Date; and

(iii) the Company has complied with all the agreements hereunder and satisfied all the conditions on its part to be performed or satisfied hereunder at or prior to such Closing Date.

(g) Bring-down Comfort Letter. On each of the First Closing Date and the Second Closing Date the Representatives shall have received from KPMG LLP, independent public or certified public accountants for the Company, a letter dated such date, in form and substance satisfactory to the Representatives, to the effect that they reaffirm the statements made in the letter furnished by them pursuant to subsection (a) of this Section 5, except that the specified date referred to therein for the carrying out of procedures shall be no more than three business days prior to the First Closing Date or Second Closing Date, as the case may be (and the Representatives shall have received an additional three conformed copies of such accountants' letter for each of the several Underwriters).

(h) Opinion of Counsel for the Selling Shareholders. On each of the First Closing Date and the Second Closing Date, the Representatives shall have received the favorable opinion of counsel for the Selling Shareholders, dated as of the First Closing Date, the form of which is attached as Exhibit B (and the Representatives shall have received an additional three conformed copies of such counsel's legal opinion for each of the several Underwriters).

(i) Selling Shareholders' Certificate. On each of the First Closing Date and the Second Closing Date the Representatives shall receive a written certificate executed by each Selling Shareholder, dated as of such Closing Date, to the effect that:

(i) the representations, warranties and covenants of such Selling Shareholder set forth in Section 1(B) of this Agreement are true and correct with the same force and effect as though expressly made by such Selling Shareholder on and as of such Closing Date; and

(ii) such Selling Shareholder has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied at or prior to such Closing Date.

(j) Selling Shareholders' Documents. On the date hereof, the Company and the Selling Shareholders shall have furnished for review by the Representatives copies of the Custody Agreements executed by each of the Selling Shareholders and such further information, certificates and documents as the Representatives may reasonably request.

(k) Lock-Up Agreement from Certain Persons. On the date hereof, the Company shall have furnished to the Representatives an agreement in the form of Exhibit C hereto from each of the persons set forth on Schedule C, and such agreement shall be in full force and effect on each of the First Closing Date and the Second Closing Date.

(l) Additional Documents. On or before each of the First Closing Date and the Second Closing Date, the Representatives and counsel for the Underwriters shall have

received such information, documents and opinions as they may reasonably require for the purposes of enabling them to pass upon the issuance and sale of the Shares as contemplated herein, or in order to evidence the accuracy of any of the representations and warranties, or the satisfaction of any of the conditions or agreements, herein contained.

If any condition specified in this Section 5 is not satisfied when and as required to be satisfied, this Agreement may be terminated by the Representatives by notice to the Company and the Selling Shareholders at any time on or prior to the First Closing Date and, with respect to the Optional Shares, at any time prior to the Second Closing Date, which termination shall be without liability on the part of any party to any other party, except that Section 4, Section 6, Section 8 and Section 9 shall at all times be effective and shall survive such termination.

Section 6. Reimbursement of Underwriters' Expenses. If this Agreement is terminated by the Representatives pursuant to Section 5, Section 7, Section 10 or Section 11 or Section 17, or if the sale to the Underwriters of the Shares on the First Closing Date is not consummated because of any refusal, inability or failure on the part of the Company or the Selling Shareholders to perform any agreement herein or to comply with any provision hereof, the Company agrees to reimburse the Representatives and the other Underwriters (or such Underwriters as have terminated this Agreement with respect to themselves), severally, upon demand for all out-of-pocket expenses that shall have been reasonably incurred by the Representatives and the Underwriters in connection with the proposed purchase and the offering and sale of the Shares, including but not limited to fees and disbursements of counsel, printing expenses, travel expenses, postage, facsimile and telephone charges.

Section 7. Effectiveness of this Agreement.

This Agreement shall not become effective until the later of (i) the execution of this Agreement by the parties hereto and (ii) notification by the Commission to the Company and the Representatives of the effectiveness of the Registration Statement under the Securities Act.

Prior to such effectiveness, this Agreement may be terminated by any party by notice to each of the other parties hereto, and any such termination shall be without liability on the part of (a) the Company or the Selling Shareholders to any Underwriter, except that the Company and the Selling Shareholders shall be obligated to reimburse the expenses of the Representatives and the Underwriters pursuant to Sections 4 and 6 hereof, (b) of any Underwriter to the Company or the Selling Shareholders, or (c) of any party hereto to any other party except that the provisions of Section 8 and Section 9 shall at all times be effective and shall survive such termination.

Section 8. Indemnification.

(a) Indemnification of the Underwriters by the Company. The Company agrees to indemnify and hold harmless each Underwriter, its officers and employees, and each person, if any, who controls any Underwriter within the meaning of the Securities Act and the Exchange Act against any loss, claim, damage, liability or expense, as incurred, to which such Underwriter or such controlling person may become subject,

under the Securities Act, the Exchange Act or other federal or state statutory law or regulation, or at common law or otherwise (including in settlement of any litigation, if such settlement is effected with the written consent of the Company), insofar as such loss, claim, damage, liability or expense (or actions in respect thereof as contemplated below) arises out of or is based (i) upon any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement, or any amendment thereto, including any information deemed to be a part thereof pursuant to Rule 430A or Rule 434 under the Securities Act, or the omission or alleged omission therefrom of a material fact required to be stated therein or necessary to make the statements therein not misleading; or (ii) upon any untrue statement or alleged untrue statement of a material fact contained in any preliminary prospectus or the Prospectus (or any amendment or supplement thereto), or the omission or alleged omission therefrom of a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; or (iii) in whole or in part upon any inaccuracy in the representations and warranties of the Company or the Selling Shareholders contained herein; or (iv) in whole or in part upon any failure of the Company or the Selling Shareholders to perform their respective obligations hereunder or under law; or (v) any act or failure to act or any alleged act or failure to act by any Underwriter in connection with, or relating in any manner to, the Common Shares or the offering contemplated hereby, and which is included as part of or referred to in any loss, claim, damage, liability or action arising out of or based upon any matter covered by clause (i) or (ii) above, provided that the Company shall not be liable under this clause (v) to the extent that a court of competent jurisdiction shall have determined by a final judgment that such loss, claim, damage, liability or action resulted directly from any such acts or failures to act undertaken or omitted to be taken by such Underwriter through its bad faith or willful misconduct; and to reimburse each Underwriter and each such controlling person for any and all expenses (including the fees and disbursements of counsel chosen by Banc of America Securities LLC) as such expenses are reasonably incurred by such Underwriter or such controlling person in connection with investigating, defending, settling, compromising or paying any such loss, claim, damage, liability, expense or action; provided, however, that the foregoing indemnity agreement shall not apply to any loss, claim, damage, liability or expense to the extent, but only to the extent, arising out of or based upon any untrue statement or alleged untrue statement or omission or alleged omission made in reliance upon and in conformity with written information furnished to the Company and the Selling Shareholders by the Representatives expressly for use in the Registration Statement, any preliminary prospectus or the Prospectus (or any amendment or supplement thereto); and provided, further, that with respect to any preliminary prospectus, the foregoing indemnity agreement shall not inure to the benefit of any Underwriter from whom the person asserting any loss, claim, damage, liability or expense purchased Shares, or any person controlling such Underwriter, if copies of the Prospectus were timely delivered to the Underwriter pursuant to Section 2 and a copy of the Prospectus (as then amended or supplemented if the Company shall have furnished any amendments or supplements thereto) was not sent or given by or on behalf of such Underwriter to such person, if required by law so to have been delivered, at or prior to the written confirmation of the sale of the Shares to such person, and if the Prospectus (as so amended or supplemented) would have cured the defect giving rise to such loss, claim,

damage, liability or expense. The indemnity agreement set forth in this Section 8(a) shall be in addition to any liabilities that the Company may otherwise have.

(b) Indemnification of the Underwriters by the Selling Shareholders. Each of the Selling Shareholders (1) jointly and severally with respect to subsections (i), (ii), (iii)(x) and (v) below and (2) severally and not jointly with respect to subsections (iii)(y) and (iv) below, agrees to indemnify and hold harmless each Underwriter, its officers and employees, and each person, if any, who controls any Underwriter within the meaning of the Securities Act and the Exchange Act against any loss, claim, damage, liability or expense, as incurred, to which such Underwriter or such controlling person may become subject, under the Securities Act, the Exchange Act or other federal or state statutory law or regulation, or at common law or otherwise (including in settlement of any litigation, if such settlement is effected with the written consent of the Company), insofar as such loss, claim, damage, liability or expense (or actions in respect thereof as contemplated below) arises out of or is based (i) upon any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement, or any amendment thereto, including any information deemed to be a part thereof pursuant to Rule 430A or Rule 434 under the Securities Act, or the omission or alleged omission therefrom of a material fact required to be stated therein or necessary to make the statements therein not misleading; or (ii) upon any untrue statement or alleged untrue statement of a material fact contained in any preliminary prospectus or the Prospectus (or any amendment or supplement thereto), or the omission or alleged omission therefrom of a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; or (iii) in whole or in part upon any inaccuracy in the representations and warranties of (x) the Company (as if such Selling Shareholder had made such representations and warranties jointly and severally with the Company) or (y) such Selling Shareholder contained herein; or (iv) in whole or in part upon any failure of such Selling Shareholder to perform its obligations hereunder or under law; or (v) any act or failure to act or any alleged act or failure to act by any Underwriter in connection with, or relating in any manner to, the Common Shares or the offering contemplated hereby, and which is included as part of or referred to in any loss, claim, damage, liability or action arising out of or based upon any matter covered by clause (i) or (ii) above, provided that no Selling Shareholder shall be liable under this clause (v) to the extent that a court of competent jurisdiction shall have determined by a final judgment that such loss, claim, damage, liability or action resulted directly from any such acts or failures to act undertaken or omitted to be taken by such Underwriter through its bad faith or willful misconduct; and to reimburse each Underwriter and each such controlling person for any and all expenses (including the fees and disbursements of counsel chosen by Banc of America Securities LLC) as such expenses are reasonably incurred by such Underwriter or such controlling person in connection with investigating, defending, settling, compromising or paying any such loss, claim, damage, liability, expense or action; provided, however, that the foregoing indemnity agreement shall not apply to any loss, claim, damage, liability or expense to the extent, but only to the extent, arising out of or based upon any untrue statement or alleged untrue statement or omission or alleged omission made in reliance upon and in conformity with written information furnished to the Company and the Selling Shareholders by the Representatives expressly for use in the Registration Statement, any preliminary prospectus or the Prospectus (or any amendment

or supplement thereto); and provided, further, that with respect to any preliminary prospectus, the foregoing indemnity agreement shall not inure to the benefit of any Underwriter from whom the person asserting any loss, claim, damage, liability or expense purchased Shares, or any person controlling such Underwriter, if copies of the Prospectus were timely delivered to the Underwriter pursuant to Section 2 and a copy of the Prospectus (as then amended or supplemented if the Company shall have furnished any amendments or supplements thereto) was not sent or given by or on behalf of such Underwriter to such person, if required by law so to have been delivered, at or prior to the written confirmation of the sale of the Shares to such person, and if the Prospectus (as so amended or supplemented) would have cured the defect giving rise to such loss, claim, damage, liability or expense; and provided, further, that the liability of each Selling Shareholder under the foregoing indemnity agreement shall be limited (the "Indemnification Limitation") to an amount equal to the product of (i) the number of Shares sold by such Selling Shareholder multiplied by (ii) the per share "Offering Price" less the per share "Discounts and Commissions to Underwriters" set forth on the front cover page of the Prospectus. The indemnity agreement set forth in this Section 8(a) shall be in addition to any liabilities that the Selling Shareholders may otherwise have. The indemnification provided by each Selling Shareholder pursuant to this Section 8(b) shall be a primary obligation of such Selling Shareholder and not in the nature of a guarantee or other secondary obligation.

(c) The liability of the Company under Section 8(a) and the liability of the Selling Shareholders under Section 8(b) shall be proportional, as among the Company and the Selling Shareholders, to the number of Shares sold by the Company or such Selling Shareholder, as applicable, to the aggregate number of Shares sold by the Company and the Selling Shareholders; provided, however, that (i) the liability of the Selling Shareholders under Section 8(b) shall be increased, proportionately to the number of Shares sold by each Selling Shareholder, to the extent that the Company does not pay its pro rata share of any loss, claim, damage, liability or expense for which it is liable under Section 8(a), subject to the Indemnification Limitation and (ii) no Selling Shareholder shall be liable for the breach of any representation or warranty of any other Selling Shareholder.

(d) Indemnification of the Company, its Directors and Officers and the Selling Shareholders. Each Underwriter agrees, severally and not jointly, to indemnify and hold harmless the Company, each of its directors, each of its officers who signed the Registration Statement, the Selling Shareholders and each person, if any, who controls the Company or any Selling Shareholder within the meaning of the Securities Act or the Exchange Act, against any loss, claim, damage, liability or expense, as incurred, to which the Company, or any such director, officer, Selling Shareholder or controlling person may become subject, under the Securities Act, the Exchange Act, or other federal or state statutory law or regulation, or at common law or otherwise (including in settlement of any litigation, if such settlement is effected with the written consent of such Underwriter), insofar as such loss, claim, damage, liability or expense (or actions in respect thereof as contemplated below) arises out of or is based upon any untrue or alleged untrue statement of a material fact contained in the Registration Statement, any preliminary prospectus or the Prospectus (or any amendment or supplement thereto), or

arises out of or is based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in the Registration Statement, any preliminary prospectus, the Prospectus (or any amendment or supplement thereto), in reliance upon and in conformity with written information furnished to the Company and the Selling Shareholders by the Representatives expressly for use therein; and to reimburse the Company, or any such director, officer, Selling Shareholder or controlling person for any legal and other expense reasonably incurred by the Company, or any such director, officer, Selling Shareholder or controlling person in connection with investigating, defending, settling, compromising or paying any such loss, claim, damage, liability, expense or action. [Each of] The Company and each of the Selling Shareholders, hereby acknowledges that the only information that the Underwriters have furnished to the Company and the Selling Shareholders expressly for use in the Registration Statement, any preliminary prospectus or the Prospectus (or any amendment or supplement thereto) are the statements set forth in the table in the first paragraph and the second paragraph under the caption "Underwriting" in the Prospectus; and the Underwriters confirm that such statements are correct. The indemnity agreement set forth in this Section 8(d) shall be in addition to any liabilities that each Underwriter may otherwise have.

(e) Notifications and Other Indemnification Procedures. Promptly after receipt by an indemnified party under this Section 8 of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against an indemnifying party under this Section 8, notify the indemnifying party in writing of the commencement thereof, but the omission so to notify the indemnifying party will not relieve it from any liability which it may have to any indemnified party for contribution or otherwise than under the indemnity agreement contained in this Section 8 or to the extent it is not prejudiced as a proximate result of such failure. In case any such action is brought against any indemnified party and such indemnified party seeks or intends to seek indemnity from an indemnifying party, the indemnifying party will be entitled to participate in, and, to the extent that it shall elect, jointly with all other indemnifying parties similarly notified, by written notice delivered to the indemnified party promptly after receiving the aforesaid notice from such indemnified party, to assume the defense thereof with counsel reasonably satisfactory to such indemnified party; provided, however, if the defendants in any such action include both the indemnified party and the indemnifying party and the indemnified party shall have reasonably concluded that a conflict may arise between the positions of the indemnifying party and the indemnified party in conducting the defense of any such action or that there may be legal defenses available to it and/or other indemnified parties which are different from or additional to those available to the indemnifying party, the indemnified party or parties shall have the right to select one separate counsel to assume such legal defenses and to otherwise participate in the defense of such action on behalf of such indemnified party or parties as a group. Upon receipt of notice from the indemnifying party to such indemnified party of such indemnifying party's election so to assume the defense of such action and approval by the indemnified party of counsel, the indemnifying party will not be liable to such indemnified party under this Section 8 for any legal or other expenses subsequently

incurred by such indemnified party in connection with the defense thereof unless (i) the indemnified party shall have employed separate counsel in accordance with the proviso to the next preceding sentence (it being understood, however, that the indemnifying party shall not be liable for the expenses of more than one separate counsel (together with local counsel), approved by the indemnifying party (Banc of America Securities LLC in the case of Section 8(d) and Section 9 where the Underwriters are the indemnifying parties), representing the indemnified parties who are parties to such action) or (ii) the indemnifying party shall not have employed counsel satisfactory to the indemnified party to represent the indemnified party within a reasonable time after notice of commencement of the action, in each of which cases the fees and expenses of counsel shall be at the expense of the indemnifying party.

(f) Settlements. The indemnifying party under this Section 8 shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, the indemnifying party agrees to indemnify the indemnified party against any loss, claim, damage, liability or expense by reason of such settlement or judgment. Notwithstanding the foregoing sentence, if at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for fees and expenses of counsel as contemplated by Section 8(e) hereof, the indemnifying party agrees that it shall be liable for any settlement of any proceeding effected without its written consent if (i) such settlement is entered into more than 30 days after receipt by such indemnifying party of the aforesaid request and (ii) such indemnifying party shall not have reimbursed the indemnified party in accordance with such request prior to the date of such settlement. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement, compromise or consent to the entry of judgment in any pending or threatened action, suit or proceeding in respect of which any indemnified party is or could have been a party and indemnity was or could have been sought hereunder by such indemnified party, unless such settlement, compromise or consent includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such action, suit or proceeding.

Section 9. Contribution.

If the indemnification provided for in Section 8 is for any reason held to be unavailable to or otherwise insufficient to hold harmless an indemnified party in respect of any losses, claims, damages, liabilities or expenses referred to therein, then each indemnifying party shall contribute to the aggregate amount paid or payable by such indemnified party, as incurred, as a result of any losses, claims, damages, liabilities or expenses referred to therein (i) in such proportion as is appropriate to reflect the relative benefits received by the Company and the Selling Shareholders, on the one hand, and the Underwriters, on the other hand, from the offering of the Shares pursuant to this Agreement or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company and the Selling Shareholders, on the one hand, and the Underwriters, on the other hand, in connection with the statements or omissions or inaccuracies in the representations and warranties herein which resulted in such losses, claims, damages, liabilities or expenses, as well as any other

relevant equitable considerations. The relative benefits received by the Company and the Selling Shareholders, on the one hand, and the Underwriters, on the other hand, in connection with the offering of the Shares pursuant to this Agreement shall be deemed to be in the same respective proportions as the total net proceeds from the offering of the Shares pursuant to this Agreement (before deducting expenses) received by the Company and the Selling Shareholders, and the total underwriting discount received by the Underwriters, in each case as set forth on the front cover page of the Prospectus (or, if Rule 434 under the Securities Act is used, the corresponding location on the Term Sheet) bear to the aggregate initial public offering price of the Shares as set forth on such cover. The relative fault of the Company and the Selling Shareholders, on the one hand, and the Underwriters, on the other hand, shall be determined by reference to, among other things, whether any such untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact or any such inaccurate or alleged inaccurate representation or warranty relates to information supplied by the Company or the Selling Shareholders, on the one hand, or the Underwriters, on the other hand, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

The amount paid or payable by a party as a result of the losses, claims, damages, liabilities and expenses referred to above shall be deemed to include, subject to the limitations set forth in Section 8(e), any legal or other fees or expenses reasonably incurred by such party in connection with investigating or defending any action or claim. The provisions set forth in Section 8(e) with respect to notice of commencement of any action shall apply if a claim for contribution is to be made under this Section 9; provided, however, that no additional notice shall be required with respect to any action for which notice has been given under Section 8(e) for purposes of indemnification.

The Company, the Selling Shareholders and the Underwriters agree that it would not be just and equitable if contribution pursuant to this Section 9 were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to in this Section 9.

Notwithstanding the provisions of this Section 9, no Underwriter shall be required to contribute any amount in excess of the underwriting commissions received by such Underwriter in connection with the Shares underwritten by it and distributed to the public. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligations to contribute pursuant to this Section 9 are several, and not joint, in proportion to their respective underwriting commitments as set forth opposite their names in Schedule A. For purposes of this Section 9, each officer and employee of an Underwriter and each person, if any, who controls an Underwriter within the meaning of the Securities Act and the Exchange Act shall have the same rights to contribution as such Underwriter, and each director of the Company, each officer of the Company who signed the Registration Statement, and each person, if any, who controls the Company with the meaning of the Securities Act and the Exchange Act shall have the same rights to contribution as the Company.

Notwithstanding the provisions of this Section 9, no Selling Shareholder shall be required to contribute any amount in excess of the product of (i) the number of Shares sold by such Selling Shareholder multiplied by (ii) the per share "Offering Price" less the per share "Discounts and Commissions to Underwriters" set forth on the front cover page of the Prospectus (the "Contribution Limitation").

The liability of the Company and the Selling Shareholders under this Section 9 shall be proportional, as among the Company and the Selling Shareholders, to the number of Shares sold by the Company or such Selling Shareholder, as applicable, to the aggregate number of Shares sold by the Company and the Selling Shareholders; provided, however, that (i) the liability of the Selling Shareholders under this Section 9 shall be increased, proportionately to the number of Shares sold by each Selling Shareholder, to the extent that the Company does not pay its pro rata share of any loss, claim, damage, liability or expense for which it is liable under this Section 9, subject to the Contribution Limitation and (ii) no Selling Shareholder shall be liable for the breach of any representation or warranty of any other Selling Shareholder..

Section 10. Default of One or More of the Several Underwriters. If, on the First Closing Date or the Second Closing Date, as the case may be, any one or more of the several Underwriters shall fail or refuse to purchase Shares that it or they have agreed to purchase hereunder on such date, and the aggregate number of Shares which such defaulting Underwriter or Underwriters agreed but failed or refused to purchase does not exceed 10% of the aggregate number of the Shares to be purchased on such date, the other Underwriters shall be obligated, severally, in the proportions that the number of Firm Shares set forth opposite their respective names on Schedule A bears to the aggregate number of Firm Common Shares set forth opposite the names of all such non-defaulting Underwriters, or in such other proportions as may be specified by the Representatives with the consent of the non-defaulting Underwriters, to purchase the Shares which such defaulting Underwriter or Underwriters agreed but failed or refused to purchase on such date. If, on the First Closing Date or the Second Closing Date, as the case may be, any one or more of the Underwriters shall fail or refuse to purchase Shares and the aggregate number of Shares with respect to which such default occurs exceeds 10% of the aggregate number of Shares to be purchased on such date, and arrangements satisfactory to the Representatives and the Company for the purchase of such Shares are not made within 48 hours after such default, this Agreement shall terminate without liability of any party to any other party except that the provisions of Section 4, Section 6, Section 8 and Section 9 shall at all times be effective and shall survive such termination. In any such case either the Representatives or the Company shall have the right to postpone the First Closing Date or the Second Closing Date, as the case may be, but in no event for longer than seven days in order that the required changes, if any, to the Registration Statement and the Prospectus or any other documents or arrangements may be effected.

As used in this Agreement, the term "Underwriter" shall be deemed to include any person substituted for a defaulting Underwriter under this Section 10. Any action taken under this Section 10 shall not relieve any defaulting Underwriter from liability in respect of any default of such Underwriter under this Agreement.

Section 11. Termination of this Agreement. Prior to the First Closing Date this Agreement may be terminated by the Representatives by notice given to the Company and the

Selling Shareholders if at any time (i) trading or quotation in any of the Company's securities shall have been suspended or limited by the Commission or by the Nasdaq National Market, or trading in securities generally on either the Nasdaq Stock Market or the New York Stock Exchange shall have been suspended or limited, or minimum or maximum prices shall have been generally established on any of such stock exchanges by the Commission or the NASD; (ii) a general banking moratorium shall have been declared by any of federal, New York, California or Minnesota authorities; (iii) there shall have occurred any outbreak or escalation of national or international hostilities or any crisis or calamity, or any change in the United States or international financial markets, or any substantial change or development involving a prospective substantial change in United States' or international political, financial or economic conditions, as in the judgment of the Representatives is material and adverse and makes it impracticable to market the Shares in the manner and on the terms described in the Prospectus or to enforce contracts for the sale of securities; (iv) in the judgment of the Representatives there shall have occurred any Material Adverse Change; or (v) the Company shall have sustained a loss by strike, fire, flood, earthquake, accident or other calamity of such character as in the judgment of the Representatives may interfere materially with the conduct of the business and operations of the Company regardless of whether or not such loss shall have been insured. Any termination pursuant to this Section 11 shall be without liability on the part of (a) the Company or the Selling Shareholders to any Underwriter, except that the Company and the Selling Shareholders shall be obligated to reimburse the expenses of the Representatives and the Underwriters pursuant to Sections 4 and 6 hereof, (b) any Underwriter to the Company or the Selling Shareholders, or (c) of any party hereto to any other party except that the provisions of Section 8 and Section 9 shall at all times be effective and shall survive such termination.

Section 12. Representations and Indemnities to Survive Delivery. The respective indemnities, agreements, representations, warranties and other statements of the Company, of its officers, of the Selling Shareholders and of the several Underwriters set forth in or made pursuant to this Agreement will remain in full force and effect, regardless of any investigation made by or on behalf of any Underwriter or the Company or any of its or their partners, officers or directors or any controlling person, or the Selling Shareholders, as the case may be, and will survive delivery of and payment for the Shares sold hereunder and any termination of this Agreement.

Section 13. Notices. All communications hereunder shall be in writing and shall be mailed, hand delivered or telecopied and confirmed to the parties hereto as follows:

If to the Representatives:

Banc of America Securities LLC
600 Montgomery Street
San Francisco, California 94111
Facsimile: 415-913-5558
Attention: Steven P. Ortiz

with a copy to:

Banc of America Securities LLC
600 Montgomery Street
San Francisco, California 94111
Facsimile: (415) 913-5553
Attention: Jeffrey R. Lopic, Esq.

and with a copy to:

Latham & Watkins
233 S. Wacker Drive, Suite 5800
Chicago, Illinois 60606
Facsimile: (312) 993-9767
Attention: Christopher D. Lueking, Esq.

If to the Company:

Entegris, Inc.
3500 Lyman Boulevard
Chaska, Minnesota 55318
Facsimile: (952) 556-4480
Attention: James E. Dauwalter

with a copy to:

Dorsey & Whitney, LLP
220 South Sixth Street
Minneapolis, Minnesota 55402-1498
Facsimile: (612) 340-2600
Attention: John T. Kramer, Esq.

with a copy to:

Dunkley, Bennett & Christensen, P.A.
701 Fourth Avenue South, Suite 700
Minneapolis, Minnesota 55415
Facsimile: (612) 339-1290
Attention: Jay Bennett, Esq.

If to the Plan:

Entegris, Inc. Employee Stock Ownership Plan
3500 Lyman Boulevard
Chaska, Minnesota 55318
Facsimile: (952) 556-4480
Attention: _____

with a copy to:

McDermott, Will & Emery
227 West Monroe Street
Chicago, Illinois 60606-5096
Attention: Helen H. Morrison, Esq.

If to WCB:

WCB Holding LLC
[Street address]
[City, State, zip]
Facsimile:
Attention:

With a copy to:

[to come]

Any party hereto may change the address for receipt of communications by giving written notice to the others.

Section 14. Successors. This Agreement will inure to the benefit of and be binding upon the parties hereto, including any substitute Underwriters pursuant to Section 10 hereof, and to the benefit of the employees, officers and directors and controlling persons referred to in Section 8 and Section 9, and in each case their respective successors, and no other person will have any right or obligation hereunder. The term "successors" shall not include any purchaser of the Shares as such from any of the Underwriters merely by reason of such purchase.

Section 15. Partial Unenforceability. The invalidity or unenforceability of any Section, paragraph or provision of this Agreement shall not affect the validity or enforceability of any other Section, paragraph or provision hereof. If any Section, paragraph or provision of this Agreement is for any reason determined to be invalid or unenforceable, there shall be deemed to be made such minor changes (and only such minor changes) as are necessary to make it valid and enforceable.

Section 16. (a) Governing Law Provisions. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL

LAWS OF THE STATE OF NEW YORK APPLICABLE TO AGREEMENTS MADE AND TO BE PERFORMED IN SUCH STATE.

(b) Consent to Jurisdiction. Any legal suit, action or proceeding arising out of or based upon this Agreement or the transactions contemplated hereby ("Related Proceedings") may be instituted in the federal courts of the United States of America located in the Northern District of California or the courts of the State of California located in the County of San Mateo (collectively, the "Specified Courts"), and each party irrevocably submits to the exclusive jurisdiction (except for proceedings instituted in regard to the enforcement of a judgment of any such court (a "Related Judgment"), as to which such jurisdiction is non-exclusive) of such courts in any such suit, action or proceeding. Service of any process, summons, notice or document by mail to such party's address set forth above shall be effective service of process for any suit, action or other proceeding brought in any such court. The parties irrevocably and unconditionally waive any objection to the laying of venue of any suit, action or other proceeding in the Specified Courts and irrevocably and unconditionally waive and agree not to plead or claim in any such court that any such suit, action or other proceeding brought in any such court has been brought in an inconvenient forum.

(c) Waiver of Immunity. With respect to any Related Proceeding, each party irrevocably waives, to the fullest extent permitted by applicable law, all immunity (whether on the basis of sovereignty or otherwise) from jurisdiction, service of process, attachment (both before and after judgment) and execution to which it might otherwise be entitled in the Specified Courts, and with respect to any Related Judgment, each party waives any such immunity in the Specified Courts or any other court of competent jurisdiction, and will not raise or claim or cause to be pleaded any such immunity at or in respect of any such Related Proceeding or Related Judgment, including, without limitation, any immunity pursuant to the United States Foreign Sovereign Immunities Act of 1976, as amended.

Section 17. Failure of One or More of the Selling Shareholders to Sell and Deliver Common Shares. If one or more of the Selling Shareholders shall fail to sell and deliver to the Underwriters the Shares to be sold and delivered by such Selling Shareholders at the First Closing Date pursuant to this Agreement, then the Underwriters may at their option, by written notice from the Representatives to the Company and the Selling Shareholders, either (i) terminate this Agreement without any liability on the part of any Underwriter or, except as provided in Sections 4, 6, 8 and 9 hereof, the Company or the Selling Shareholders, or (ii) purchase the shares which the Company and other Selling Shareholders have agreed to sell and deliver in accordance with the terms hereof. If one or more of the Selling Shareholders shall fail to sell and deliver to the Underwriters the Shares to be sold and delivered by such Selling Shareholders pursuant to this Agreement at the First Closing Date or the Second Closing Date, then the Underwriters shall have the right, by written notice from the Representatives to the Company and the Selling Shareholders, to postpone the First Closing Date or the Second Closing Date, as the case may be, but in no event for longer than seven days in order that the required changes, if any, to the Registration Statement and the Prospectus or any other documents or arrangements may be effected.

Section 18. General Provisions. This Agreement constitutes the entire agreement of the parties to this Agreement and supersedes all prior written or oral

and all contemporaneous oral agreements, understandings and negotiations with respect to the subject matter hereof. This Agreement may be executed in two or more counterparts, each one of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Agreement may not be amended or modified unless in writing by all of the parties hereto, and no condition herein (express or implied) may be waived unless waived in writing by each party whom the condition is meant to benefit. The section headings herein are for the convenience of the parties only and shall not affect the construction or interpretation of this Agreement.

Each of the parties hereto acknowledges that it is a sophisticated business person who was adequately represented by counsel during negotiations regarding the provisions hereof, including, without limitation, the indemnification provisions of Section 8 and the contribution provisions of Section 9, and is fully informed regarding said provisions. Each of the parties hereto further acknowledges that the provisions of Sections 8 and 9 hereto fairly allocate the risks in light of the ability of the parties to investigate the Company, its affairs and its business in order to assure that adequate disclosure has been made in the Registration Statement, any preliminary prospectus and the Prospectus (and any amendments and supplements thereto), as required by the Securities Act and the Exchange Act.

If the foregoing is in accordance with your understanding of our agreement, kindly sign and return to the Company, the Selling Shareholders and the Custodian the enclosed copies hereof, whereupon this instrument, along with all counterparts hereof, shall become a binding agreement in accordance with its terms.

Very truly yours,

ENTEGRIS INC.

By: _____
Name:
Title:

SELLING SHAREHOLDERS:

Entegris, Inc. Employee Stock Ownership Plan

By: HSBC Bank USA, not in its individual or
corporate capacity, but solely as trustee

By:
Name:
Title:

WCB HOLDING LLC

By: _____
Name:
Title:

The foregoing Underwriting Agreement is hereby confirmed and accepted by the Representatives in San Francisco, California as of the date first above written.

BANC OF AMERICA SECURITIES LLC
DONALDSON, LUFKIN & JENRETTE SECURITIES CORPORATION
SALOMON SMITH BARNEY, INC.
U.S. BANCORP PIPER JAFFRAY INC.

Acting as Representatives of the
several Underwriters named in
the attached Schedule A.

By BANC OF AMERICA SECURITIES LLC

By: _____
Name:
Title:

[Letterhead of Dorsey & Whitney LLP]

Entegris, Inc.
3500 Lyman Boulevard
Chaska, Minnesota 55318

Re: Registration Statement on Form S-1

Ladies and Gentlemen:

We have acted as counsel to Entegris, Inc., a Minnesota corporation (the "Company"), in connection with a Registration Statement on Form S-1 (the "Registration Statement") relating to the issuance and sale by the Company of up to 9,890,000 shares (the "Common Stock") of common stock of the Company, par value \$0.01 per share (including 1,290,000 shares to be subject to the Underwriters' over-allotment option) and the sale by selling shareholders of up to 5,060,000 shares of Common Stock (including 660,000 shares to be subject to Underwriters' over-allotment option). The Common Stock will be issued pursuant to an Underwriting Agreement (the "Underwriting Agreement") to be entered into among the Company, certain selling shareholders, Banc of America Securities LLC, Donaldson, Lufkin & Jenrette, Salmon Smith Barney Inc. and U.S. Bancorp Piper Jaffrey Inc., as representatives of the various underwriters named therein (the "Underwriters").

We have examined such documents and have reviewed such questions of law as we have considered necessary and appropriate for the purposes of our opinions set forth below. In rendering our opinions set forth below, we have assumed the authenticity of all documents submitted to us as originals, the genuineness of all signatures and the conformity to authentic originals of all documents submitted to us as copies. We have also assumed the legal capacity for all purposes relevant hereto of all natural persons and, with respect to all parties to agreements or instruments relevant hereto other than the Company, that such parties had the requisite power and authority (corporate or otherwise) to execute, deliver and perform such agreements or instruments, that such agreements or instruments have been duly authorized by all requisite action (corporate or otherwise), executed and delivered by such parties and that such agreements or instruments are the valid, binding and enforceable obligations of such parties. As to questions of fact material to our opinions, we have relied upon certificates of officers of the Company and of public officials. We have also assumed that the Common Stock will be sold for

a price per share not less than the par value per share of the Common Stock and will be priced by the Pricing Committee, established by the authorizing resolutions adopted by the Company's Board of Directors, in accordance with such resolutions and will be issued and sold as described in the Registration Statement.

Based on the foregoing, we are of the opinion that the Common Stock to be sold by the Company and the selling shareholders pursuant to the Registration Statement have been duly authorized by all requisite corporate action and, upon issuance, delivery and payment therefor, as described in the Registration Statement, will be validly issued, fully paid and nonassessable.

Our opinions expressed above are limited to the laws of the State of Minnesota.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to the reference to our firm under the caption "Legal Matters" in the Prospectus constituting a part of the Registration Statement.

Dated: May 5, 2000

Very truly yours,

/s/ Dorsey & Whitney LLP

JTK

ENTEGRIS, INC.
EMPLOYEE STOCK PURCHASE PLAN

Section 1. Establishment and Purpose

1.1 Establishment. Entegris, Inc., a Minnesota corporation (hereinafter called "the Company"), hereby establishes a stock purchase plan for employees as described herein, which shall be known as the ENTEGRIS, INC. EMPLOYEE STOCK PURCHASE PLAN (hereinafter called the "Plan").

1.2 Purpose. The purpose of this Plan is to permit employees to purchase Stock from the Company at the price specified in Section 5. The Plan is intended to be an "employee stock purchase plan" under Section 423 of the Internal Revenue Code of 1986, as amended (the "Code"), and shall be interpreted and administered in a manner consistent with such intent.

Section 2. Definitions

2.1 Definitions. Whenever used hereinafter, the following terms shall have the meanings set forth below:

(a) "Affiliate" means any U.S. corporation, a majority of the voting stock of which is directly or indirectly owned by the Company and whose participation in the Plan the Board has expressly approved.

(b) "Recognized Compensation" means wages within the meaning of Section 3401(a) of the Code for purposes of federal income tax withholding at the source but determined without regard to any rules that limit the remuneration included in wages based on the nature or location of the employment or the services performed (such as the exception for agricultural labor in Section 3401(a)(2) of the Code) and paid to the Participant by the Employer for the applicable period; subject, however, to the following:

(i) Included Items. In determining a Participant's Recognized Compensation there shall be included elective contributions made by the Employer on behalf of the Participant that are not includable in gross income under Sections 125, 132(f), 402(e)(3), 402(h), 403(b), 414(h)(2) and 457 of the Code including elective contributions authorized by the Participant under a Retirement Savings Election, a cafeteria plan or any other qualified cash or deferred arrangement under Section 401(k) of the Code.

(ii) Excluded Items. In determining a Participant's Recognized Compensation there shall be excluded all of the following: (A) incentive, discretionary, or signing bonuses and commissions, (B) reimbursements or other expense allowances (including all living and other expenses paid on account of the Participant being on foreign assignment), (C) welfare and fringe benefits (both cash and non-cash) including third-party sick pay (i.e., short-term and long-term

disability insurance benefits), income imputed from insurance coverages and premiums, employee discounts and other similar amounts, payments for vacation or sick leave accrued but not taken, final payments on account of termination of employment (i.e., severance payments), except that final payments on account of settlement for accrued but unused paid time off shall be taken into account in determining a Participant's Recognized Compensation, (D) moving expenses, (E) deferred compensation (both when deferred and when received), and (F) the value of a qualified or a non-qualified stock option granted to a Participant by the Employer to the extent such value is includable in the Participant's taxable income.

(iii) Pre-Participation Employment. Remuneration paid by the Employer attributable to periods prior to the date the Participant became a Participant in the Plan shall not be taken into account in determining the Participant's Recognized Compensation.

(iv) Attribution to Periods. A Participant's Recognized Compensation shall be considered attributable to the period in which it is actually paid and not when earned or accrued.

(v) Excluded Periods. Amounts received after the Participant's termination of employment shall not be taken into account in determining a Participant's Recognized Compensation.

(vi) Multiple Employers. If a Participant is employed by more than one Employer in a Plan Year, a separate amount of Recognized Compensation shall be determined for each Employer.

(c) "Board" means the Board of Directors of the Company.

(d) "Code" means the Internal Revenue Code of 1986, as amended.

(e) "Committee" means a committee of at least three persons appointed by the Board empowered to take actions as stated in this Plan. Each member of the Committee will remain a member for the duration of the Plan unless such member resigns or is removed earlier by majority vote of the Board.

(f) "Eligible Employee" means an Employee who meets the requirements set forth herein for eligibility to participate in the Offering.

(g) "Employee" means any employee (including officers and directors who are also employees) of the Company or its Affiliates. Neither service as a Director nor payment of a director's fee shall be sufficient to constitute "employment" by the Company or the Affiliate.

(h) "Fair Market Value" means the value of a share of common stock as determined in good faith by the Board. If the security is listed on any established stock exchange or traded on the Nasdaq National Market or the Nasdaq SmallCap Market, then the Fair Market Value of the security shall be the closing sales price (rounded up where necessary to the nearest whole cent) for such security as quoted on such exchange or market as reported on the official Nasdaq website or reported in The Wall Street Journal or such other source as the Board deems reliable. If there is no closing sales price quoted for such day, then Fair Market Value shall be equal to the average of the closing bid and ask prices for such day. If neither closing sale nor closing bid nor ask prices are quoted, then Fair Market Value shall be determined based upon such information for the previous trading day.

(i) "Interest" means interest as determined pursuant to Section 5.2.

(j) "Participant" means an Eligible Employee who has elected to participate in the Plan pursuant to Section 4.1.

(k) "Purchase Period" means a six-month period beginning on January 1 or July 1 of each calendar year; provided, however, that the initial Purchase Period under this Plan shall commence on the day prior to the effective date of the Company's initial public offering (i.e., the day that the Company's offering is "priced" with the underwriters) rather than July 1.

(l) "Stock" means the common stock, \$.01 par value, of the Company.

Section 3. Stock Subject to the Plan

3.1 Number. The total number of shares of Stock available for distribution under this Plan shall not exceed 4,000,000. These shares may consist, in whole or in part, of authorized but unissued Stock not reserved for any other purpose.

3.2 Adjustment in Capitalization. In the event of any change in the outstanding shares of Stock by reason of a Stock dividend or split, combination, recapitalization, or reclassification, the shares of Stock issuable and the price payable therefor under this Plan shall be appropriately adjusted by the Committee, whose determination shall be conclusive. Except as provided above, no adjustment shall be made in connection with the issuance by the Company of any Stock or any warrants, rights, or options to acquire shares of Stock or of securities convertible into Stock.

Section 4. Participation

4.1 Eligibility. Rights to participate hereunder shall be granted to employees of the Company and, as approved by the Board, its Affiliates, provided, however, that employees whose customary employment is twenty (20) hours or less per week or whose customary employment is for not more than five (5) months in any calendar year shall have no right to participate and shall not qualify as Eligible Employees. An Eligible Employee may elect to become a Participant on the first day of any Purchase Period, provided such Participant was an Eligible Employee on the

day immediately preceding the first day of such Purchase Period. Any election to participate shall be made in accordance with rules adopted by the Committee. However, in no event shall an Eligible Employee be granted the right to purchase Stock under the Plan if after the purchase such Eligible Employee would own stock of the Company possessing 5% or more of the total combined voting power or value of all classes of stock of the Company. Also, an Eligible Employee may not become or remain a Participant at any time when such Eligible Employee owns stock possessing 5% or more of the total combined voting power or value of all classes of stock of the Company. For purposes of this subsection, the rules of Section 424(d) of the Code shall apply in determining the stock ownership of an individual, and stock which an employee may purchase under outstanding options shall be treated as stock owned by the employee.

4.2 The Board may provide that each person who, during the course of an Offering, first becomes an Eligible Employee will, on a date or dates specified in the Offering which coincides with the day on which such person becomes an Eligible Employee or which occurs thereafter, receive a right to participate under that Offering, which right to participate shall thereafter be deemed to be a part of that Offering. Such right to participate shall have the same characteristics as an rights to participate originally granted under that Offering, as described herein, except that:

(a) the date on which such right to participate is granted shall be the "Offering Date" of such right for all purposes, including determination of the exercise price of such right;

(b) the period of the Offering with respect to such right to participate shall begin on its Offering Date and end coincident with the end of such Offering; and

(c) the Board may provide that if such person first becomes an Eligible Employee within a specified period of time before the end of the Offering, he or she will not receive any right to participate under that Offering.

Section 5. Purchase of Stock

5.1 Contributions for Purchase of Stock. At the time an Eligible Employee elects to become a Participant in the Plan, such Eligible Employee shall also elect the form and manner of contributing funds for the purpose of Stock. A Participant may elect to contribute funds for the purchase of Stock by directing his or her employer to withhold any whole percentage less than or equal to 10% of his or her Recognized Compensation for the purpose of purchasing Stock from the Company. In no event shall the aggregate contributions for the purchase of Stock exceed 10% of a Participant's Recognized Compensation. A Participant may modify the rate of withholding from such Participant's Recognized Compensation only in accordance with the following:

(a) A Participant may at any time direct reduction of the rate of withholding to a rate lower than that previously in effect. However, only one such direction to continue withholding at a rate lower than that previously in effect may be made in any one Purchase Period.

(b) A Participant may at any time direct discontinuance of withholding. If a Participant directs discontinuance of withholding, such Participant may direct resumption of withholding only as of the first day of any subsequent Purchase Period.

(c) Except as provided in subsection (a) or (b) above, a Participant may direct modification of the rate of withholding only as of the first day of any Purchase Period. The modified rate may be any whole percentage less than or equal to 10% of the Participant's Recognized Compensation. Unless otherwise elected by the Participant, the rate of withholding such Participant has elected will remain in effect for subsequent Purchase Periods.

Any election or direction under this section shall be made in writing pursuant to rules adopted by the Committee and shall become effective at a time specified by the Committee.

5.2 Disposition of Contributions. Amounts withheld pursuant to Section 5.1 shall be held by the employer until the end of the Purchase Period during which they were withheld, subject to the following:

(a) A Participant who elects pursuant to Section 5.1(b) to discontinue withholding may at any time withdraw all or any part of the amounts previously withheld or otherwise contributed. Any such withdrawal shall be paid to the Participant by his or her employer in cash with Interest.

(b) During the last calendar month of each Purchase Period, each Participant shall be permitted to elect to have all or any part of the amounts withheld paid to such Participant in cash with Interest.

(c) Any withdrawal under (a) or (b) above shall be deemed to be on a first-in-first-out basis. Interest shall be applied to the average amount in the Participant's account at the end of each full calendar month during the completed portion of the Purchase Period. Prior to the first day of any Purchase Period, the Committee shall determine the rate of Interest with respect to such Purchase Period. The Committee shall give such publicity to said Interest rate as it deems appropriate.

(d) Any portion of the amounts withheld that is not paid to the Participant in cash shall be automatically applied to purchase Stock under Section 5.3.

(e) Any election or direction under this section shall be made in writing pursuant to rules adopted by the Committee.

5.3 Purchases of Stock. Amounts withheld from a Participant during a Purchase Period (except any amounts refunded to such Participant in cash under Section 5.2) shall be used as of the last business day of such Purchase Period to purchase Stock from the Company for a price equal to the lesser of (a) or (b).

(a) 85% of the Fair Market Value of a share of Stock on the first business day of the Purchase Period.

(b) 85% of the Fair Market Value of a share of Stock on the last business day of the Purchase Period.

5.4 Issuance of Stock. Promptly after the end of each Purchase Period, a certificate for the number of shares of Stock purchased by all Participants shall be issued and delivered to an agent selected by the Company. The agent will hold such certificate for the benefit of all participants who have purchased shares of Stock and will maintain an account for each Participant reflecting the number of shares (including fractional shares, if any) credited to the account of each Participant. Each Participant will be entitled to direct the voting of all shares credited to such Participant's account by the agent and may also direct the agent to sell such shares and distribute the net proceeds of the sale to the Participant. At any time, a Participant may either request that the agent transfer the shares of Stock credited to the Participant's account to another custodian or request from the agent a physical certificate representing the shares of Stock credited to the Participant's account; provided, however, that the agent shall not be required to issue a certificate representing a fractional share and may instead pay the Participant a cash amount representing the fair market value of such fractional share.

5.5 Privileges of a Stockholder. A Participant shall not have stockholder privileges with respect to any Stock until the date of issuance of a certificate to such Participant for such Stock.

5.6 Limitation on Stock Purchases. As required by Section 423 of the Code, no Participant may purchase Stock under this Plan and all other employee stock purchase plans of the Company and its Affiliates at a rate in excess of \$25,000 in Fair Market Value of such Stock (determined at the time the option to purchase Stock is granted) for each calendar year in which any such option to purchase Stock granted to such Participant is outstanding at any time. Notwithstanding the foregoing, the Fair Market Value (determined on the first day of any Purchase Period) of shares of Stock that may be purchased by a Participant during such Purchase Period shall not exceed the excess, if any, of (i) \$25,000 over (ii) the Fair Market Value (determined on the first day of the relevant Purchase Period) of shares of Stock previously acquired by the Participant in any prior Purchase Period during such calendar year.

Section 6. Termination of Employment

6.1 Termination of Employment. A Participant whose termination of employment occurs more than three months prior to the close of a Purchase Period will not be eligible to purchase any shares of Stock pursuant to this Plan with respect to such Purchase Period. Any amount withheld from such a Participant during the Purchase Period in which his or her termination of employment occurs shall be paid to such Participant in cash with Interest calculated under Section 5.2(c) as soon as administratively feasible after such Participant's termination of employment. Any Participant whose termination of employment occurs within three months prior to the last day of a Purchase Period may direct Stock purchases or withdrawals with respect to that Purchase Period pursuant to Sections 5.2 and 5.3. However, if a Participant's death occurred at any time during the Purchase Period, any amount withheld from the Participant

during such Purchase Period shall be paid to the Participant's personal representative in cash with Interest determined under Section 5.2(c), and no portion thereof shall be applied to purchase Stock.

Section 7. Rights of Employees; Participants

7.1 Employment. Nothing in this Plan shall interfere with or limit in any way the right of the Company or any of its Affiliates to terminate any Employee's, Eligible Employee's, or Participant's employment at any time, nor confer upon any such person any right to continue in the employ of the Company or any of its Affiliates.

7.2 Nontransferability. No right or interest of any Participant in this Plan shall be assignable, transferable, or subject to any lien, directly or indirectly, by operation of law, or otherwise, including execution, levy, garnishment, attachment, pledge, or bankruptcy. Any attempted assignment, transfer, pledge or other disposition of any rights under the Plan shall be null and void and shall automatically terminate all rights of a Participant under the Plan.

Section 8. Administration

8.1 Administration. The Committee shall be responsible for the administration of the Plan. The Committee, by majority action thereof, is authorized to interpret the Plan, to prescribe, amend, and rescind rules and regulations relating to the Plan, to provide for conditions and assurances deemed necessary or advisable to protect the interests of the Company and to make all other determinations necessary or advisable for the administration of the Plan, but only to the extent not contrary to the express provisions of the Plan. The determination of the Committee, interpretation or other action made or taken pursuant to the provisions of the Plan shall be final and shall be binding and conclusive for all purposes and upon all persons.

Section 9. Amendment, Modification, and Termination of Plan

9.1 Amendment, Modification, and Termination of the Plan. The Board, upon recommendation of the Committee, at any time may terminate, and at any time and from time to time and in any respect, may amend or modify the Plan, provided, however, that no such action of the Board, without approval of the stockholders of the Company, may:

- (a) increase the total amount of Stock that may be awarded under the Plan, except as provided in Section 3.2 of the Plan;
- (b) change the class of Employees eligible to participate in the Plan;
- (c) withdraw the administration of the Plan from the Committee;
- (d) permit any person, while a member of the Committee, to be eligible to participate in the Plan; or
- (e) extend the duration of the Plan.

Section 10. Requirements of Law

10.1 Requirements of Law. The issuance of Stock and the payment of cash pursuant to this Plan shall be subject to all applicable laws, rules, and regulations, and shares of Stock shall not be issued nor cash payments made except upon approval of proper government agencies or stock exchanges as may be required.

10.2 Governing Law. The Plan, and all agreements hereunder, shall be construed in accordance with and governed by the laws of the State of Minnesota.

Section 11. Effective Date of the Plan

11.1 Effective Date. The Plan, as amended, is effective as of March 15, 2000.

11.2 Duration of the Plan. Unless the Board terminates the Plan earlier, the Plan shall remain in effect until all Stock subject to it shall be distributed pursuant to the Plan.

STAT-PRO(R)3000 and STAT-PRO(R)3000 E PURCHASE AND SUPPLY

AGREEMENT

This agreement, by and between

Miller Waste Mills, d/b/a RTP COMPANY, a corporation of the State of Minnesota having offices at 580 Front Street, Winona, MN 55987 (hereafter "RTP")

and

FLUOROWARE, INC., a corporation of the State of Minnesota having offices at 3500 Lyman Blvd., Chaska, MN 55318 (hereafter "Fluoroware")

W I T N E S S E T H, That:

WHEREAS RTP manufactures and sells Compounded PEEK(TM)resins;

WHEREAS Fluoroware has for some period of time purchased Compounded PEEK(TM) resins from RTP; and

WHEREAS RTP desires to continue to supply Compounded PEEK(TM) resins to Fluoroware, and Fluoroware desires to continue to purchase such resins from RTP;

NOW, THEREFORE, in consideration of the mutual covenants and promises set forth herein, the parties agree as follows:

ARTICLE I - TERM AND SCOPE
- -----

1.01 This Agreement shall cover the period July 1, 1998, to August 31, 2003. No less than six (6) months prior to the end of such five year period, the parties will enter into discussions regarding the terms and conditions under which this Agreement may be extended.

1.02 Both Parties reserve the right to terminate this contract on August 31, 2001, at their sole discretion. This termination must be given via 90 day written notice.

1.03 This Agreement shall relate solely to the supply of Compounded PEEK(TM) resins by RTP to any Fluoroware designated location world wide.

ARTICLE 2 - PRODUCT
- -----

2.01 RTP will sell, and Fluoroware will purchase the following Compounded PEEK(TM) resins (hereafter "Product") as further described in the Fluoroware Resin Specification & Control Plan" as set forth on Attachment A, hereto or as such attachment is amended and mutually agreed upon from time to time (hereafter "Fluoroware Resin Specification"):

Fluoroware Part Number 830 Stat-Pro(R) 3000
RTP 2299X59069 Natural/black

Fluoroware Part Number 900 Stat-Pro(R) 3000 E
RTP 2299X76246B Natural/black

2.02 RTP recognizes that Fluoroware Stat-Pro(R) 3000, RTP 2299X59069 and Stat-Pro(R) 3000 E, RTP 2299X76246B Natural/black, are proprietary resins to Fluoroware and will not be sold to any other customer.

ARTICLE 3 - EXCLUSIVITY

3.01 Provided that Fluoroware purchases at least 50% of the annual quantities specified in Article 7 of this agreement, RTP shall use the combination of PEEK(TM) and the high purity carbon fiber found in Fluoroware Part Number 900, solely and exclusively for Fluoroware uses in storage and transportation carriers, pods, wafer transport modules, boxes and other mutually agreed upon products exclusively for the semiconductor market.

3.02 In granting the above-referenced exclusivity, it is RTP's intent to not knowingly sell to others who intend to utilize the Products for these Applications,

3.03 Nothing herein shall be construed as granting Fluoroware any exclusive right to purchase any products other than Product set forth in paragraph 2.01 for use in the Applications nor prohibit RTP from selling Product for use in any applications other than the Applications set forth in paragraph 3.01

ARTICLE 4 - QUALITY ASSURANCE

4.01 RTP warrants to Fluoroware that the Product will conform to Product specifications and will provide certification with each shipment of Product indicating compliance with such specification.

ARTICLE 5 - INSPECTION

5.01 For the purpose of confirming compliance with Fluoroware Resin Specification all Product supplied hereunder shall be subject to inspection by Fluoroware. RTP will submit two plaques molded from each lot of Product to Fluoroware for use in inspection .

5.02 In the event that any of the Product shipped to Fluoroware under this Agreement does not meet the appropriate Fluoroware Resin Specification, then Fluoroware shall have the right to reject such Product by giving RTP prompt notice thereof. RTP may at its option obtain samples of the rejected Product from Fluoroware for analysis. RTP will ship replacement Product to Fluoroware within three (3) days of receipt of notification of such rejection provided

both parties agree on the cause of rejection, and RTP has a quantity of acceptable raw materials to produce replacement material. RTP will fully credit Fluoroware for the rejected Product provided RTP agrees that it is responsible for causing the non-compliance. RTP will be responsible for any expenses incurred in returning such rejected Product and in providing new product.

ARTICLE 6 - PACKAGING

- -----

6.01 Product will be delivered in Gaylord boxes with a sealed polyethylene liner, or other container as acceptable to RTP subject to the prior written approval of Fluoroware.

ARTICLE 7 - QUANTITY

- -----

7.01 Provided that raw materials are available in 1998, RTP agrees to sell, at a minimum, (*) pounds of Product to Fluoroware. Provided its total requirements for Product equal or exceed (*) pounds in 1998, Fluoroware agrees to purchase a minimum of (*) pounds of Product from RTP.

7.02 Provided that raw materials are available in 1999, RTP agrees to sell, at a minimum, (*) pounds of Product to Fluoroware. Provided its total requirements for Product equal or exceed (*) pounds in 1999, Fluoroware agrees to purchase a minimum of (*) pounds of Product from RTP.

7.03 Provided that raw materials are available in 2000, RTP agrees to sell, at a minimum, (*) pounds of Product to Fluoroware. Provided its total requirements for Product equal or exceed (*) pounds in 2000, Fluoroware agrees to purchase a minimum of (*) pounds of Product from RTP.

7.04 Provided that raw materials are available in 2001, RTP agrees to sell, at a minimum, (*) pounds of Product to Fluoroware. Provided its total requirements for Product equal or exceed (*) pounds in 2001, Fluoroware agrees to purchase a minimum of (*) pounds of Product from RTP.

7.05 Provided that raw materials are available in 2002, RTP agrees to sell, at a minimum, (*) pounds of Product to Fluoroware. Provided its total requirements for Product equal or exceed (*) pounds in 2002, Fluoroware agrees to purchase a minimum of (*) pounds of Product from RTP.

(*) Denotes confidential information that has been omitted and filed separately, accompanied by a confidential treatment request, with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

7.06 In the event that Fluoroware's total requirements for Product exceed the minimum purchase and supply obligations set forth in paragraphs 7.01 through 7.05, RTP shall utilize best efforts to provide additional pounds to meet Fluoroware's requirements.

7.07 RTP agrees to stock Product in quantities sufficient to meet Fluoroware's forecast needs, during planned down times either at RTP or at RTP's suppliers.

ARTICLE 8 - FORECAST REQUIREMENTS

8.01 Fluoroware will provide RTP a written forecast of its Product quantities on an annual basis no later than ninety (90) days prior to this Agreement's anniversary date.

8.02 Quarterly forecast updates will be provided on or before the fifteenth of the month preceding any quarter. This quarterly forecast will forecast quantities in the following two quarters.

ARTICLE 9 - PURCHASE ORDERS

9.01 Purchase orders will be issued for Product indicating Fluoroware Resin Specification revision level and quantities. Shipments will be authorized by P.O. releases.

ARTICLE 10 - PRICE

10.01 RTP agrees the price of 830 shall not exceed \$(*) per pound, and the price for 900 shall not exceed \$(*) per pound for the first year of this Agreement and shall decrease each year thereafter. If Fluoroware purchases at least 75% of the annual quantities called out in Article 7, the price shall decrease a minimum of \$0.30 per pound per year with reductions taking effect on each anniversary date of this contract. If Fluoroware purchases 50%-74% of the annual quantities called out in Article 7, the price shall decrease a minimum of \$0.15 per pound per year with reductions taking effect on each anniversary date of this contract. If Fluoroware purchases less than 50% of the annual quantities called out in Article 7, there will be no annual reduction required on the first of each year, however both parties will continue to work in good faith to find ways to reduce the cost of this material.

(*) Denotes confidential information that has been omitted and filed separately, accompanied by a confidential treatment request, with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

These decreases may be achieved by RTP reducing internal costs, or by RTP submitting cost savings suggestions to Fluoroware in writing, where Fluoroware accepts the suggestion and the purchase price is reduced. All cost savings suggestions submitted in writing which end up reducing the price to Fluoroware, will be put towards the annual \$0.30 per pound per year reduction requirements.

10.02 Payment Terms are Net 15 days from date of Invoice. Invoices to be consolidated monthly. Price of Product is FOB: Delivered, Freight Allowed, to designated locations in the United States. Price of Product is FOB: Vessel, to designated locations outside the United States.

10.03 RTP and Fluoroware agree to meet annually to set price reduction targets for Product and will work together for continuous improvement in the supply chain of this Product. RTP will actively pursue raw material cost savings through the use of alternate raw materials. Any raw material changes must be approved by Fluoroware. RTP will pass along any savings resulting from use of alternate raw materials in the form of a Product price reduction.

10.04 RTP will make every effort to seek stable and/or decreasing prices from its suppliers of the raw materials that make up the Stat Pro(R) 3000 and Stat Pro(R) 3000 E. In the event there is a verified price increase in raw materials during the term of this agreement, RTP may pass along that portion of the price increase which directly impacts the cost of Fluoroware's Stat Pro(R) 3000 and Stat Pro(R) 3000 E, provided that RTP shares concrete evidence of the price change, and negotiates in Fluoroware's behalf to neutralize any increases. In the event of a reduction in the cost of any raw materials, RTP agrees to share 50% of any raw material decreases with Fluoroware. These raw material reductions will not affect the annual reductions called out in paragraph 10.01.

ARTICLE 11 -BEST PRICE

- - - - -

11.01 Should RTP sell a resin similar to this Product (in like quantities) to a third party for use in applications like those currently sold by Fluoroware at a price lower than the price of such Product sold to Fluoroware hereunder, then RTP shall offer such lower price to Fluoroware for Product for such term as the lower price is in effect with the third party.

ARTICLE 12 - SUPPLY ASSURANCE

- - - - -

12.01 Except for adverse circumstances beyond the control of RTP such as an Act of God, fire, explosion, flood, unavailability of raw materials, or war which impact RTP's ability to supply Product hereunder, Fluoroware's requirements will be assured before similar products are sold to other customers.

ARTICLE 13 - REPORTING

13.01 On a quarterly basis, Fluoroware will provide RTP with Quality and Delivery Performance Ratings. RTP agrees to develop corrective action plans for review and approval by Fluoroware when Quality Performance falls below on hundred percent (100%) and/or Delivery Performance falls below ninety-seven percent (97%).

ARTICLE 14 - MISCELLANEOUS

14.01 This Agreement is not assignable or transferable by either party, in whole or in part, except with prior written consent of the other party.

14.02 This Agreement shall be governed by and interpreted in accordance with the laws of the State of Minnesota. Any dispute relating to this Agreement which the Parties are not able to resolve through amicable discussion and negotiation shall be resolved by binding arbitration in Minneapolis, Minnesota, pursuant to the COMMERCIAL RULES of the American Arbitration Association. The decision of the arbitrator shall be final and shall be enforceable in any court of competent jurisdiction.

14.03 This Agreement embodies the entire agreement and understanding between RTP and Fluoroware relative to the subject matter hereof and there are no understandings, agreements, conditions or representations, oral or written, expressed or implied, with reference to the subject matter hereof that are not merged or superseded hereby. No amendment, modification or release from any provision hereof shall be of any force or effect unless it is in writing, signed by the party claimed to be bound thereby, and specifically refers to this Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives on the dates indicated below.

RTP, INC.

FLUOROWARE, INC.

BY: /s/ Illegible

BY: /s/ Ross Hanson

TITLE: V.P., Business Management

TITLE: Corporate Purchasing Manager

DATE: 6/29/98

DATE: 6/17/98

BY: /s/ Illegible

BY: /s/ Illegible

TITLE: C.E.O.

TITLE: Supply Manager

DATE: 6/30/98

DATE: 6/17/98

FLUOROWARE RESIN SPECIFICATION & CONTROL PLAN
 102 Jonathan Blvd. No. Chaska, Minnesota 55318 USA Telephone: 612/448-3131

Confidentiality

This specification is hereby designated as confidential. Information on it is proprietary to Fluoroware and shall not be used or disclosed to third persons except in conformity with Fluoroware's consent.

APPROVAL

Technology Research Group _____
 Purchasing _____
 Supplier _____

Spec. No. 900 Rev. 1A ECO No. _____ Date _____ Page 1 of 1

Supplier: RTP Company Fluoroware Trade Name: STAT PR0(R) 3000E
 Mat'l Type: PEEK 150P 1st Filler Type/Percent: Carbon Fiber (CA3P116)
 Mat'l Grade: RTP 2299 X 76246B Nat/BLK 2nd Filler Type/Percent: None

Critical Characteristics:	Inspection Method:	Certified Range:	Supplier Reports	Fluoroware Inspection
1. Contamination: Foreign Particles	RTP-TP-17D FGTM 1200 Fluoroware	(*)	-	Yes
Metal	N/A RTP FGTM 1218 Fluoroware	(*) (*)	-	-
2. Surface resistance, ohms	RTP-TP- FGTM Fluoroware	(*)	Yes	Yes
3. Static Decay	RTP-TP-19A FGTM 1208 Fluoroware	(*)	Yes	Yes
4. Anion Extraction	FGTM 1344 Fluoroware	(*)		Every 4th Lot (Plaques)
5. Volatile Organics	FGTM 1345 Fluoroware	(*)		Every 4th Lot (@ 80C)
6. Trace Metals	FGTM 1343 Fluoroware	(*)		
7. Capillary Rheology	RTP-TP-135	(*)	Yes	

Packaging Requirements:
 Five molded 6" X 6" plaques and 100g sample of base resin and carbon fiber lot must be submitted with each new incoming lot for inspection purposes. Poly lined containers, with the poly liner secured against contamination. Lot number and Fluoroware's part number (900) clearly marked on each.

Changes:

(*) Denotes confidential information that has been omitted and filed separately, accompanied by a confidential treatment request, with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

FLUOROWARE RESIN SPECIFICATION & CONTROL PLAN
 102 Jonathan Blvd. No. Chaska, Minnesota 55318 USA Telephone: 612/448-3131

Confidentiality

This specification is hereby designated as confidential. Information on it is proprietary to Fluoroware and shall not be used or disclosed to third persons except in conformity with Fluoroware's consent.

 APPROVAL
 Technology Research Group _____
 Purchasing _____
 Supplier _____

 Spec. No. 830 Rev. D4 ECO No. _____ Date _____ Page 1 of 1

Supplier: RTP Company Fluoroware Trade Name: STAT PRO(R)3000 HPF

 Mat'l Type: PEEK 1st Filler Type/Percent: Carbon Fiber

 Mat'l Grade: RTP 2299 X 59069 Nat/Blk 2nd Filler Type/Percent: None

Critical Characteristics:	Inspection Method:	Certified Range:	Supplier Reports	Fluoroware Inspection
1. % Burn-off	FGTM 1206 Fluoroware	(*)		Every 4th Lot
2. Contamination: Foreign Particles	RTP-TP-17D FGTM 1200 Fluoroware	(*)	-	Yes
	Metal N/A RTP FGTM 1218 Fluoroware	(*) (*)	-	-
3. Surface resistivity, ohms/sq	RTP-TP-28 FGTM 1207 Fluoroware	(*)	Yes	Yes
4. Static Decay	RTP-TP-19A FGTM 1208 Fluoroware	(*)	Yes	Yes
5. Extractable anions	FGTM 1344 Fluoroware	(*)		Every 4th Lot (Plaques)
6. Volatile organics	FGTM 1345 Fluoroware	(*)		Every 4th Lot (Resins)
7. Trace Metals	FGTM 1343 Fluoroware	(*)		Every 4th Lot (Resins)

 Packaging Requirements:
 A molded plaque and 100g sample of base resin and CF lot used must be submitted with each inc. lot for insp. Purposes. Poly lined containers, with the poly liner secured against contamination. Lot number and Flu p.n. (830) clearly marked on each container.

Changes:
 (*)

(*) Denotes confidential information that has been omitted and filed separately, accompanied by a confidential treatment request, with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

CONFIDENTIALITY AGREEMENT

FLUOROWARE, INC. ("Recipient") has requested RTP Company ("RTP") to provide certain specific technical and other information ("Material Information") highly confidential to RTP regarding the following RTP materials ("Materials"):

COMPOUNDS FOR STAT PRO(R) 3000 LS

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Because of the extremely sensitive nature of the Material Information, this agreement shall exclusively govern Recipient's obligations regarding use and nondisclosure of the Material Information, whether or not labeled as confidential. Any samples of the Material shall be deemed Confidential Samples, use and disclosure of which are also restricted below.

1. Recipient's Obligations

a) Recipient will use the Material Information solely in connection with and for the purpose of:

Approving RTP's materials for use in recipient's production processes at its facility in Chaska, MN.

Without limitation of the foregoing, Recipient may not use the Material Information to produce, or assist any other person to produce products competitive with the Materials. Recipient shall not disclose the Material Information to any person outside of Recipient, whether another Recipient supplier, a competitor of RTP, a customer of Recipient or otherwise.

b) Confidential Samples shall be used solely for testing in connection with the Permitted Purpose and in no case shall they be analyzed for content, sold or made available to any other person.

c) Within Recipient, Recipient shall protect and keep confidential the Material Information with the highest degree of care and shall disclose it solely to Recipient employees with a need to know for the Permitted Purpose. Recipient shall be responsible for enforcing this agreement for the benefit of RTP.

d) All documents containing the Material Information (whether delivered by RTP or prepared by Recipient) are and will remain RTP's property. At RTP's written request, Recipient must promptly return to RTP all those materials and any copies promptly at RTP's request. Recipient's obligations under this Agreement will last indefinitely.

2. Exclusions. Recipient's obligations under this Agreement shall not apply to information which:

a. is or becomes known to the public through no fault of Recipient or its employees;

b. is already known to Recipient prior to its receipt as shown by the written records of Recipient (but Recipient acknowledges that the requested information is not now known to Recipient); or

c. becomes known to Recipient by disclosure from a third party who has a lawful right to disclose the information.

3. Entire Agreement. This is the complete Agreement between the parties regarding the treatment of the Material Information and Confidential Samples, and may be changed only by a written amendment.

Recipient: FLUOROWARE, INC.

RTP COMPANY

BY: /s/ Illegible

BY: /s/ Illegible

TITLE: Supply Manager

TITLE: Vice President, Business Management

DATE: 4/6/98

DATE: April 2, 1998

PFA Purchase and Supply Agreement

This Agreement, by and between E. I. DU PONT DE NEMOURS AND COMPANY, a corporation of the State of Delaware having offices at 1007 Market Street, Wilmington, Delaware 19898 (hereafter "DuPont") and FLUOROWARE, INC., a corporation of the State of Minnesota, having offices at 3500 Lyman Boulevard, Chaska, Minnesota 55318 (hereafter "Fluoroware").

W I T N E S E T H

WHEREAS DuPont manufactures and sells PFA resins;

WHEREAS Fluoroware has for some period of time has purchased PFA resins from DuPont; and

WHEREAS DuPont desires to continue to supply PFA resins to Fluoroware, and Fluoroware desires to continue to purchase such resins from DuPont;

WHEREAS Fluoroware generates regrind PFA as a result of its molding operations and is interested in making a certain quantity of this regrind PFA available to DuPont for purchase, and DuPont is interested in having a right of first refusal to purchase such product;

NOW, THEREFORE, in consideration of the mutual covenants and promises set forth herein, the parties agree as follows:

ARTICLE 1 - TERM AND SCOPE

1.1 This Agreement shall cover the period November 1, 1998 to August 31, 2000. No less than six (6) months prior to the end of such period, the parties will enter into discussions regarding the terms and conditions under which this Agreement can be extended.

1.2 This Agreement shall relate solely to the following matters:

(A) supply of PFA resins by DuPont to Fluoroware in the United States; and

(B) DuPont's right of first refusal to purchase regrind PFA generated from Fluoroware's molding operations in the United States.

ARTICLE 2 - PRODUCT

2.1 DuPont will sell, and Fluoroware will purchase the following PFA resins (hereafter "PFA Product") as further described in the "Fluoroware Resin Specification & Control

Plans" as set forth on Attachments A, B, C, D, E, F and G hereto or as such attachments are amended and mutually agreed upon from time to time (hereafter "Fluoroware Resin Specifications"):

440 HP (A, B, and D Grades)
445 HP
450 HP
TE-5789 Conductive PFA Resin
TE-7016 Rotomolding Powder

2.2 Fluoroware will make available, and DuPont will have a right of first refusal to purchase a certain quantity of Regrind PFA (hereafter "Regrind") that is generated from Fluoroware's molding operations and which is in excess of Fluoroware's internal Regrind needs. This Regrind will be made available in three different classes: Class A, Class C, and Class D, which classifications describe the types of Regrind in terms of degree of cleanliness, as shown in Attachment H.

2.3 New Resins introduced into the market by DuPont are not included as part of this agreement, but can be made part of this agreement upon mutual agreement between Fluoroware and DuPont.

ARTICLE 3 - QUALITY ASSURANCE

3.1 DuPont warrants to Fluoroware that the PFA Product will conform to DuPont's PFA Product specifications and will provide certification with each shipment of PFA Product indicating compliance with appropriate Fluoroware Resin Specifications. Other than the foregoing, DUPONT MAKES NO WARRANTIES OF MERCHANTABILITY OR OF FITNESS FOR A PARTICULAR PURPOSE EVEN IF THAT PURPOSE IS KNOWN TO DUPONT, NOR ANY OTHER EXPRESS OR IMPLIED WARRANTY. Fluoroware assumes all risk and liability for results obtained by the use of the PFA Product covered by this Agreement, whether used singly or in combination with other products.

ARTICLE 4 - INSPECTION

4.1 For the purpose of confirming compliance with Fluoroware Resins Specifications all PFA Product supplied hereunder shall be subject to inspection by Fluoroware. In the event that Fluoroware and DuPont mutually agree that any of the PFA Product shipped to Fluoroware under this Agreement does not meet the appropriate Fluoroware Resin Specifications, then Fluoroware shall have the right to reject such PFA Product by giving DuPont prompt notice thereof. DuPont may at its option obtain samples of the rejected PFA Product from Fluoroware for analysis. DuPont will, subject to availability, endeavor to ship replacement PFA Product to Fluoroware within twenty-one (21) days of receipt of notification of such rejection and will fully

credit Fluoroware for the rejected PFA Product. DuPont will be responsible for any expenses incurred in returning such rejected PFA Product.

ARTICLE 5 - PACKAGING

5.1 Product will be delivered in bulk containers (each nominally holding sixteen hundred (1600) pounds), or one hundred (100) pound fiber drums with polyethylene liners, or other containers acceptable to DuPont subject to the prior written approval of Fluoroware.

ARTICLE 6 - QUANTITY

6.1 In Fluoroware's fiscal years 1999 (Sept. 1, 1998 - Aug. 31, 1999) through its fiscal year 2000 (Sept. 1, 1999 through August 31, 2000) DuPont agrees to sell to Fluoroware, at a minimum, the volume of PFA Product shown in Attachment I. Provided that Fluoroware's total requirements for PFA equal or exceed the volume shown in Attachment I for the above-identified fiscal years, Fluoroware agrees to purchase said volume at a minimum. In the event that Fluoroware's total requirements for PFA fall below the volume set forth in Attachment I for any of the fiscal years 1999 and 2000, Fluoroware agrees to purchase a minimum of (*) of its total requirements of PFA for each such year from DuPont under the terms of this Agreement.

6.2 In each of the fiscal years, DuPont agrees to make available for sale, at a minimum, an additional (*) of Product to Fluoroware over the agreed upon volume for the coming fiscal year.

6.3 In the event that Fluoroware's total requirements for PFA exceed the minimum purchase and supply obligations set forth above in any of the fiscal years, Fluoroware shall offer DuPont the opportunity to supply under the terms of this Agreement such additional quantities of Product as shall allow DuPont to supply in the aggregate a minimum of (*) of Fluoroware's PFA requirements for that fiscal year. DuPont may elect to supply all or any portion of such additional quantities of Product.

6.4 The maximum monthly quantity ordered by Fluoroware will not exceed ten percent (10%) of Fluoroware's annual forecast, as provided for under Article 7, unless agreed to by the parties sixty (60) days prior to the requested ship date.

ARTICLE 7 - FORECAST REQUIREMENTS

7.1 Fluoroware will provide DuPont a written forecast of its requirements for PFA Product on an annual basis (by Fluoroware Resin Specification) no later than ninety (90) days prior to the end of each fiscal year.

(*) Denotes confidential information that has been omitted and filed separately, accompanied by a confidential treatment request, with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

7.2 Monthly forecast updates will be provided on or before the 30th of each month. This monthly forecast update will reconfirm the next month's forecast (Month #1) and will forecast quantities for the next three months (Months #2, #3, and #4).

ARTICLE 8 - PURCHASE ORDERS

8.1 Purchase orders will be issued for each PFA Product specifying desired quantities by grade.

ARTICLE 9 - PRICE

9.1 The price of PFA Product will be:

440 HP	\$(*)/lb.
445 HP	\$(*)/lb.
450 HP	\$(*)/lb.
TE-5789	\$(*)/lb.
TE-7016	\$(*)/lb.

9.2 The price of PFA Regrind purchased from Fluoroware will be more favorable than the median price for PFA regrind that Fluoroware can obtain in the open market by a minimum of \$(*) per pound. Market price will be established once per year (at least 60 days prior to the beginning of the following fiscal year) by mutual agreement between Fluoroware and DuPont.

9.3 Pricing for new resins developed by DuPont is not a part of this Agreement and will be agreed upon separately should need arise.

9.4 Should DuPont sell Product, or any other first quality Teflon(& PFA resin, suitable for use in applications like those currently sold by Fluoroware to a third party at a price lower than the price of comparable Product sold to Fluoroware hereunder, then DuPont shall offer Fluoroware the same PFA resin at the lower price in comparable quantity for such term as the lower price is in effect with the third party to the extent DuPont is permitted to offer such lower price by applicable laws and regulations. The foregoing provision of this Section 9.4 shall only apply to sales from DuPont facilities based in the United States to customers based in the United States.

(*) Denotes confidential information that has been omitted and filed separately, accompanied by a confidential treatment request, with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

ARTICLE 10 - MARKETING

10.1 During the term of this Agreement, Fluoroware agrees not to actively promote any other manufacturer of PFA fluoropolymers in the marketplace.

10.2 DuPont recognizes the contribution Fluoroware has made in marketing and promoting the attributes and value of Teflon(R) PFA HP product to the semiconductor industry. Fluoroware's market information access, and recognition as a leader in the industry are valued. As part of this agreement, DuPont expects Fluoroware's continuing effort in gaining access and information regarding new applications and market trends.

10.3 The Parties acknowledge that TEFLON(R) is a registered trademark of DuPont for its brand of fluoropolymer resins which can only be licensed by DuPont for use in approved applications. Use of the TEFLON(R) trademark in connection with DuPont products is not permitted without a license. This license to be provided under separate agreement.

ARTICLE 11 - SUPPLY ASSURANCE

11.1 Except for adverse circumstances as described in Paragraph 5 of DuPont's Standard Conditions of Sale, a copy of which is attached hereto as Attachment J, in the event of a production disruption impacting DuPont's ability to supply PFA Product hereunder, Fluoroware's pro rata allocation of available Product quantities will be the most favorable of any offered to any of DuPont's PFA customers.

ARTICLE 12 - REPORTING

12.1 On a quarterly basis, Fluoroware will provide DuPont with Quality and Deliverance Performance Ratings. DuPont agrees to develop corrective action plans for review and approval by Fluoroware when Quality Performance falls below one hundred percent (100%) and/or Delivery Performance falls below ninety-eight percent (98%).

ARTICLE 13 - MISCELLANEOUS

13.1 Except as otherwise specifically provided in this Agreement, the provisions of DuPont's Standard Conditions of Sale shall govern each sale and shipment made hereunder. A copy of DuPont's Standard Conditions of Sale is made a part hereof and is set forth as Attachment J hereto.

13.2 This Agreement is not assignable or transferable by either party, in whole or in part, except with the prior written consent of the other party.

13.3 This Agreement shall be governed by and interpreted in accordance with the laws of the State of Delaware. The courts of the State of Delaware shall have exclusive jurisdiction over any dispute relating to the terms and conditions of this Agreement.

13.4 The parties mutually agree to the terms of Attachment K, "Year 2000 Agreement."

13.5 This Agreement embodies the entire agreement and understanding between DuPont and Fluoroware relative to the subject matter hereof and there are no understandings, agreements, conditions or representations, oral or written, expressed or implied, with reference to the subject matter hereof that are not merged or superseded hereby. No amendment, modification or release from any provision hereof shall be of any force or effect unless it is in writing, signed by the party claimed to be bound thereby, and specifically refers to this Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives on the dates indicated below.

E. I. DU POINT DE NEMOURS AND
COMPANY

By: /s/ Henry Voigt

Henry Voigt
Title: Global Business Director Fluoroproducts

Date: -----

FLUOROWARE, INC.

By: /s/ Guy L. Milliren

Guy L. Milliren
Title: Senior Vice President of Operations

Date: 1/7/99

FLUOROWARE RESIN SPECIFICATION & CONTROL PLAN
 102 Jonathan Blvd. No. Chaska, Minnesota 55318 USA Telephone: 612/448-3131

Confidentiality

This specification is hereby designated as confidential. Information on it is proprietary to Fluoroware and shall not be used or disclosed to third persons except in conformity with Fluoroware's consent.

APPROVAL

Technology Research Group _____
 Purchasing _____
 Supplier _____

Spec. No. 115 Rev. C1 ECO No. Date 3-22-95 Page 1 of 1

Supplier: DuPont Fluoroware Trade Name: None
 Mat'l type: PFA 1st Filler Type/Percent: None
 Mat'l Grade: 440 HP (Range A) 2nd Filler type/Percent: None

Critical Characteristic		Inspection Method	Certified Range	Supplier Reports	Fluoroware Inspection
1.	Melt Flow Rate, g/10 min.	WW-3739 (DuPont) FGTM 1202 Fluoroware	(*) (*)	Yes	Yes
2.	Color %G & YID	WW-3659 (DuPont)	(*)	Yes	
3.	Contamination Type 1 (Mat'l produced after 1/1/93)	WW-3904 Laser DuPont	(*) (*)	Yes	
	Contamination Type 2	FGTM 1200 Fluoroware WW-3905 DuPont FGTM 1200 Fluoroware	(*) (*) (*)	Yes	Yes Yes
4.	Pellet Size: Through 6 Through 10	T-233 7500 (DuPont)	(*) (*)	-	
5.	Extractable fluoride Ions, ppm	WW-3782 DuPont FGTM 1201 Fluoroware	(*)	-	-
6.	MWDI	T-207 500 DuPont FGTM 1215 Fluoroware	(*) (*)	Yes	Yes
7.	PPVE Index	WW-3910 DuPont	(*)	Yes	

Packaging Requirements:
 Two 50 lb. sealed poly bags per poly lined fiber drum. Poly liner of drum closed with twist tie. Lot number. Melt flow Rate and Fluoroware's part number must be on each drum.

Changes:

(*)

Form QS0092 Rev. A

(*) Denotes confidential information that has been omitted and filed separately, accompanied by a confidential treatment request, with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

FLUOROWARE RESIN SPECIFICATION & CONTROL PLAN
102 Jonathan Blvd. No. Chaska, Minnesota 55318 USA Telephone: 612/448-3131

Confidentiality

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APPROVAL

Technology Research Group _____
Purchasing _____
Supplier _____

Spec. No. 158 Rev. C1 ECO No. Date 3-22-95 Page 1 of 1

Supplier: Dupont Fluoroware Trade Name: None
Mat'l type: PFA 1st Filler Type/Percent: None
Mat'l Grade: 440 HP (Range B) 2nd Filler type/Percent: None

Critical Characteristic	Inspection Method	Certified Range	Supplier Reports	Fluoroware Inspection
1. Melt Flow Rate, g/10 min.	WW-3739 (Dupont) FGTM 1202 Fluoroware	(*) (*)	Yes	Yes
2. Color %G & YID	WW-3659 (Dupont)	(*)	Yes	
3. Contamination Type 1 (Mat'l produced after 1/1/93)	WW-3904 Laser Dupont FGTM 1200 Fluoroware	(*) (*) (*)	Yes	Yes
4. Contamination, Type 2	WW - 3905 Dupont FGTM 1200 Fluoroware	(*)	Yes	Yes
5. Pellet size: Through 6 Through 10	T-233.7500 Dupont	(*) (*)		
6. Extractable Fluoride Ions. ppm	WW-3782 (Dupont) FGTM 1201 (Flu)	(*)	- -	-
7. MWDI	T-207 500 (Dupont) FGTM 1215 (Flu)	(*) (*)	Yes	Yes
8. PPVE Index	WW-3910 (Dupont)	(*)	Yes	

Packaging Requirements:

Sealed PE / aluminum totes or two 50 lb. sealed poly bags per poly lined fiber drum. Poly liner of drum closed with twist tie (*) Lot number. Melt Flow Rate and Fluoroware's part number must be on each drum.

Changes:

Form QS0092 Rev. A

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FLUOROWARE RESIN SPECIFICATION & CONTROL PLAN
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APPROVAL

Technology Research Group _____
Purchasing _____
Supplier _____

Spec. No. 127 Rev. C ECO No. Date 4-12-94 Page 1 of 1

Supplier: Dupont Fluoroware Trade Name: None
Mat'l type: PFA 1st Filler Type/Percent: None
Mat'l Grade: 440 HP (Range C) 2nd Filler type/Percent: None

Critical Characteristic	Inspection Method	Certified Range	Supplier Reports	Fluoroware Inspection
1. Melt Flow Rate, g/10 min.	WW-3739 (Dupont) FGTM 1202 (Flu)	(*) (*)	Yes	Yes
2. Color %G & YID	WW-3659 (Dupont)	(*)	Yes	
3. Contamination Type 1	WW-3904 Laser (Dupont)	(*) (*)	Yes	
Contamination Type 2	FGTM 1200 (Flu) WW-3905 (Dupont) FGTM 1200 (Flu)	(*) (*) (*)	Yes	Yes Yes
4. Pellet Size: Through 6 Through 10	T-233 7500 (Dupont)	(*) (*)		
5. Extractable Fluoride Ions, ppm	WW-3782 (Dupont) FGTM 1201 (Flu)	(*) (*)	- -	-
6. MWDI	T-207 500 (Dupont) FGTM 1215 (Flu)	(*) (*)	Yes	-
7. PPVE Index	WW-3910 (Dupont)	(*)	Yes	

Packaging Requirements:

Sealed PE / aluminum totes or two 50 lb sealed poly bags per poly lined fiber drum. Poly liner of drum closed with twist tie Lot number. Melt flow Rate and Fluoroware's part number must be on each drum.

Changes:

(*)

Form QS0092 Rev. A

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FLUOROWARE RESIN SPECIFICATION & CONTROL PLAN
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APPROVAL

Technology Research Group _____
 Purchasing _____
 Supplier _____

Spec. No. 132 Rev. C ECO No. Date 4-12-94 Page 1 of 1

Supplier: Dupont Fluoroware Trade Name: None
 Mat'l type: PFA 1st Filler Type/Percent: None
 Mat'l Grade: 440 HP (Range D) 2nd Filler type/Percent: None

Critical Characteristic	Inspection Method	Certified Range	Supplier Reports	Fluoroware Inspection
1. Melt Flow Rate, g/10 min.	WW-3739 (Dupont) FGTM 1202 (Flu)	(*) (*)	Yes	Yes
2. Color %G & YID	WW-3659 (Dupont)	(*)	Yes	
3. Contamination Type 1	WW-3904 Laser (Dupont)	(*) (*)	Yes	
Contamination, Type 2	FGTM 1200 Fluoroware WW - 3905 Dupont FGTM 1200 (Flu)	(*) (*)	Yes	Yes Yes
4. Pellet size: Through 6 mesh. % Through 10 mesh. %	T-233.7500 (Dupont)	(*) (*)		
5. Extractable Fluoride Ions. ppm	WW-3782 (Dupont) FGTM 1201 (Flu)	(*)	- -	-
6. MWDI	T-207 500 (Dupont) FGTM 1215 (Flu)	(*) (*)	Yes	-
7. PPVE Index	WW-3910 (Dupont)	(*)	Yes	

Packaging Requirements:
 Sealed PE / aluminum totes or two 50 lb. sealed poly bags per
 poly lined fiber drum. Poly liner of drum closed with twist tie
 Lot number. Melt Flow Rate and Fluoroware's part number
 must be on each drum.

Changes:

(*)

Form QS0092 Rev. A

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FLUOROWARE RESIN SPECIFICATION & CONTROL PLAN
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APPROVAL

Technology Research Group _____
Purchasing _____
Supplier _____

Spec. No. 164 Rev. B ECO No. Date 2-16-93 Page 1 of 1

Supplier: Dupont Fluoroware Trade Name: None
Mat'l type: PFA 1st Filler Type/Percent: None
Mat'l Grade: TE 9769 (445 HP) 2nd Filler type/Percent: None

Critical Characteristic	Inspection Method	Certified Range	Supplier Reports	Fluoroware Inspection
1. Melt Flow Rate, g/10 min.	WW-3739 (Dupont) FGTM 1202 (Flu)	(*) (*)	Yes	Yes
2. Color %G & YID	WW-3659 (Dupont)	(*)	Yes	
3. Contamination Type 1 (Mat'l produced after 1/1/93)	WW-3904 Laser (Dup) FGTM 1200 (Flu)	(*) (*) (*)	Yes	Yes
Contamination Type 2	WW-3905 (Dupont) FGTM 1200 (Flu)	(*)	Yes	Yes
4. Pellet Size: Through 6 mesh. % Through 10 mesh %	T-233 7500 (Dupont)	(*) (*)	-	
5. Extractable fluoride Ions, ppm	WW-3782 (Dupont) FGTM 1201 (Flu)	(*)	-	-
6. MWDI	T-207 500 (Dupont) FGTM 1215 (Flu)	(*) (*)	Yes	Yes
7. PPVE Index	WW-3910 (Dupont)	(*)	Yes	

Packaging Requirements:
Two 50 lb. sealed poly bags per poly lined fiber drum. Poly liner of drum closed with twist tie. Lot number. Melt flow Rate and Fluoroware's part number must be on each drum.

Changes:

Form QS0092 Rev. A

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FLUOROWARE RESIN SPECIFICATION & CONTROL PLAN
102 Jonathan Blvd. No. Chaska, Minnesota 55318 USA Telephone: 612/448-3131

Confidentiality

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APPROVAL

Technology Research Group _____
Purchasing _____
Supplier _____

Spec. No. 146 Rev. C ECO No. Date 9-9-93 Page 1 of 1

Supplier: Dupont Fluoroware Trade Name: None
Mat'l type: PFA 1st Filler Type/Percent: None
Mat'l Grade: 450 HP 2nd Filler type/Percent: None

Critical Characteristic	Inspection Method	Certified Range	Supplier Reports	Fluoroware Inspection
1. Melt Flow Rate, g/10 min.	WW-3739 (Dupont) FGTM 1202 Fluoroware	(*) (*)	Yes	Yes
2. Color %G & YID	WW-3659 Dupont	(*)	Yes	
3. Contamination Type 1 (after xxxx CPA xxx 1002)	WW-3904 Dupont FGTM 1200 Fluoroware	(*) (*) (*)	Yes	Yes
Contamination Type 2	WW-3905 Dupont FGTM 1200 Fluoroware	(*)	Yes	Yes
4. Pellet Size: Through 6 mesh. % Through 10 mesh %	T-233 7500 (Dupont)	(*) (*)	-	
5. Extractable Fluoride Ions, ppm	WW-3782 Dupont FGTM 1201 Fluoroware	(*)	-	-
6. MWDI	T-207 500 Dupont FGTM 1215 Fluoroware	(*) (*)	Yes	Yes
7. PPVE Index	WW-3910 Dupont	(*)	Yes	

Packaging Requirements:
Two 50 lb. sealed poly bags per poly lined fiber drum. Poly liner of drum closed with twist tie. Lot number. Melt flow Rate and Fluoroware's part number must be on each drum.

Changes:

(*)

Form QS0092 Rev. A

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FLUOROWARE RESIN SPECIFICATION & CONTROL PLAN
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APPROVAL

Technology Research Group _____
Purchasing _____
Supplier _____

Spec. No. 160 Rev. E ECO No. Date 5-13-94 Page 1 of 1

Supplier: Dupont Fluoroware Trade Name: STAT-PRO(R)1000
Mat'l type: Carbon Powder PFA 1st Filler Type/Percent: Carbon Powder / 4 - 5%
Mat'l Grade: TE 5789 2nd Filler type/Percent: None

Critical Characteristic	Inspection Method	Certified Range	Supplier Reports	Fluoroware Inspection
1. Melt Flow Rate, g/10 min.	WW-3739 Dupont FGTM 1202 Fluoroware	(*) (*)	Yes	Yes
2. % Burn-off	WW-3659 Dupont FGTM 1206 Fluoroware	(*) (*)	Yes	Yes
3. Contamination: Type 2	WW-3905 Dupont FGTM 1218 Fluoroware	(*) (*)	Yes	-
4. Volume Resistivity, ohm-cm	WW-4004 Dupont FGTM 1207 Fluoroware	(*)	Yes	-
5. Pellet size: Through 6 mesh% Through 10 mesh %	T0-233.7500 Dupont	(*)	-	
6. Tensile Strength, psi	ASTM D3307 Dupont (Tested Annually)	(*)	-	
7. Tensile Elongation, %	ASTM D3307 Dupont (Tested Annually)	(*)	-	

Packaging Requirements:

Sealed PE / aluminum totes or two 50 lb. sealed poly bags per poly lined fiber drum. Poly liner of drum closed with twist tie Lot number. Melt Flow Rate and Fluoroware's part number must be on each drum.

Changes:

(*)

Form QS0092 Rev. A

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Fluoroware, Inc.
Department: Plants 2, 3, 4
Submitted by: Greg Gestach
Reference Procedure: 4.9.1

Work Instruction Number: 10323
Page Number: 1 of 2
Prevision Level: H
Effective Date: 03-31-98
Supersedes: 02-24-98

Approvals: Signature: Date:
Department Manager
(or Designee) -----

IDENTIFYING, CLASSIFYING, TRANSPORTING, GRINDING AND
INVENTORYING TEFLON(R) PFA REGRIND

Introduction:

This instruction is performed by manufacturing personnel.

Instructions:

1. Stainless Steel containers are used to deposit hot scrap into. Clean plastic bags may be used for cold scrap.
2. Containers used for inventorying and transporting must be lined with plastic bag.
3. Identify containers and bags with pertinent information describing contents on Regrind Card.
 - A. Date
 - B. 3 digit material code (Fluoroware part number) followed by regrind classification as shown below:
 - 1) XXX R - Class A regrind (see step 4)
 - 2) XXX RC - Class C regrind (see step 4)
 - 3) XXX RDC - Class CD (dingy) (see step 4)
4. CLASSIFYING MOLDED TEFLON PFA FOR REGRIND:
 - A. CLASS A - Molded article is pure. Free from carbon specks, discoloration and contaminants. Includes colored PFA.
 - B. CLASS C - Molded article contains carbon specks, discoloration or both. Includes colored PFA.

- C. CLASS CD (DINGY) - Molded article is contaminated with foreign substance, except cutting fluids {See 4.C.2) below}. Examples of dingy are metal, dirt, paint chips. Includes colored PFA.
 - 1) Stat-Pro 1000 will be handled as Class A regrind.
 - 2) Teflon product that is wet (tubing startup) or contaminated with cutting fluid will not be reground. These products will be dispositioned in their molded form.
- 5. Containers used for regrind must be covered to prevent airborne contamination. All bags must be taped shut.
- 6. Containers will be moved from manufacturing area to designated area allocated for regrind on a daily basis.
- 7. GRINDING TEFLON(R)PFA:
 - A. Granulator cleaning instructions are posted in grinding room.
 - B. Regrind items in closed bags must be opened approximately one hour prior to grinding to neutralize air. Avoid breathing into bag when opening.
 - C. Grinding personnel wear lint free gloves while handling scrap.
 - D. Scrap is visually checked for class verification. Granulators are designated for Classifications.
 - E. Scrap is blown off using ionized air guns before entering granulator.
 - F. Class A, C and CD regrind is weighed out from holding bin into container lined with clean plastic bag. Container is labeled with following information:
 - 1) Material code
 - 2) Date - enter date container was filled
 - 3) Lbs - enter net weight of regrind (minus container, cover, and bag)
 - 4) Name - enter your name
 - G. Enter weight or regrind ground into material in-out inventory sheet
 - 1) Locate appropriate code section
 - 2) Enter information in ink
 - a. Your name
 - b. Date entered
 - c. Type of regrind
 - d. Pounds being entered into inventory
 - e. Inventory balance

Attachment I
Fluoroware Forecast

DuPont Product Code	Fluoroware Part Number	FY `99 lbs.	FY `00 lbs.
TEF440HPA	115	(*)	(*)
TEF440HPB	158	(*)	(*)
TEF440HPD	132	(*)	(*)
TEF450HP	146	(*)	(*)
TEFTE5789	160	(*)	(*)
TEF445HP	164	(*)	(*)
TEFTE7016	103-C	(*)	(*)
Total		(*)	(*)

(*) Denotes confidential information that has been omitted and filed separately, accompanied by a confidential treatment request, with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

STANDARD CONDITIONS OF SALE

1. Seller warrants that the products or materials (hereafter "products") delivered hereunder meet Seller's standard specifications for the products or such other specifications as may have been expressly agreed to herein. SELLER MAKES NO WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, OR ANY OTHER EXPRESS OR IMPLIED WARRANTY, EXCEPT AS PROVIDED IN CONDITIONS 3 AND 4 HEREIN. Buyer assumes all risk and liability resulting from use of the products delivered hereunder, whether used singly or in combination with other products.

2. No claim of any kind, whether as to products delivered or for nondelivery of products, and whether or not based on negligence, shall be greater in amount than the purchase price of the products in respect of which damages are claimed; and failure to give notice of claim within ninety (90) days from date of delivery or the date fixed for delivery (in the case of nondelivery), shall constitute a waiver by Buyer of all claims in respect of such products. No charge or expense incident to any claims will be allowed unless approve by an authorized representative of Seller. Products shall not be returned to Seller without Seller's prior permission, and then only in the manner prescribed by Seller. The remedy hereby provided shall be the exclusive and sole remedy of Buyer. In no event shall either party be liable for special, indirect or consequential damages, whether or not caused by or resulting from the negligence of such party.

3. Seller warrants that the use or sale of the products delivered hereunder will not infringe the claims of any United States patent covering the products themselves; but does not warrant against infringement by reason of the use thereof in combination with other products or in the operation of any process.

4. Seller warrants that all products delivered hereunder were produced in compliance with the requirements of the Fair Labor Standards Act of 1938, as amended.

5. No liability shall result from delay in performance or nonperformance, directly or indirectly caused by circumstances beyond the control of the party affected, including, but not limited to, Act of God, fire explosion, flood, war, act of or authorized by any Government, accident, labor trouble or shortage, inability to obtain material, equipment or transportation. Quantities so affected may be eliminated from the agreement without liability, but the agreement shall remain otherwise unaffected. Seller shall have no obligation to purchase supplies of the products specified herein to enable it to perform this agreement.

6. If this agreement covers products that must necessarily be manufactured especially for Buyer and is suspended or terminated for any reason, Buyer will take delivery of and make payment for such products as have been completed and such as are in process on the date notice of suspension or termination is received by Seller, provided that if Buyer for any reason cannot accept delivery of such products, it will make payment therefor as though delivery had been made and Seller will store such products for Buyer's account and at Buyer's expense.

7. If for any reason including but not limited to Force Majeure Seller is unable to supply the total demand for products specified herein, Seller may distribute its available supply among any or all purchasers, as well as departments and divisions of Seller on such basis as it may deem fair and practical, without liability for any failure of performance which may result therefrom.

8. If any Government action should place or continue limitations on the price provided for in this agreement such that it would be illegal or against public or Government policy for Seller to charge, assess or receive the full amount of or to increase such prices as determined by this agreement, then Seller shall have the option (1) to continue to perform under this agreement subject to such adjustments in prices that Seller may deem necessary to comply with such Government action; (2) to revise this agreement, subject to Buyer's approval in order to most nearly accomplish the original intent of this agreement, or (3) to terminate performance of the affected portions of the agreement without liability for any damages.

9. At Buyer's request, Seller may furnish such technical assistance and information as it has available with respect to the use of the products covered by this agreement. Unless otherwise agreed in writing, all such technical assistance and information will be provided gratis, and Buyer assumes sole responsibility for results obtained in reliance thereon.

10. Buyer acknowledges that it has received and is familiar with Seller's labeling and literature concerning the products sold hereunder and will forward such information to its employees who handle, process, or sell such products and customers of such products, if any. Buyer agrees that products sold hereunder will not knowingly be resold or given in sample form to persons using or proposing to use the products for purposes contrary to recommendations given by DuPont or prohibited by law, but will be sold or given as samples only to persons, who in the opinion of Buyer, can handle, use and dispose of the products safely.

11. The Buyer shall reimburse the Seller for all taxes (excluding income taxes), excises or other charges which the Seller may be required to pay to any Government (National, State or Local) upon the sale, production or transportation of the products sold hereunder.

12. In the event Buyer fails to fulfill Seller's terms of payment or in case Seller shall have any doubt at any time as to Buyer's financial responsibility, Seller may decline to make further deliveries except upon receipt of cash or satisfactory security.

13. This agreement is not assignable or transferable by either party, in whole or in part, except with the prior written consent of the other party.

14. In addition to the Standard Conditions of Sale set forth herein, any Special Conditions of Sale set forth on the front of this invoice or in the current price list for the products sold hereunder shall apply and are incorporated by reference herein.

15. This document, along with documents specifically referred to herein, contains all of the terms and conditions with respect to the sale and purchase of the products sold hereunder. These terms and conditions supersede any of previous date and no modification thereof shall be binding on either party unless in writing and signed by both parties. No modification shall be effected by the acknowledgment or acceptance of purchase order forms stipulating different

conditions. Unless Buyer shall notify Seller in writing to the contrary as soon as practicable after receipt of this document by Buyer, the Buyer's acceptance of the products or payment therefor shall be equivalent to Buyer's assent to the terms and conditions hereof. Waiver by either party of any default by the other hereunder shall not be deemed a waiver by such party of any default by the other which may thereafter occur.

Attachment K

"YEAR 2000" AGREEMENT

A. Each party covenants and agrees that it will not permit a Year 2000 Problem to computer systems, software or equipment owned, leased or licensed by it, its affiliates or subsidiaries to interfere with its performance under this Agreement. Each party further agrees to request, from those of its suppliers whose performance may materially affect that party's performance hereunder, that each such supplier undertake the same obligation with respect to such material performance. The parties will use reasonable commercial efforts to cooperate and share information to further comply with this Addendum, and to minimize the impact of any Year 2000 Problem on performance of this Agreement. Each party will inform the other party of any circumstance indicating a possible obstacle to such compliance, and the steps being taken to avoid or overcome the obstacle.

B. Provided a party complies with Section A, it will not be liable to the other party for any failure to perform obligations under this Agreement to the extent such failure arises from a Year 2000 Problem (1) affecting one of the non-performing party's suppliers or (2) beyond that party's reasonable control (e.g., a Year 2000 Problem affecting a governmental entity).

C. A "Year 2000 Problem" means a date handling problem relating to the Year 2000 date change that would cause a computer system, software or equipment to fail to correctly perform, process and handle date-related data for the dates within and between the twentieth and twenty-first centuries and all other centuries.

FLUOROWARE RESIN SPECIFICATION & CONTROL PLAN
102 Jonathan Blvd. No. Chaska, Minnesota 55318 USA Telephone: 612/448-3131

Confidentiality

This specification is hereby designated as confidential. Information on it is proprietary to Fluoroware and shall not be used or disclosed to third persons except in conformity with Fluoroware's consent.

APPROVAL

Technology Research Group _____
Purchasing _____
Supplier _____

Spec. No. 103-C Rev. A1 ECO No. 35516 Date _____ Page 1 of 1

Supplier: DuPont Fluoroware Trade Name: None
Mat'l type: PFA Rotomolding 1st Filler Type/Percent: None
Mat'l Grade: TE - 7016 2nd Filler type/Percent: None

Critical Characteristics	Inspection Method	Certified Range	Supplier Reports	Fluoroware Inspection
1. Dry Sieve Analysis (%) U.S. Flow Rate, g/10 min. sieves: 30, 40, 50, 60, 80, 100, 120, and pan	WW-3890 (DuPont) FGTM 1214 (Fluoroware)	(*)	Yes	-
2. Melt flow rate, g/10 min.	WW-3739 (DuPont) FGTM 1202 (Fluoroware)	(*) (*)	Yes	-
3. Contamination: Type 1	OD 86.1.5.7 (DuPont) FGTM 1200 (Fluoroware)	(*)	Yes	Yes
4. Contamination: Type 2 (metal)	OD 86.1.5.7 (DuPont) FGTM 1200 (Fluoroware)	(*)	Yes	Yes
5. IR End Groups (-COF) per 10E6 carbons	WW-3912 (DuPont)	(*)	Yes	
6. Extractable fluoride ions, ppm	WW-3782 (DuPont) FGTM 1201 (Fluoroware)	(*) (*)	Yes	-
7. PPVE wt%	WW-3910 (DuPont)	(*)	-	
8. MWDI	T-207-500 (DuPont) FGTM 1216 (Fluoroware)	(*) (*)	-	
9. Ion Chromatography (IC)	FGTM 1344 (Fluoroware)	(*)		Yes (Every 4th lot)

Packaging Requirements:
Two 50-lb. sealed poly bags per poly lined fiber drum. Poly liner of drum closed with twist tie. Lot number, Melt Flow Rate and Fluoroware's part number (103-C) must be on each drum.

Changes:

Form QS0092 Rev. A

(*) Denotes confidential information that has been omitted and filed separately, accompanied by a confidential treatment request, with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

FLUOROWARE RESIN SPECIFICATION & CONTROL PLAN
102 Jonathan Blvd. No. Chaska, Minnesota 55318 USA Telephone: 612-448-3131

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printer
icon

Approval

Materials Engineer: _____
Purchasing: _____
Supplier: _____

Spec. No.	Rev.	A3	ECO No.	Date
607				

Supplier:	DuPont	Fluoroware Trade Name:	None
Material Type:	PBT Elastomer	Filler	None
Material Grade:	HYTREL(R)5556 HP	Type	None
		Percent	

Critical Characteristics	Inspection Method	Certified Range	Supplier Reports	Fluoroware Inspection
1. Melt Flow Rate, g/10 min.	FGTM 1202 - Fluoroware H970.5100 - DuPont	(*) (*)	Yes	Yes
2. Contamination: Foreign Particles	FGTM 1200 - Fluoroware H970.3600 - DuPont	(*) (*) (*)	-	Yes
3. Contamination: Metal	FGTM 1218 - Fluoroware	(*)	-	-
4. Color	FGTM 1200 - Fluoroware H970.1600 - DuPont	(*)	-	Yes
5. Moisture (H2O)	H970.5250 - DuPont	(*)	Yes	-
6. Trace metals	FGTM 1343 - Fluoroware	(*)	-	Yes
7. Extractable Anions	FGTM 1344 - Fluoroware	(*)	-	Yes
8. Volatile Organics	FGTM 1345 - Fluoroware	(*)	-	Yes

Packaging Requirements:
Poly-lined containers, sealed against contamination with Fluoroware's part number (607) and lot number clearly marked on each container.

Changes:
(*)

Form QS0092 Rev. A

(*) Denotes confidential information that has been omitted and filed separately, accompanied by a confidential treatment request, with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

ASSIGNMENT AND LIMITED AMENDMENT

This is an ASSIGNMENT and LIMITED AMENDMENT ("Assignment") to the PFA Purchase and Supply Agreement dated January 7, 1999, which was made effective retroactively to November 1, 1998 (hereinafter the "Original Agreement") between E. I. du Pont de Nemours and Company ("DuPont") and Fluoroware, Inc. ("Fluoroware"). Fluoroware merged with Empak, Inc. in June, 1999, to form a new corporation, Entegris, Inc. ("Entegris"). The purpose of this Assignment and Limited Amendment is to reflect the assignment by Fluoroware of its rights and obligations under the Original Agreement to Entegris a Minnesota corporation with a principal place of business at 3500 Lyman Boulevard, Chaska, MN 55318, to which DuPont has consented; and the Original Agreement, as modified by this Assignment and Limited Amendment, is referred to herein as the "Agreement."

1. Assignment. FOR VALUE RECEIVED, Fluoroware, through Entegris, its successor in interest, hereby assigns and transfers to Entegris, with the consent of DuPont, all of its rights, interests and obligations in the Original Agreement (herein, the "Assigned Rights and Obligations"), and Entegris hereby accepts and assumes such Assigned Rights and Obligations. DuPont and Entegris shall cooperate with respect to transition issues and matters raised by this Assignment and relating to the Agreement; and each shall execute and/or exchange such further documentation as is reasonably necessary for such purposes.

2. Amendments.

(a) References to DuPont. With respect to all matters arising under the Agreement on or after the Effective Date, all references in the Original Agreement to "Fluoroware" shall be deemed to refer to "Entegris."

(b) Period of Agreement. The first sentence of Section 1.1 of the Original Agreement is hereby amended in its entirety to read as follows: "This Agreement shall cover the period November 1, 1998, through August 31, 2003."

(c) Scope. Section 1.2(A) of the Original Agreement is amended in its entirety to read as follows:

This Agreement shall relate solely to the following matters:

(A) supply of PFA resins by DuPont to all Entegris facilities in the United States;....

(d) Quantity.

(i) Section 6.1 of the Original Agreement is amended in its entirety to read as follows:

DuPont agrees to sell to Fluoroware, at a minimum, the volume of PFA. Product shown in Attachment I, during the Fluoroware fiscal years indicated therein. Provided that Fluoroware's total requirements for PFA equal or exceed the volume shown in Attachment I for such fiscal years, Fluoroware agrees to purchase said volume at a minimum. For any year in which Fluoroware's total requirements for PFA fall below the volume set forth in Attachment I, Fluoroware agrees to purchase a minimum of (*) of its total requirements of PFA for each such year from DuPont under the terms of this Agreement.

- (ii) Attachment I from the Original Agreement is hereby replaced in its entirety by the new Attachment I, attached hereto as Exhibit A.

4. Prices. Section 9.1 of the Original Agreement is amended in its entirety to read as follows:

- (a) The price of PFA Product for the period November 1, 1998 to August 31, 2000 will be:

Product	Price
-----	-----
440 HP	\$(*)/lb.
445 HP	\$(*)/lb.
450 HP	\$(*)/lb.
TE-5789	\$(*)/lb.
TE-7016	\$(*)/lb.

- (b) The price of PFA Product for the period September 1, 2000 through August 31, 2003 will be:

Product	Price
-----	-----
440 HP	\$(*)/lb.
445 HP	\$(*)/lb.
450 HP	\$(*)/lb.
TE-5789	\$(*)/lb.
TE-7016	\$(*)/lb.

- (*) Denotes confidential information that has been omitted and filed separately, accompanied by a confidential treatment request, with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

(c) Fluoroware acknowledges that DuPont intends to replace TE-7016 with a new resin by approximately the fourth quarter of 1999. Pricing for that resin will be negotiated at the time of the resin introduction.

3. Survival: Confirmation. Except as expressly modified hereby, all of the terms and conditions of the Original Agreement remain in full force and effect and the parties hereby confirm them in all respects.

ACCORDINGLY, the parties have caused this ASSIGNMENT and LIMITED AMENDMENT to be executed and delivered by their duly authorized representatives.

E. I. du Pont de Nemours and Company

By: /s/ Klaus Kimpel

Title: Director, Fluoropolymers Americas

Date: September 20, 1999

Fluoroware, Inc. (now known as Entegris, Inc.)

By: /s/ Ross Hanson

Title: Materials Manager

Date: September 24, 1999

Entegris, Inc.

By: Guy Milliren

Title: Senior Vice President of Operations

Date: September 24, 1999

Exhibit A
Entegris, Inc. Five Year Forecast

Entegris Part #	DuPont Product #	FY -98 (actual)	FY `99	FY `00	FY `01	FY `02	FY `03
Thousands of pounds							
115	440 HPA	(*)	(*)	(*)	(*)	(*)	(*)
158	440 HPB	(*)	(*)	(*)	(*)	(*)	(*)
132	440 HPD	(*)	(*)	(*)	(*)	(*)	(*)
146	450 HP	(*)	(*)	(*)	(*)	(*)	(*)
160	5789	(*)	(*)	(*)	(*)	(*)	(*)
164	445 HP	(*)	(*)	(*)	(*)	(*)	(*)
103	7016	(*)	(*)	(*)	(*)	(*)	(*)
Total		(*)	(*)	(*)	(*)	(*)	(*)

9/17/1999

(*) Denotes confidential information that has been omitted and filed separately, accompanied by a confidential treatment request, with the Securities and Exchange Commission pursuant to Rule 406 of the Securities Act of 1933, as amended.

Independent Auditors' Report and Consent

The Board of Directors
Entegris, Inc.:

The audits referred to in our report dated October 27, 1999, except as to notes 7 and 21 which are as of December 22, 1999 and March 31, 2000, included the related financial statement schedule as of August 31, 1999, and for each of the years in the three-year period ended August 31, 1999, included in the registration statement. This financial statement schedule is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement schedule based on our audits. In our opinion based on our audits and the reports of other auditors, such financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

We consent to the use of our reports included herein and to the reference to our firm under the heading "Experts" in the prospectus. Our reports with respect to the 1997 and 1998 consolidated financial statements is based in part on the report of other auditors.

/s/ KPMG LLP

Minneapolis, Minnesota
May 5, 2000

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the use of our report dated October 8, 1998 included in Entegris, Inc.'s Form S-1 on the August 31, 1998 and 1997 consolidated financial statements of Empak, Inc. and subsidiaries and to all references to our firm included in this registration statement.

/s/ Arthur Andersen LLP

Denver, Colorado
May 5, 2000

5
1,000

YEAR

	AUG-28-1999	
	AUG-30-1998	
	AUG-28-1999	
		16,411
		0
	44,099	
	1,205	
	35,047	
	105,365	
		242,924
	125,300	
	242,064	
56,505		48,023
	0	
		0
		184
	(20,991)	
242,064		
	241,952	
		148,106
	148,106	
	0	
	213	
5,498		
	11,297	
	4,380	
5,729		
	0	
	0	
		0
	5,729	
	0.10	
	0.09	

5
1,000

YEAR	
	AUG-29-1998
	AUG-31-1997
	AUG-29-1998
	8,235
	0
	38,800
	1,322
	36,935
	96,621
	236,900
	103,577
	252,941
54,844	
	67,547
0	
	0
	184
	70,309
252,941	
	266,591
	266,591
	156,508
	156,508
	0
	57
	6,995
	17,913
	4,536
13,083	
	0
	0
	0
	13,083
	0.22
	0.21

5
1,000

YEAR	
	AUG-30-1997
	SEP-01-1996
	AUG-30-1997
	11,354
	0
	46,399
	1,489
	43,745
	118,303
	203,203
	83,049
	260,885
67,312	
	74,412
0	
	0
	182
	32,475
260,885	
	277,290
	277,290
	161,732
	161,732
	0
	404
6,652	
26,335	
	10,578
16,934	
	0
	0
	0
	16,934
	0.28
	0.27

6-MOS	6-MOS	
AUG-27-2000	AUG-28-1999	
AUG-29-1999	AUG-30-1998	
FEB-26-2000	FEB-27-1999	
	25,029	4,825
	0	0
58,672	40,315	
1,311	2,447	
35,132	34,604	
130,176	98,495	
	242,817	241,919
130,617	113,091	
266,540	248,164	
60,064	56,190	
	46,274	59,584
0	0	0
	368	184
(60,379)	23,201	
266,540	248,164	
	156,662	111,590
156,662		
	85,260	72,026
85,260	72,026	
0	0	
106	245	
2,020	3,040	
34,468	1,369	
11,589	89	
23,113	100	
0	0	
0	0	0
23,113	100	
0.39	0.00	
0.36	0.00	