SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-K

(Mark One)

☒ **Annual report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the fiscal year ended December 31, 2007

or

☐ **Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the transition period from to

Commission File Number 000-30789

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

Delaware	**41-1941551**
(State or Other Jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification No.)**

3500 Lyman Boulevard, Chaska, MN 55318
(Address of principal executive offices and zip code)

(952) 556-3131
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Class
Common Stock, $0.01 Par Value

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well known seasoned issuer, as defined in Rule 405 of the Securities Act. ☒ Yes ☐ No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. ☐ Yes ☒ No

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☒	Accelerated filer ☐
Non-accelerated filer ☐	Smaller reporting company ☐

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

The aggregate market value of voting stock held by non-affiliates of the registrant, based on the last sale price of the Common Stock on June 30, 2007, the last business day of registrant's most recently completed second fiscal quarter, was $1,274,251,806. Shares held by each officer and director of the registrant and by each person who owned 10 percent or more of the outstanding Common Shares have been excluded from this computation in that such persons may be deemed to be affiliates of the registrant. This determination of affiliate status for this purpose is not necessarily a conclusive determination for other purposes.

As of January 31, 2008, 115,053,492 shares of the registrant's Common Stock were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Document	Incorporated into Form 10-K
Portions of the Definitive Proxy Statement, to be filed subsequently	Part III

PART I

Item 1. Business.

THE COMPANY

Entegris is a worldwide developer, manufacturer and supplier of materials integrity management solutions to the microelectronics industry in general and to the semiconductor and data storage markets in particular. Our materials integrity management 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 processes. Our 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. We have also leveraged our core technology capabilities to extend our materials integrity management solutions to other high technology applications such as the fuel cell market. Our products are also used to manufacture a range of other products, such as flat panel displays, high-purity chemicals, photoresists, solar cells, gas lasers, optical and magnetic storage devices and fiber optic cables. We sell our products worldwide through a direct sales force and through distributors in selected regions.

We sell a diverse portfolio of products that includes more than 16,000 standard and customized products that we believe provide the most comprehensive offering of materials integrity management products and services to the microelectronics industry. Our products include:

- Microenvironment products, including wafer shippers, wafer transport and process carriers, reticle transport and storage products, standard mechanical interface pods and work-in-process boxes. These products also include shippers and trays that enable the transportation and handling of completed integrated circuits during testing, assembly and packaging operations and that prevent the degradation and damage of magnetic hard disk drives and read/write heads as they are processed and shipped.
- Liquid micro-contamination control products including consumable membrane filters and purifiers and roller brushes for post Chemical Mechanical Planarization (CMP) cleaning applications.
- Liquid systems products including fluid-handling products such as valves, fittings, tubing, pipe, fluid measuring and control products and containers that assure the consistent and safe delivery and storage of sophisticated chemicals between chemical manufacturers and manufacturers’ point-of-use, as well as the precision dispense of chemicals onto the wafer.
- Gas micro-contamination products, including gas purification components and systems, that purify semiconductor process gases and the ambient manufacturing environment.

Certain of these products are unit driven and consumable products that rely on the level of semiconductor manufacturing activity to drive growth while others rely on expansion of manufacturing capacity to drive growth. Our unit driven and consumable product class includes wafer shippers, disk-shipping containers and test assembly and packaging products, membrane-based liquid filters and housings, metal-based gas filters and resin-based gas purifiers. Our capital expense driven products include our process carriers that protect the integrity of in-process wafers, components, systems and subsystems that use electro-mechanical, pressure differential and related technologies, to permit semiconductor and other electronics manufacturers to monitor and control the flow and condition of process liquids used in these manufacturing processes.

SIGNIFICANT DEVELOPMENTS

The Company was incorporated in Delaware in March 2005 in connection with a strategic merger of equals transaction between Entegris, Inc., a Minnesota corporation (Entegris Minnesota), and Mykrolis Corporation, a Delaware corporation (Mykrolis). Effective August 6, 2005, Entegris Minnesota and Mykrolis were each merged into the Company with the Company as the surviving corporation to carry on the combined businesses. For more information concerning the history of our predecessor companies see “Our History” below.

Effective January 1, 2006, the Company changed its fiscal year to the calendar year. As a result of this change, during 2005 the Company had a four-month transition period following the end of its prior fiscal year, running from August 28, 2005, through December 31, 2005. As a result, the financial periods presented in the Company's consolidated financial statements appearing starting at page F-1 below cover the following periods: the twelve months ended December 31, 2007 and December 31, 2006; the four-month transition period ended December 31, 2005; and the twelve months ended August 27, 2005.

Certain financial data included in the following discussion of the Company's business in Items 1 and 1A of this report is shown for twelve-month periods ended December 31, 2007, 2006 and 2005 and is presented on a pro forma combined basis.

In May 2007, the Company's Board of Directors authorized a share repurchase program to acquire up to $250 million of the Company's stock in a modified "Dutch Auction" self-tender offer. Pursuant to this transaction, which was completed in June 2007, the Company purchased 21.1 million shares of its common stock at a price of $11.80 per share, plus costs to acquire the shares, for a total cash outlay of approximately $251.4 million. Following the completion of this tender offer, the Company had approximately 115.7 million shares of common stock outstanding. On November 15, 2007 the Company announced a share buyback program to repurchase up to $49 million of its common stock in open market purchases under an existing stock repurchase authorization by the Company's Board of Directors. The share buyback program, which commenced on December 1, 2007, was established in accordance with the provisions of Rule 10b5-1 and Rule 10b-18 under the Securities Exchange Act of 1934.

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 decade. This trend is expected to continue due to increased internet usage and the continuing demand for applications in data processing, wireless communications, broadband infrastructure, personal computers, handheld electronic devices and other consumer electronics.

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 and purification 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, liquid and gas filters and purifiers, fluid and gas handling components and integrated circuit trays. Semiconductor unit volume is the primary driver of the demand for certain of these materials and products because they are used or consumed throughout the production process and many are replenished or replaced on a regular basis. Demand for other products such as wafer transport and process carriers and equipment products are driven primarily by capacity expansion.

The manufacture of semiconductors is a highly complex process that consists of two principal segments: front-end processes and back-end processes. The front-end process begins with the delivery of raw silicon wafers from wafer manufacturers to semiconductor manufacturers and requires hundreds of highly complex and sensitive manufacturing steps, during which a variety of materials, including chemicals and gases, are introduced. We offer products for each of the primary front-end process steps, which are listed below, as well as our traditional businesses that provide products to transport in-process wafers between each of these steps.

Deposition. Deposition refers to placing layers of insulating or conductive materials on a wafer surface in thin films that make up the circuit elements of semiconductor devices. The two main deposition processes are physical vapor deposition, where a thin film is deposited on a wafer surface in a low-pressure gas environment, and chemical vapor deposition, where a thin film is deposited on a wafer surface using a gas medium and a chemical bonding process. In addition, electro-plating technology is utilized for the deposition of low resistance conductive materials such as copper. The control of uniformity and thickness of these films through filtration and purification of the fluids and materials used during the process is critical to the performance of the semiconductor circuit and, consequently, the manufacturing yield.

Chemical Mechanical Planarization. CMP flattens, or planarizes, the topography of the film surface on the wafer to permit the patterning of small features on the resulting smooth surface by the photolithography process. Semiconductor manufacturers need our filtration and purification systems to maintain acceptable manufacturing yields through the chemical mechanical planarization process by filtering the liquid slurries, which are solutions containing abrasive particles in a chemical mixture, to remove oversized particles and contaminants that can cause defects on a wafer's surface while not affecting the functioning of the abrasive particles in the liquid slurries. In addition, manufacturers use our consumable PVA roller brushes to clean the wafer after completion of the CMP process to prepare the wafer for subsequent operations.

Photolithography. Photolithography is the process step that defines the patterns of the circuits to be built on the chip. Before photolithography, a wafer is pre-coated with photoresist, a light-sensitive film composed of ultra-high purity chemicals in liquid form. The photoresist is exposed to specific forms of radiation, such as ultraviolet light, electrons or x-rays, to form patterns that eventually become the circuitry on the chip. This process is repeated many times, using different patterns and interconnects between layers to form the complex, multi-layer circuitry on a semiconductor chip. As device geometries decrease and wafer sizes increase, it is even more critical that these photoresists are dispensed on to the chip with accurate thickness and uniformity, as well as with low levels of contamination, and that the process gases are free of micro-contamination so that manufacturers can achieve acceptable yields in the manufacturing process. Our liquid filtration and liquid dispense systems play a critical role in assuring the pure, accurate and uniform dispense of photoresists on to the wafer. In addition, our gas micro-contamination systems eliminate airborne amine contaminants that can disrupt effective photolithography processes.

Etch and Resist Strip. Etch is the process of selectively removing precise areas of thin films that have been deposited on the surface of a wafer. The hardened photoresist protects the remaining material that makes up the circuits. During etch, specific areas of the film not covered by photoresist are removed to leave a desired circuit pattern. Similarly, resist strip is a process of removing the photoresist material from the wafer after the desired pattern has been placed on the wafer. Emerging advanced etch and resist strip applications require precisely controlled gas chemistries and flow rates in order to achieve precise etch and resist strip characteristics. Our gas filters and purifiers help assure the purity of these process gas streams.

Wet Cleaning. Ultra-high purity chemicals and photoresists of precise composition are used to clean the wafers, to pattern circuit images and to remove photoresists after etch. Before processes such as photoresist coating, thin film deposition, ion implantation, diffusion and oxidation, and after processes, such as ion implantation and etch, the photoresists must be stripped off, and the wafer cleaned in multiple steps of chemical processes. To maintain manufacturing yields and avoid defective products, these chemicals must be maintained at very high purity levels without the presence of foreign material such as particles, ions or organic contaminants. Our liquid filters and purifiers are used to assure the purity of these chemicals.

Our wafer and reticle carriers are high purity "mini-environments" which carry wafers between each of the above process steps protecting them from damage and contamination during these transport operations. Our fluid handling components assure the delivery of pure liquid chemicals to each of these process steps. Front end wafer processing can involve hundreds of steps and take several weeks. As a result, a batch of 25 fully processed wafers, the maximum number of wafers that can be transported in one of our products, can be worth several million dollars. 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. Thus, 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. Our materials integrity management products enable semiconductor manufacturers 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.

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. Our traditional materials integrity management products, such as wafer shippers, wafer and reticle carriers 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 increasingly 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. This increasing complexity of semiconductor devices has resulted in a number of challenges including the need for more complex, higher-precision liquid and gas delivery, measurement, control and purification systems and subsystems in the front-end manufacturing processes and to improve time-to-market, reduce manufacturing costs, improve production quality and enhance product reliability and long-term service and support. To address these challenges, semiconductor equipment companies and device manufacturers are outsourcing the design and manufacture of liquid delivery, measurement, control and purification systems, subsystems, components, and consumables to us and to other well-established subsystem and component companies that have worldwide presence and leading technologies. The design and performance of those liquid delivery systems, subsystems, components and consumables are critical to the front-end semiconductor manufacturing process because they directly affect cost of ownership and manufacturing yields. We continually seek opportunities to work with our customers to address these challenges.

Also in response to these challenges and to achieve continued productivity gains, semiconductor manufacturers have become increasingly focused on materials integrity management solutions that enable them to safely store, handle, process and transport critical materials throughout the manufacturing process to minimize the potential for damage or degradation to their materials and to protect their investment in processed wafers. The need for efficient and reliable materials integrity management is particularly important as new materials are introduced and as 300 mm semiconductor wafer manufacturing becomes a more prevalent manufacturing technology. Processing 300 mm wafers, currently the largest wafer size in a manufacturing environment, is more costly and more complex because of the larger size of these wafers. In addition, new materials and circuit shrinkage create new contamination and material compatibility risks, rendering 300 mm wafers more vulnerable to damage or contamination. These trends will present new and increasingly difficult shipping, transport, process and storage challenges. We seek to bring our advanced polymer manufacturing and advanced tool design capabilities to bear on these challenges to provide our customers with innovative materials integrity management solutions.

A key emerging market is the outsourced fab services market, which consists of logistics management, spares and refurbishment, consumables and information technology. The market for outsource services remains largely untapped, as currently these activities are performed primarily by the owners of fabs. A rapidly growing segment within this market is materials integrity management services, which includes sub-micron cleaning and certified re-use and recycling of materials management products. As the materials integrity management market continues to grow, we believe that there is an increasing need for more effective and efficient application of materials integrity management solutions through dedicated, outsourced service offerings.

Many of the processes used to manufacture semiconductors are also used to manufacture flat panel displays, magnetic and optical storage devices and fiber optic cables for telecommunications, resulting in the need for similar filtration, purification, control and measurement capabilities. We seek to leverage our products and expertise in serving semiconductor applications to address these important market opportunities.

OUR BUSINESS STRATEGY

Our objective is to be a global leader providing innovative materials integrity management solutions to the semiconductor and ancillary markets. We intend to build upon our position as a worldwide developer, manufacturer and supplier of liquid delivery systems, components and consumables used by semiconductor and other electronic device manufacturers to grow our business in these and other high value-added manufacturing process markets. Our strategy includes the following key elements:

Comprehensive and Diverse Product Offerings. The semiconductor manufacturing industry is driven by rapid technological changes and intense competition. We believe that semiconductor manufacturers are seeking process control suppliers who can provide a broad range of reliable, flexible and cost-effective products, as well as the technological and application design expertise necessary to deliver effective solutions. Our comprehensive product offering enables us to meet a broad range of customer needs and provide a single source of flexible product offerings for semiconductor device and capital equipment manufacturers as they seek to consolidate their supplier relationships to a smaller select group. In addition, we believe manufacturers of semiconductor tools are looking to their suppliers for subsystems that provide more integrated functionality and seamlessly communicate with other equipment. We believe our offering of consumables and equipment, as well as our ability to integrate them, allows us to provide advanced subsystems.

Diversified Revenue Stream. We target a diversified revenue stream by balancing our sales of wafer transport and process carriers as well as component and subsystem equipment products with sales of our unit-driven and consumable products. Our unit-driven and consumable products provide a relatively more stable and recurring source of revenue in an otherwise cyclical industry. Our capital expense driven products, which are generally dependent upon such factors as the construction and expansion of semiconductor manufacturing facilities and the retrofitting and renovation of existing semiconductor facilities, position us to benefit from increases in capital spending that are typically more subject to the volatility of industry cycles.

Technology Leadership. With the emergence of smaller and more powerful semiconductor devices, and the deployment of new materials and processes to produce them, we believe there is a need for greater materials integrity management within the semiconductor fabrication process. We seek to extend our technology by developing advanced products that address more stringent requirements for greater purification, protection and transport of high value-added materials and for contamination control, fluid delivery and monitoring, and system integration. We have continuously improved our products as our customers' needs have evolved. For example: we have developed proprietary materials blends, for use in our wafer handling product family which address the contamination concerns of advanced semiconductor processing below 100 nanometers; we have also developed a next-generation 300 mm front-opening unified pod utilizing those materials targeting the needs of 65 nm production; and we have expanded upon our proprietary two-stage dispense technology with integrated filtration for photoresist delivery, where the photoresist is filtered through one pump and precisely dispensed through a second pump at a different flow rate to reduce defects on wafers.

Strong Customer Base. We have established ongoing relationships with many leading original equipment manufacturers and materials suppliers in our key markets. These industry relationships have provided us with the opportunity for significant collaboration with our customers at the product design stage which has facilitated our ability to introduce new products and applications that meet our customers' needs. For example, we work with our key customers at the pre-design and design stages to identify and respond to their requests for current and future generations of products. We target opportunities to offer new technologies in emerging applications, such as copper plating, chemical mechanical planarization, wet-dry cleaning systems and photolithography. We believe that our large customer base will continue to be an important source of new product development ideas.

Global Presence. We have established a global infrastructure of design, manufacturing, distribution, service and support facilities to meet the needs of our customers. In addition, we may expand our global infrastructure, either through acquisition or internal development, to accommodate increased demand or we may consolidate inefficient operations to optimize our manufacturing and other capabilities. For example, we have established sales and service offices in China in anticipation of a growing semiconductor manufacturing base in that region. As semiconductor and other electronic device manufacturers have become increasingly global, they have required that suppliers offer comprehensive local repair and customer support services. In response to this trend we transferred customer support and logistics activities to local regions in an effort to enhance our global customer contact and awareness. We maintain our customer relationships through a combination of direct sales and support personnel and selected independent sales representatives and distributors in Asia, Europe and the Middle East.

Ancillary Markets. We plan to leverage our accumulated expertise in the semiconductor industry by developing products for applications that employ similar production processes that utilize materials integrity management, high-purity fluids and integrated dispense system technologies. Our products are used in manufacturing processes outside of the semiconductor industry, including the manufacturing of flat panel displays, fuel cell components, high-purity chemicals, photoresists, solar cells, gas lasers, optical and magnetic storage devices and fiber optic cables. We plan to continue to identify and develop products that address materials integrity management and advanced materials processing applications where fluid management plays a critical role. We believe that by utilizing our technology to provide manufacturing solutions across multiple industries we are able to increase the total available market for our products and reduce, to an extent, our exposure to the cyclicality of any particular market.

Strategic Acquisitions, Partnerships and Related Transactions. We plan to pursue strategic acquisitions and business partnerships that enable us to address gaps in our product offerings, secure new customers, diversify into complementary product markets or broaden our technological capabilities and product offerings. As the dynamics of the markets that we serve shift, we will re-evaluate the ability of our existing businesses to provide value-added solutions to those markets in a manner that contributes to achieving our objectives; in the event that we conclude that a business is not able to do this, we expect to restructure or replace that business. Our decisions to divest three product lines in late 2005 and early 2006 and to divest our cleaning equipment business in 2007 were made pursuant to this strategy. Finally, we are continuously evaluating opportunities for strategic alliances and joint development efforts with key customers and other industry leaders.

OUR PRODUCTS

Our product portfolio includes four major categories of products: microenvironment products, liquid microcontamination control products, liquid subsystem products and gas micro-contamination products. These product categories fall into two major product classes: unit-driven and consumable products, and capital-spending driven products. Liquid micro-contamination control products are primarily unit-driven and consumable products. Microenvironment products, liquid subsystem products and gas micro-contamination products include both unit-driven and consumable products as well as capital spending driven products. Unit-driven and consumable products, including service revenue, accounted for approximately 60%, 59% and 60% of our net sales for calendar years 2007, 2006 and 2005, respectively, and capital-expense driven products accounted for approximately 40%, 41% and 40% of our net sales for the calendar years 2007, 2006 and 2005, respectively. There follows a detailed description of each of these four categories of products:

Microenvironment Products

Our microenvironment products preserve the integrity of wafers, reticles and electronic components at various stages of transport, processing and storage. Our microenvironment products fall into two sub-categories, wafer handling and finished electronic component products.

WAFER HANDLING PRODUCTS. We believe that 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® and Crystalpak® products which are supplied to wafer manufacturers in a full range of sizes covering 100, 125, 150 and 200 mm wafers. We also offer a full-pitch front-opening shipping box, or FOSB, for the transportation and automated interface of 300 mm 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.

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 between 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, SMIF 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 100 mm through 300 mm.

We believe we are the only global provider currently offering outsourcing programs for wafer and device transportation and protection for both wafer manufacturing and wafer handling products. Our Wafercare® and DeviceCare ℠ services include product cleaning, certified re-use services for shipping products, on-site and off-site product maintenance and optimization, and end-of-life recycling for our wafer, device and disk-handling products. Re-use services can be customized depending on the customers needs to provide product cleaning, logistics, recovery, certification and supply solutions for our products.

FINISHED ELECTRONIC COMPONENT 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 carriers for 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.

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.

Liquid Micro-contamination Control Products

Liquid processing occurs during multiple manufacturing steps including photolithography, deposition, planarization and surface etching and cleaning. The fluids that are used include various mixtures of acids, bases, solvents, slurries and photochemicals, which in turn are used over a broad range of operating conditions, including temperatures from 5 degrees Celsius up to 180 degrees Celsius. The design and performance of our liquid filtration and purification products are critical to the semiconductor manufacturing process because they directly affect the cost of ownership and manufacturing yield. Specially designed proprietary filters remove sub-micron sized particles and bubbles from the different fluid streams that are used in the manufacturing process. Some of our filters are constructed with ultra-high molecular weight polyethylene flat sheet membranes that offer improved bubble clearance and gel removal, either of which can cause defects in the wafers if not removed. Our low hold-up volume disposable filters, with flat sheet membranes, use our Connectology™ technology to allow filter changes in less than a minute, significantly faster than conventional filters, to reduce the amount of expensive chemicals lost each time a filter is changed and to minimize operator exposure to hazardous solvents and vapors during changeout. We also offer a line of consumable PVA roller brush products to clean the wafer following the chemical mechanical planarization process. Our unique Planacore™ PVA roller brush is molded on the core to allow easy installation that reduces tool downtime and a dimensionally stable product that provides consistent wafer-to-wafer cleaning performance.

Liquid Systems

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 semiconductor 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, fittings, tubing, pipe, chemical containers and custom fabricated products for high-purity chemical applications.

LIQUID DELIVERY AND CONTROL SYSTEMS. Our proprietary photochemical filtration and dispense systems integrate our patented two-stage, filter device and valve control technologies. We believe that we offer the microelectronics industry the only dispense systems with integrated filtration capability and that our proprietary patented two-stage technology has a significant advantage over conventional single-stage technology. Our two-stage technology permits the filtering and dispense functions to operate independently so that filtering and dispensing of photochemicals can occur at different rates, reducing the differential pressure across the filter, conserving expensive photochemicals and resulting in reduced defects in wafers. As described above, we offer a line of proprietary filters specifically designed to efficiently connect with these systems. Our patented digital valve control technology improves chemical uniformity on wafers and improves ease of optimized system operation. In addition, our integrated high-precision liquid dispense systems enable uniform application of photoresists for the spin-coating process, where uniformity is measured in units of Angstroms, a tiny fraction of the thickness of a human hair.

We offer a wide variety of measurement and control products for high-purity and corrosive applications. For electronic measurement and control of liquids, we provide a complete line of pressure and flow measurement and control products as well as all-plastic capacitance sensors for leak detection, valve position, chemical level and other measurements. We also offer a complete line of sight tube-style flowmeters and mechanical gauge pressure measurement products.

Gas Micro-Contamination Products

Our Wafergard®, ChamberGard™ and Waferpure® particle and molecular filtration products purify the gas entering the process chamber in order to eliminate system and wafer problems due to particulate, atmospheric and chemical contaminants. These filters are able to retain all particles 0.003 microns and larger. Our metal filters, such as stainless steel and nickel filters, reduce outgassing and improve corrosion resistance. Our Waferpure® and Aeronex Gatekeeper® purifiers chemically react with and absorb volatile contaminants, such as oxygen and water, to prevent contamination and our ChamberGard™ vent diffusers reduce particle contamination and processing cycle times. We offer a wide variety of gas purification products to meet the stringent requirements of semiconductor processing. Our Aeronex Gas Purification Systems contain dual-resin beds, providing a continuous supply of purified gas without process interruption. These gas purification systems are capable of handling higher flow rates and longer duty cycles than cartridge purifiers. Our Extraction products include filter housings and hybrid media chemical air filters which purify air entering exposure tool and process tool enclosures and remove airborne molecular contaminants.

In addition to the above four product categories, we are pursuing a number of highly engineered, advanced materials product initiatives including: an initiative to transfer our advanced polymer knowledge into the fuel cell market, where the properties of highly engineered polymers can be used in various products and manufacturing processes; and a high-performance specialty coatings business acquired during 2007 where critical components used in semiconductor and other high-technology manufacturing operations are coated by means of a low-temperature plasma-assisted chemical vapor deposition process to provide corrosion and abrasion resistance and desired conductivity and hydrophobicity properties.

Worldwide Applications Development and Field Support Capabilities

We provide strong technical support to our customers through local service groups and engineers consisting of field applications engineers, technical service groups, applications development groups and training capabilities. Our field applications engineers, located in the United States and in approximately ten other countries, work directly with our customers on product qualification and process improvements in their facilities. In addition, in response to customer needs for local technical service and fast turn-around time, we maintain regional applications laboratories. Our applications laboratories maintain process equipment that simulate customers’ applications and industry test standards and provide product evaluation, technical support and complaint resolution for our customers.

OUR CUSTOMERS AND MARKETS

Our major customer groups include integrated circuit device manufacturers, original equipment manufacturers that provide equipment to integrated circuit device manufacturers, gas and chemical manufacturing companies and manufacturers of high-precision electronics.

Our most significant customers based on sales in fiscal 2007 include industry leaders, such as AMD, Dainippon Screen Manufacturing Co., Ltd., IBM, Komag, Inc., Motorola, Samsung America Inc., Seagate Technology, Siltronic AG, SUMCO Oregon Corp., Taiwan Semiconductor Manufacturing Co. Ltd., and UMC Group. We also sell our products to flat panel display original equipment manufacturers, materials suppliers and end-users. The major manufacturers for flat panel displays and flat panel display equipment are concentrated in Japan, Korea and other parts of Asia.

In calendar years 2007, 2006 and 2005, net sales to our top ten customers accounted for approximately 28%, 27% and 33%, respectively, of our net sales. During those same periods no single customer accounted for more than 10% of our net sales and international net sales represented approximately 74%, 71% and 71%, respectively, of our net sales. Over 2,700 customers purchased products from us during 2007.

We may enter into supply agreements with our customers to govern the conduct of our business with our customers, including the manufacture of our products. These agreements generally have a term of one to three years, but do not contain any long-term purchase commitments. Instead, we work closely with our customers to develop non-binding forecasts of the future volume of orders. However, customers may cancel their orders, change production quantities from forecasted volumes or delay production for a number of reasons beyond our control.

Sales and Marketing

We sell our products worldwide primarily through our direct sales force located in offices in all major semiconductor markets, as well as through independent distributors elsewhere. As of December 31, 2007, our sales and marketing force consisted of approximately 460 employees worldwide. Our direct sales force is supplemented by independent sales representatives and agents.

Our marketing efforts focus on our "push/pull" marketing strategy in order to maximize our selling opportunities. We work with original equipment manufacturers to persuade them to design tools that require our products and we create end-user "pull" demand by persuading semiconductor manufacturers to specify our products. Our industry relationships have provided us with the opportunity for significant collaboration with our customers at the product design stage that has facilitated our ability to introduce new products and applications that meet our customers' needs. In addition, we are constantly identifying for our customers the variety of analytical, purification and process control challenges that may be addressed by our products. Further, we adapt our products and technologies to resolve process control issues identified by our customers. Our sales representatives provide our customers with worldwide support and information about our products.

We believe that our technical support services are important to our marketing efforts. These services include assisting in defining a customer's needs, evaluating alternative products, designing a specific system to perform the desired separation, training users and assisting customers in compliance with relevant government regulations. In addition, we maintain a network of service centers located in the United States and in key international markets to support our products.

Competition

The market for our products is highly competitive. While price is an important factor, we compete primarily on the basis of the following factors:

- historical customer relationships;
- technical expertise;
- product quality and performance;
- total cost of ownership;
- customer service and support;
- breadth of product line;
- breadth of geographic presence;
- advanced manufacturing capabilities; and
- after-sales service.

We believe that we compete favorably with respect to all of the factors listed above, but we cannot assure you that we will continue to do so. We believe that our key competitive strengths include our broad product line, the low total cost of ownership of our products, our ability to provide our customers with quick order fulfillment and our technical expertise. However, our competitive position varies depending on the market segment and specific product areas within these segments. While we have longstanding relationships with a number of semiconductor and other electronic device manufacturers, we also face significant competition from companies that have longstanding relationships with other semiconductor and electronic device manufacturers and, as a result, have been able to have their products specified by those customers for use in manufacturers' fabrication facilities. In the markets for our consumable products, we believe that our differentiated membrane and materials integrity management technologies, strong supply chain capabilities, that allow us to provide our customers with quick order fulfillment, and technical expertise, which enables us to develop membranes to meet specific customer needs and assist our customers in improving the functionality of our membranes for particular applications, allow us to compete favorably. In these markets our competitors compete against us on the basis of price, as well as alternative membrane technology having different functionality, manufacturing capabilities and breadth of geographic presence.

The market for our products is highly fragmented, and we compete with a number of different companies. Our microenvironment product lines face competition largely on a product-by-product basis. We face competition from companies such as Miraial (formerly Kakizaki), Dainichi and Shin-Etsu Polymer and from regional suppliers such as e.PAK Resources Pte. Ltd. These companies compete with us primarily in 200 mm and 300 mm applications. Our liquid systems products also face worldwide competition from companies such as Saint-Gobain, Parker, Gemu, Donaldson and Iwaki Co., Ltd. In finished electronic components products, we compete with companies such as ITW/Camtex, Peak International and 3M and from regional suppliers. Our liquid micro-contamination control products compete with product offerings from a wide range of companies including both large companies such as Pall Corporation as well as small Asian filter manufacturers. In gas micro-contamination products we compete with companies such as SAES Puregas and Mott Metallurgical Corporation. Some of our competitors are larger and have greater resources than we do. In some cases, our competitors are smaller than us, but well-established in specific product niches. We believe that none of our competitors competes with us across all of our product offerings and that, within the markets that we serve, we offer a broader line of products, make use of a wider range of process control technologies and address a broader range of applications than any single competitor.

RESEARCH AND DEVELOPMENT

Our aggregate research and development expenses in calendar years 2007, 2006 and 2005 were $39.7 million, $38.1 million and $36.1 million, respectively. As of December 31, 2007, we had approximately 277 employees in engineering, research and development. In addition, we have followed a practice of supplementing our internal research and development efforts by licensing technology from unaffiliated third parties and/or acquiring distribution rights with respect thereto when we believe it is in our long-term interests to do so.

To meet the global needs of our customers, we have research and development capabilities in Minnesota, Massachusetts, Japan and Malaysia. Our research and development efforts are directed toward developing and improving our technology platforms for semiconductor and advanced processing applications and identifying and developing products for new applications for which fluid management plays a critical role.

We use sophisticated methodologies to research, 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 many cases parts per trillion.

Our capabilities to test and characterize our materials and products are focused on continuously reducing risks and threats to the integrity of the critical materials that our customers use in their manufacturing processes. 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.

Key elements of our research and development expenditures over the past three years have included the development of new product platforms to meet the manufacturing needs for 90, 65, 45 and 32 nanometer semiconductor devices. Driven by the proliferation of new materials and chemicals in the manufacturing processes and increased needs for tighter process control for 300mm wafers, investments were made for new contamination control products in the area of copper interconnects, deep ultra-violet (DUV) photolithography; and chemical and gas management technologies for advanced wafer cleans, deposition and etch equipment. Additional investments were made in the area of advanced process control, monitoring and diagnostics capabilities for future generations of semiconductor manufacturing processes. Our employees also work closely with our customers' development personnel. These relationships help us identify and define future technical needs on which to focus our research and development efforts. In addition, we participate in Semiconductor Equipment and Materials International (SEMI), a consortium of semiconductor equipment suppliers. We also support research at academic and other institutions targeted at advances in materials science and semiconductor process development.

MANUFACTURING

Our customers rely on our products to assure the integrity of the critical materials used in their manufacturing processes 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 integrity 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 manufacturing facilities in the United States, Japan and Malaysia. 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 accomplished through 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 thickness. In addition, we use extrusion technology to extrude a polymer mix into flat sheet and hollow fiber membranes.
- ***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 accomplished by 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.
- ***Compression Molding.*** In compression molding, thermoset polymers are processed. Today, we use this manufacturing process primarily for manufacturing bipolar plates and end-plates for the fuel cell market. We use the same expertise as in injection molding to assure a consistently produced precision product.
- ***Membrane Casting.*** We cast membrane by extruding a polymer into flat sheet or hollow fiber format that is passed through a chamber with controlled atmospheric conditions to control the development of voids or pores in the membrane. Once cast, the membrane is subjected to solvent extraction and annealing steps. The various properties of the membranes that we offer are developed during subsequent process steps.
- ***Cartridge Manufacturing.*** We fabricate the membrane we manufacture as well as membranes manufactured by others into finished filtration cartridges in a variety of configurations. The fabrication process involves membrane processing into pleated and other configurations around a central core and enclosing it in framework of end caps and protective screening for use in fabricated cartridge housings. We also manufacture filter cartridges that are integrated into their own housings and incorporate our patented Connectology™ quick connect technology.

- ***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 approximately 60 tool development and tool-making staff at locations in the United States and Malaysia. 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 computer-aided design (CAD) equipment allows us to develop three-dimensional electronic models of desired customer products to guide design and tool-making activities. Our 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 three-dimensional CAD 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 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 analysis 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.

Patents and Other Intellectual Property Rights

We rely on a combination of patent, copyright, trademark and trade secret laws and license agreements to establish and protect our proprietary rights. As of February 1, 2008 our patent portfolio included 328 current U.S. patents, 720 current foreign patents, including counterparts to U.S. filings, 124 pending U.S. patent applications, 63 pending filings under the Patent Cooperation Treaty not yet nationalized and 793 pending foreign patent applications. While we believe that patents may be important for aspects of our business, we believe that our success also depends more upon close customer contact, innovation, technological expertise, responsiveness and worldwide distribution. Additionally, while our patented technology may delay or deter a competitor in offering a competing product, we do not believe that our patent portfolio functions as a barrier to entry for any of our competitors. In addition, while we license and will continue to license technology used in the manufacture and distribution of products from third parties, except as described below, these licenses are not currently related to any of our core product technology. In connection with the separation of Mykrolis from Millipore Corporation, Mykrolis was granted licenses to certain Millipore technology. Our use of Millipore’s technology is governed by the agreements governing the separation of Mykrolis from Millipore, which prohibit our use of Millipore’s technology in fields of use outside the microelectronics industry. In general, where technology is used both by Millipore in the manufacture of its products and by us in the manufacture of our products, Millipore retained ownership of the technology and granted us a license to use the technology, limited to fields of use in the microelectronics industry. These restrictions could limit our ability to expand our business into markets outside the microelectronics industry, which could limit our growth.

We require each of our employees, including our executive officers, to enter into standard agreements pursuant to which the employee agrees to keep confidential all of our proprietary information and to assign to us all inventions made while employed by us.

The patent position of any manufacturer, including us, is subject to uncertainties and may involve complex legal and factual issues. Litigation is currently necessary and will likely 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.

Governmental Regulation

Our operations are subject to federal, state and local regulatory requirements relating to environmental, waste management and health and safety matters, including measures relating to the release, use, storage, treatment, transportation, discharge, disposal and remediation of contaminants, hazardous substances and wastes, as well as practices and procedures applicable to the construction and operation of our plants. There can be no assurance that we will not incur material costs and liabilities or that our past or future operations will not result in exposure to injury or claims of injury by employees or the public. Although some risk of costs and liabilities related to these matters is inherent in our business, as with many similar businesses, we believe that our business is operated in substantial compliance with applicable regulations. However, new, modified or more stringent requirements or enforcement policies could be adopted, which could adversely affect us. While we expect that capital expenditures will be necessary to assure that any new manufacturing facility is in compliance with environmental and health and safety laws, we do not expect these expenditures to be material. Otherwise, we are not presently aware of any facts or circumstances that would cause us to incur significant liabilities in the future related to environmental, health and safety law compliance.

Employees

As of February 1, 2008, we had approximately 2,781 full-time employees, including approximately 277 in engineering, research and development and approximately 460 in sales and marketing as well as approximately 241 temporary employees. Given the variability of business cycles in the semiconductor industry and the quick response time required by our customers, it is critical that we be able to quickly adjust the size of our production staff to maximize efficiency. Therefore, we use skilled temporary labor as required.

None of our employees are represented by a labor union or covered by a collective bargaining agreement other than statutorily mandated programs in European countries.

Information About Our Operating Segment

The Company operates in one reportable business segment that develops, manufactures and sells consumables and capital equipment products to semiconductor manufacturing companies and other companies using similar manufacturing processes, as well as OEM suppliers to those companies. In calendar years 2007, 2006 and 2005 approximately 74%, 71% and 71%, respectively, of our net sales were made to customers outside North America. Industry and geographic segment information is discussed in Note 19 to the Entegris, Inc. Consolidated Financial Statements (the “Financial Statements”) included in response to Item 8 below, which Note is hereby incorporated herein by reference.

Other Information

On July 27, 2005, our Board of Directors adopted a shareholder rights plan (the “Rights Plan”) pursuant to which Entegris declared a dividend on August 8, 2005 to its shareholders of record on that date of one preferred share purchase right (a “Right”) for each share of Entegris common stock owned on August 8, 2005. Each Right entitles the holder to purchase one-hundredth of a share of a series of preferred stock at an exercise price of $50, subject to adjustment as provided in the Rights Plan. The Rights Plan is designed to protect Entegris’ shareholders from attempts by others to acquire Entegris on terms or by using tactics that could deny all shareholders the opportunity to realize the full value of their investment. The Rights are attached to the shares of our common stock until certain triggering events specified in the Rights Agreement occur, including, unless approved by our Board of Directors, an acquisition by a person or group of specified levels of beneficial ownership of our common stock or a tender offer for our common stock. Upon the occurrence of any of these triggering events, the Rights authorize the holders to purchase at the then-current exercise price for the Rights, that number of shares of our common stock having a market value equal to twice the exercise price. The Rights are redeemable by us for $0.01 and will expire on August 8, 2015. One of the events which will trigger the Rights is the acquisition, or commencement of a tender offer, by a person (an Acquiring Person, as defined in the shareholder rights plan), other than Entegris or any of our subsidiaries or employee benefit plans, of 15% or more of the outstanding shares of our common stock. An Acquiring Person may not exercise a Right.

Entegris' products are made from a wide variety of raw materials which are generally available in quantity from alternate sources of supply. However, certain materials included in the Company's products, such as polymer resins and certain membranes, 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 these sources could interrupt our manufacturing operations and result in an adverse effect on the Company's results of operations. Furthermore, a significant increase in the price of one or more of these components could also adversely affect the Company's results of operations.

Our History

Effective August 6, 2005 Entegris, Inc., a Minnesota corporation, and Mykrolis Corporation, a Delaware corporation, completed a strategic merger of equals transaction, pursuant to which they were each merged into the Company to carry on the combined businesses. Pursuant to this merger each stockholder of Entegris Minnesota received one share of Entegris for each Entegris Minnesota share held and each Mykrolis stockholder received 1.39 shares of Entegris for each Mykrolis share held. Immediately following the Merger, our Board of Directors was comprised of five directors from Entegris Minnesota and five directors from Mykrolis. Our management team is drawn from both Mykrolis and Entegris Minnesota. Our executive offices are located at 3500 Lyman Boulevard, Chaska, Minnesota 55318, and our telephone number is (952) 556-3131. Unless the context otherwise requires, the terms "Entegris", "we", "our", or the "Company" mean Entegris, Inc., a Delaware corporation, and its subsidiaries; the term "Mykrolis" means Mykrolis Corporation and its subsidiaries when referring to periods prior to August 6, 2005; "Entegris Minnesota" means Entegris, Inc., a Minnesota corporation and its subsidiaries other than Entegris when referring to periods prior to August 6, 2005; and the term "Merger" refers to the transactions effected on August 6, 2005 in which Entegris Minnesota merged into Entegris, followed by the merger of Mykrolis into Entegris.

We were incorporated in Delaware in March 2005 under the name Eagle DE, Inc. as a wholly owned subsidiary of Entegris Minnesota. Effective August 6, 2005 Entegris Minnesota merged into us in a reincorporation merger of which we were the surviving corporation. Immediately following that merger, Mykrolis merged into us and our name was changed to Entegris, Inc. Our stock is traded on the NASDAQ National Market System under the symbol "ENTG".

Entegris Minnesota was incorporated in June 1999 to effect the business combination of Fluoroware, Inc., which began operating in 1966, and EMPAK, Inc., which began operating in 1980. On July 10, 2000 Entegris Minnesota completed an initial public offering of approximately 19% of the total shares of the Company's common stock outstanding.

Mykrolis was organized as a Delaware corporation on October 16, 2000 under the name Millipore MicroElectronics, Inc. in connection with the spin-off by Millipore Corporation of its microelectronics business unit. On March 31, 2001, Millipore effected the separation of the Mykrolis business from Millipore's business by transferring to Mykrolis substantially all of the assets and liabilities associated with its microelectronics business. On August 9, 2001 Mykrolis completed an initial public offering of approximately 18% of the total shares of the Company's common stock outstanding. On February 27, 2002, Millipore completed the spin-off of Mykrolis by distributing to its stockholders the 82% of the Mykrolis common stock that it held following the Mykrolis initial public offering.

EXECUTIVE OFFICERS

The following is a list, as of December 31, 2007, of our Executive Officers. All of the Executive Officers listed below were elected to serve until the first Directors Meeting following the 2008 Annual Stockholders Meeting.

Name	Age	Office	First Elected To Office*
CORPORATE OFFICERS			
Gideon Argov	51	*President & Chief Executive Officer*	2004
Gregory B. Graves	47	*Senior Vice President, Chief Financial Officer & Treasurer*	2002
Jean-Marc Pandraud	54	*Executive Vice President & Chief Operating Officer*	2001
Bertrand Loy	42	*Executive Vice President & Chief Administrative Officer*	2001
Peter W. Walcott	61	*Senior Vice President, Secretary & General Counsel*	2001
John J. Murphy	55	*Senior Vice President Human Resources*	2005
John Goodman	47	*Senior Vice President Chief Technology & Innovation Officer*	2005

* With either the Company or a predecessor company

Gideon Argov has been our President and Chief Executive Officer and a director since the effectiveness of our merger with Mykrolis. He served as the Chief Executive Officer and a director of Mykrolis since November 2004. Prior to joining Mykrolis, Mr. Argov was a Special Limited Partner at Parthenon Capital, a Boston-based private equity partnership, since 2001. He served as Chairman, Chief Executive Officer and President of Kollmorgen Corporation from 1991 to 2000. From 1988 to 1991 he served as Chief Executive Officer of High Voltage Engineering Corporation. Prior to 1988, he led consulting engagement teams at Bain and Company. He is a director of Interline Brands, Inc. and Fundtech Corporation.

Jean-Marc Pandraud has been our Executive Vice President and Chief Operating Officer since the effectiveness of the merger with Mykrolis. He served as the President and Chief Operating Officer of Mykrolis since January 2001. Prior to that he served as Vice President and General Manager of the Microelectronics Divisions of Millipore, a position he had held since July 1999. From 1994 until 1999, Mr. Pandraud served as the Vice President and General Manager of Millipore’s Laboratory Water Division and was also Regional Manager of Millipore’s Latin American operations from 1997 until 1999. Mr. Pandraud also served as the Managing Director of Millipore’s French subsidiary and as European General Manager for the Millipore Analytical Division from 1988 until 1994.

Bertrand Loy has been our Executive Vice President and Chief Administrative Officer since the effectiveness of the merger with Mykrolis. He served as the Vice President and Chief Financial Officer of Mykrolis since January 2001. Prior to that, Mr. Loy served as the Chief Information Officer of Millipore from April 1999 until December 2000. From 1995 until 1999, he served as the Division Controller for Millipore’s Laboratory Water Division. From 1989 until 1995, Mr. Loy served Sandoz Pharmaceuticals (now Novartis) in a variety of financial, audit and controller positions located in Europe, Central America and Japan.

Gregory B. Graves has been our Senior Vice President and Chief Financial Officer since April of 2007; prior to that he served as Senior Vice President Strategic Planning & Business Development since the effectiveness of the merger with Mykrolis. Mr. Graves served as the Chief Business Development Officer of Entegris Minnesota since September 2002 and from September 2003 until August 2004 he also served as Senior Vice President of Finance. Prior to joining Entegris Minnesota, Mr. Graves held positions in investment banking and corporate development, including at U.S. Bancorp Piper Jaffray from June 1998 to August 2002 and at Dain Rauscher from October 1996 to May 1998.

Peter W. Walcott has been our Senior Vice President, Secretary and General Counsel since the effectiveness of the merger with Mykrolis. He served as the Vice President, Secretary and General Counsel of Mykrolis since October 2000. Mr. Walcott served as the Assistant General Counsel of Millipore from 1981 until March 2001.

Joseph J. Murphy joined us as our Senior Vice President Human Resources in October of 2005. He served as the Senior Vice President Human Resources of HNTB, an engineering and architectural services firm from February 2004 until October 2005 and as Corporate Vice President, Human Resources of Cadence Design Systems, Inc. from May of 2000 through October 2003 Prior to that Mr. Murphy held senior human resource positions with L.M. Ericsson Telephone Company and with General Electric Company.

John Goodman has been our Senior Vice President Chief Technology & Innovation Officer since the effectiveness of the merger with Mykrolis. He served as the Managing Director of the fuel cell market sector of Entegris Minnesota since January 2005 and prior to that as president of the fuel cell market sector since June 2002. Mr. Goodman served as Executive Vice President and Chief Technology Officer of Entegris Minnesota from 1999 to 2002. Prior to that time, Mr. Goodman held a variety of positions with Fluoroware (a predecessor to Entegris Minnesota) since 1982.

AVAILABLE INFORMATION

Our Annual Report on Form 10-K, our quarterly reports on Form 10-Q and any current reports on Form 8-K that we may file or furnish to the SEC pursuant to Sections 13(a) or 15(d) of the Securities Exchange Act of 1934 as well as any amendments to any of those reports are available free of charge on or through our website as soon as reasonably practicable after we file them with or furnish them to the SEC electronically. Our website is located at http://www.Entegris.com; these reports can be found under “Investor Relations—SEC Filings”. In addition, the SEC maintains a website containing these reports that can be located at http://www.sec.gov. These reports may also be read and copied at the SEC’s Public Reference Room at 450 Fifth Street, N.W., Washington, D.C. 20549. Information on the operation of the Public Reference Room may be obtained by calling the SEC at 1-800-SEC-0330.

At their first meeting following the Merger, on August 10, 2005, our Board of Directors adopted a code of business ethics, The Entegris Code of Business Ethics, applicable to all of our executives, directors and employees as well as a set of corporate governance guidelines. The Entegris Code of Business Ethics, the Governance Guidelines and the charters for our Audit & Finance Committee, Governance & Nominating Committee and of our Management Development & Compensation Committee all appear on our website at http://www.Entegris.com under “Investor Relations—Governance”. The Governance Guidelines and committee charters are also available in print to any shareholder that requests a copy. Copies may be obtained by contacting Peter W. Walcott, our Senior Vice President & General Counsel through our corporate headquarters.

Item 1A. Risk Factors.

Risks Relating to our Business and Industry

The semiconductor industry has historically been highly cyclical, and industry downturns 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 has historically been highly cyclical with periodic downturns, which often have resulted in decreased expenditures by semiconductor manufacturers. While over the past sixteen quarters this cyclicality has moderated somewhat, there can be no assurance that the semiconductor industry will not return to the high cyclicality of the past. Even this somewhat moderated cyclicality could cause our operating results to fluctuate significantly from one period to the next.

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. At the same time, we have to manage our operations to be able to respond to significant increases in demand. In addition, because we typically do not have significant backlog, changes in order patterns have a more immediate impact on our revenues. We expect the semiconductor industry to continue to be cyclical. During downturns our revenue is reduced and there is likely to be an increase in pricing pressure, affecting both gross margin and net income. 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.

The semiconductor industry is subject to rapid demand shifts, which are difficult to predict. As a result, our inability to meet demand in response to these rapid shifts may cause a reduction in our market share.

Our ability to increase sales of our products, particularly our capital equipment products, depends in part upon our ability to ramp up the use of our manufacturing capacity for such products in a timely manner and to mobilize our supply chain. In order to meet the demands of our customers, we may be required to ramp up our manufacturing capacity in as little as a few months. If we are unable to expand our manufacturing capacity on a timely basis or manage such expansion effectively, our customers could seek such products from other suppliers, and our market share could be reduced. Because demand shifts in the semiconductor industry are rapid and difficult to foresee, we may not be able to increase capacity quickly enough to respond to such an increase in demand.

Our annual and quarterly operating results are subject to fluctuations as a result of rapid demand shifts and our insignificant level of backlog, and if we fail to meet the expectations of securities analysts or investors, the market price of our securities may decrease significantly.

Our sales and profitability can vary significantly from quarter to quarter and year to year. 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, we make a substantial portion of our shipments shortly after we receive the order, and therefore we operate with a relatively modest level of backlog. As a consequence of the just-in-time nature of shipments and the modest level of backlog, our results of operations may decline quickly and significantly in response to changes in order patterns or rapid decreases in demand for our products. We anticipate that fluctuations in operating results will continue in the future. Such fluctuations in our results could cause us to fail to meet the expectations of securities analysts or investors, which could cause the market price of our securities 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.

We may not be able to accurately forecast demand for our products.

As noted above, we typically operate our business on a just-in-time shipment basis with a modest level of backlog and we order supplies and plan production based on internal forecasts of demand. Due to these factors, we have, in the past, and may again in the future, fail to accurately forecast demand for our products, in terms of both volume and specific products for which there will be demand. This has led to, and may in the future lead to, delays in product shipments, disappointment of customer expectations, or, alternatively, an increased risk of excess inventory and of inventory obsolescence. If we fail to accurately forecast demand for our products, our business, financial condition and operating results could be materially and adversely affected.

Semiconductor industry up-cycles may not reach historic levels but instead may reflect a lower rate of long-term growth, similar to the electronics industry.

Notwithstanding the severe and prolonged downturn in the semiconductor industry and the related reduction in manufacturing operations during the period 2001 to 2003, there may still be excess manufacturing capacity. In addition, there is no new high-opportunity application to drive growth in the semiconductor industry, as was the case in 1998 with telecommunications and internet applications. Accordingly, some analysts have predicted that the semiconductor industry may experience lower growth rates during a recovery cycle than has historically been the case and that its longer-term performance may reflect this lower growth rate, which would be similar to the growth rate of the electronics industry.

If we are unable to maintain our technological expertise in design and manufacturing processes, we will not be able to successfully compete.

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. We believe that our future success will depend upon our ability to develop and provide products that meet the changing needs of our customers, including the transition from the use of 200 millimeter wafers to 300 millimeter wafers, the shrinking of integrated circuit line-widths and the use of new classes of materials, such as copper, titanium nitride and organic and inorganic dielectric materials, which are materials that have either a low or high resistance to the flow of electricity. This requires that we successfully anticipate and respond to technological changes in manufacturing processes in a cost-effective and timely manner. Any inability to develop the technical specifications for any of our new products or enhancements to our existing products or to manufacture and ship these products or enhancements in volume in a timely manner could harm our business prospects and significantly reduce our sales. In addition, if new products have reliability or quality problems, we may experience reduced orders, higher manufacturing costs, delays in acceptance and payment, additional service and warranty expense and damage to our reputation.

Because our sales are concentrated on a small number of key customers, our revenue and profitability may materially decline if one or more of our key customers do not continue to purchase our existing and new products in significant quantities.

We depend and expect to continue to depend on a limited number of customers for a large portion of our business, and changes in several customers' orders could have a significant impact on our operating results. If any one of our key customers decides to purchase significantly less from us or to terminate its relationship with us, our revenue and profitability may decline significantly. We could also lose our key customers or significant sales to our key customers because of factors beyond our control, such as a significant disruption in our customers' businesses generally or in a specific product line. These customers may stop incorporating our products into their products with limited notice to us and suffer little or no penalty for doing so. In addition, if any of our customers merge, we may experience lower overall sales from the merged companies. Because one of our strategies has been to develop long-term relationships with a few key customers in the product areas in which we focus and because we have a long product design and development cycle for most of our products and prospective customers typically require lengthy product qualification periods prior to placing volume orders, we may be unable to replace these customers quickly or at all.

Because we are subject to order and shipment uncertainties and many of our costs are fixed, any significant changes, cancellations or deferrals of orders or shipments could cause our revenue and profitability to decline or fluctuate.

As is typical in the microelectronics industry, we do not usually obtain long-term purchase orders or commitments from our customers. Instead, we work closely with our customers to develop non-binding forecasts of the future volume of orders. Customers may cancel their orders, change production quantities from forecasted volumes or delay production for reasons beyond our control. Order cancellations or deferrals could cause us to hold inventory for longer than anticipated, which could reduce our profitability, restrict our ability to fund our operations and cause us to incur unanticipated reductions or delays in our revenue. Our customers often change their orders multiple times between initial order and delivery. Such changes usually relate to quantities or delivery dates, but sometimes relate to the specifications of the products we are supplying. If a customer does not timely pay for these products, we could incur significant charges against our income. In addition, our profitability may be affected by the generally fixed nature of our costs. Because a substantial portion of our costs is fixed, we may experience deterioration in gross margins when volumes decline. From time to time, we make capital investments in anticipation of future business opportunities. If we are unable to obtain the anticipated business, our revenue and profitability may decline.

Competition from existing or new companies in the microelectronics industry could cause us to experience downward pressure on prices, fewer customer orders, reduced margins, the inability to take advantage of new business opportunities and the loss of market share.

We operate in a highly competitive industry. We compete against many domestic and foreign companies that have substantially greater manufacturing, financial, research and development and marketing resources than we do. In addition, some of our competitors may have more developed relationships with our existing customers than we do, which may enable them to have their products specified for use more frequently by these customers. We also face competition from the manufacturing operations of our current and potential customers, who continually evaluate the benefits of internal manufacturing versus outsourcing. As more original equipment manufacturers dispose of their manufacturing operations and increase the outsourcing of their products to liquid and gas delivery system and other component companies, we may face increasing competitive pressures to grow our business in order to maintain our market share. If we are unable to maintain our competitive position, we could experience downward pressure on prices, fewer customer orders, reduced margins, the inability to take advantage of new business opportunities and a loss of market share.

Competition in the semiconductor and data storage materials integrity management fields could intensify, which may limit our ability to maintain and increase our market share and raise prices.

We face substantial competition from a number of companies, some of which have greater financial, marketing, manufacturing and technical resources. Larger providers of materials integrity management solutions and products could emerge, with potentially broader product lines. Larger competitors could spend more time and resources 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 diminish our market share and 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 300 mm shipper products as well as our other products could harm our operating results.

The growing trend toward the use of 300 mm 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 have made substantial investments to complete a full line of 300 mm wafer shipping products, but there is no guarantee that our customers will adopt our 300 mm wafer shipping product lines as they convert existing 200 mm wafer fabrication facilities to the fabrication of 300 mm wafers or build new 300 mm wafer fabrication facilities, and sales of our shipping products for these applications would be minimal and we might not recover our development costs.

Semiconductor and other electronic device manufacturers may direct semiconductor capital equipment manufacturers to use a specified supplier's product in their equipment. Accordingly, our success depends in part on our ability to have semiconductor and other electronic device manufacturers specify that our products be used at their fabrication facilities. Some of our competitors may have more developed relationships with semiconductor and other electronic device manufacturers, which enable them to have their products specified for use in manufacturers' fabrication facilities.

We may acquire other businesses, form joint ventures or divest businesses that could negatively affect our profitability, increase our debt and dilute your ownership of our company.

As part of our business strategy, we have, and we expect to continue to address gaps in our product offerings, diversify into complementary product markets or pursue additional technology and customers through acquisitions, joint ventures or other types of collaborations. We also expect to adjust our portfolio of businesses to meet our ongoing strategic objectives. As a result, we may enter markets in which we have no or limited prior experience and may encounter difficulties in divesting businesses that no longer meet our objectives. Competition for acquiring attractive businesses in our industry is substantial. In executing this part of our business strategy, we may experience difficulty in identifying suitable acquisition candidates or in completing selected transactions at appropriate valuations. Alternatively, we may be required to undertake multiple transactions at the same time in order to take advantage of acquisition opportunities that do arise; this could strain our ability to effectively execute and integrate these transactions. We consider a variety of financing alternatives for each acquisition which could include borrowing additional funds, reduction of our cash balances or issue of additional shares of our common stock to complete an acquisition. This could impair our liquidity and dilute your ownership of our company. Further, we may not be able to successfully integrate any acquisitions that we do make into our existing business operations and we could assume unknown or contingent liabilities or experience negative effects on our reported results of operations from dilutive results from operations and/or from future potential impairment of acquired assets including goodwill related to future acquisitions. We may experience difficulties in operating in foreign countries or over significant geographical distances and in retaining key employees or customers of an acquired business, and our management's attention could be diverted from other business issues. We may not identify or complete these transactions in a timely manner, on a cost-effective basis or at all, and we may not realize the benefits of any acquisition or joint venture.

Our credit agreement contains restrictions that limit our flexibility in operating our business.

Our credit facility contains various covenants that limit our ability to engage in specified types of transactions including, among other things our ability to:

- incur additional indebtedness;
- pay dividends on, repurchase or make distributions in respect of our capital stock or make other restricted payments;
- make certain investments;
- sell certain assets;
- create liens;
- consolidate, merge, sell or otherwise dispose of all or substantially all of our assets; and
- enter into certain transactions with our affiliates.

Significant increases in borrowings under our revolving credit agreement would leave us with a higher degree of leverage.

A higher degree of leverage could have important consequences for our business and your investment, including:

- increasing our vulnerability to adverse economic, industry or competitive developments;
- requiring a substantial portion of our cash flow from operations to be dedicated to the payment of principal and interest on our indebtedness, therefore reducing our ability to use our cash flow to fund our operations, capital expenditures and future business opportunities;

- exposing us to the risk of increased interest rates on certain of our borrowings;
- making it more difficult for us to satisfy our obligations with respect to our indebtedness;
- restricting us from making strategic acquisitions or causing us to make non-strategic divestitures;
- limiting our ability to obtain additional financing for working capital, capital expenditures, product development, debt service requirements, acquisitions and general corporate or other purposes; and
- limiting our flexibility in planning for, or reacting to, changes in our business or market conditions and placing us at a competitive disadvantage compared to our competitors who are less highly leveraged and who therefore, may be able to take advantage of opportunities that our leverage prevents us from exploiting.

The failure to generate sufficient profitability may cause some or all of the Company’s deferred tax assets to expire.

As of December 31, 2007, the Company had approximately $49.1 million in net deferred tax assets (DTAs). These DTAs include approximately $28.4 million in foreign tax credit carryovers that can be used to offset taxable income in future periods and reduce our income taxes payable in those future periods. The foreign tax credit carryovers will expire in ten years. At this time, the Company considers it more likely than not that it will have sufficient U.S. and foreign taxable income in the future that will allow the Company to realize these DTAs. However, it is possible that some or all of these DTAs could ultimately expire unused, especially if the Company’s tax profile changes as a result of acquired tax losses or tax credit carryforwards. Therefore, unless the Company is able to generate sufficient U.S. and foreign taxable income from its operations, a substantial valuation allowance to reduce the Company’s DTAs may be required, which may materially increase income tax expense in the period it is taken and materially adversely affect its results of operations and financial condition.

Manufacturing Risks

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

We rely on single or limited source suppliers for some plastic polymers that are critical to the manufacturing of our products. At times, we have experienced a limited supply of certain polymers as well as the need to substitute polymers, resulting in delays, increased costs and the risks associated with qualifying new polymers with our customers. 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.

In addition, suppliers may discontinue production of polymers specified in certain of our products, requiring us in some instances to certify an alternative with our customers. If we are unable to obtain an adequate quantity of such supplies for any of the above reasons, our manufacturing operations may be affected. Obtaining alternative sources would likely result in increased costs and shipping delays, which could decrease profitability and damage our relationships with current and potential customers.

Prices for polymers can vary widely. In the current high oil price environment, some suppliers have added and may continue to add surcharges to the prices of the polymers we purchase. While we have long-term arrangements with certain key suppliers of polymers that fix our price for purchases up to specified quantities, if our polymer requirements exceed the quantities specified, 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 will decline.

Our production processes are becoming increasingly complex, and our production could be disrupted if we are unable to avoid manufacturing difficulties.

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 and other manufacturing difficulties that may not be well understood for an extended period of time and 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 lose sales if we are unable to timely procure, repair or replace capital equipment necessary to manufacture many of our products.

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. In addition, from time to time we may upgrade or add new manufacturing equipment that may require substantial lead times to build and qualify. Delays in building and qualifying new equipment could result in a disruption of our manufacturing processes and prevent us from meeting our customers’ requirements so that they would seek other suppliers.

We incur significant cash outlays over long-term periods in order to research, develop, manufacture and market new products, that may never reach market or may have limited market acceptance.

We make significant cash expenditures to research, develop and market new products. For example, we incurred $39.7 million, $38.1 million and $36.1 million of engineering, research and development expense in 2007, 2006 and 2005, respectively. The development period for a product can be as long as five years. Following development, it may take an additional two to three years for the sales of that product to reach a substantial level. We cannot be certain of the success of a new product. A product concept may never progress beyond the development stage or may only achieve limited acceptance in the marketplace. If this occurs, we do not receive a direct return on our expenditures and may not even realize any indirect benefits. Additionally, capacity expansion may be necessary in order to manufacture a new product. If sales levels do not increase to offset the additional fixed operating expenses associated with any such expansion, our revenue and profitability could decline and our prospects could be harmed.

We are subject to a variety of environmental laws that could cause us to incur significant expenses.

In addition to other regulatory requirements affecting our business, we are subject to a variety of federal, state, local and foreign regulatory requirements relating to the use, disposal, clean-up of, and human exposure to, hazardous chemicals. We generate and handle materials that are considered hazardous waste under applicable law. Certain of our manufacturing operations require the discharge of substantial quantities of wastewater into publicly owned waste treatment works which require us to assure that our wastewater complies with volume and content limitations. If we fail to comply with any present or future regulations, we could be subject to future liabilities or the suspension of production. In addition, compliance with these or future laws could restrict our ability to expand our facilities or build new facilities or require us to acquire costly equipment, incur other significant expenses or modify our manufacturing processes.

We are continually evaluating our manufacturing operations within our plants in order to achieve efficiencies and gross margin improvements. If we are unable to successfully manage transfers or realignments of our manufacturing operations, our ability to deliver product to our customers could be disrupted and our business, financial condition and results of operations could be adversely affected.

In order to enhance the efficiency and cost effectiveness of our manufacturing operations we expect to move several product lines from one of our plants to another and to consolidate manufacturing operations in our plants. Our product lines involve technically complex manufacturing processes that require considerable expertise to operate. If we are unable to effect these transfers, realignments and consolidations in a systematic manner within established schedules or if we are unable to successfully operate relocated manufacturing processes in the destination plant, production may be disrupted and we may not be able to deliver these products to meet customer orders in a timely manner, which could harm our business.

Loss of our key personnel could hurt our business because of their experience in the microelectronics industry and their technological expertise. Similarly, our inability to attract and retain new qualified personnel could inhibit our ability to operate and grow our business successfully.

We depend on the services of our key senior executives and other technological experts because of their experience in the microelectronics industry and their technical expertise. The loss of the services of one or several of our key employees or an inability to attract, train and retain qualified and skilled employees, specifically research and development and engineering personnel, could result in the loss of customers or otherwise inhibit our ability to operate and grow our business successfully. In the past, during the extended downturn in the semiconductor industry our predecessor companies have had to impose salary reductions on senior employees and freeze or eliminate merit increases in an effort to maintain its financial position. Similarly, changes in accounting rules requiring fair value accounting for stock options will make it more expensive to provide our employees with equity incentives, which may require us to reduce the level of equity compensation. These actions may have an adverse effect on employee loyalty and may make it more difficult for us to attract and retain key personnel.

If we are unable to protect our intellectual property rights, our business and prospects could be harmed.

Our future success and competitive position depend in part upon our ability to obtain and maintain proprietary technology used in our principal product families. We rely, in part, on patent, trade secret and trademark law to protect that technology. We routinely enter into confidentiality agreements with our employees. However, there can be no assurance that these agreements will not be breached, that we will have adequate remedies for any breach or that our confidential and proprietary information and technology will not be independently developed by or become otherwise known to third parties. We have obtained a number of patents relating to our products and have filed applications for additional patents. We cannot assure you that any of our pending patent applications will be approved, that we will develop additional proprietary technology that is patentable, that any patents owned by or issued to us will provide us with competitive advantages or that these patents will not be challenged by third parties. Patent filings by third parties, whether made before or after the date of our filings, could render our intellectual property less valuable. Competitors may misappropriate our intellectual property, and disputes as to ownership of intellectual property may arise. In addition, if we do not obtain sufficient international protection for our intellectual property, our competitiveness in international markets could be significantly impaired, which would limit our growth and future revenue. Furthermore, there can be no assurance that third parties will not design around our patents.

Protection of our intellectual property rights has and may continue to result in costly litigation.

We may from time to time be required to institute litigation in order to enforce our patents, copyrights or other intellectual property rights, to protect our trade secrets, to determine the validity and scope of the proprietary rights of others or to defend against claims of infringement. Such litigation could result in substantial costs and diversion of resources and could negatively affect our sales, profitability and prospects regardless of whether we are able to successfully enforce our rights. For example, as described in Item 3. "Legal Proceedings" below we are engaged in multiple patent litigations with Pall Corporation. We intend to prosecute and defend these cases vigorously and expect that these lawsuits will continue for extended periods of time and that we will incur substantial costs in pursuing them. In addition it may become necessary for us to initiate other costly patent litigation against this or other competitors in order to protect and/or perfect our intellectual property rights.

If we infringe on the proprietary technology of others, our business and prospects could be harmed.

Our commercial success will depend, in part, on our ability to avoid infringing or misappropriating any patents or other proprietary rights owned by third parties. If we are found to infringe or misappropriate a third party's patent or other proprietary rights, we could be required to pay damages to such third party, alter our products or processes, obtain a license from the third party or cease activities utilizing such proprietary rights, including making or selling products utilizing such proprietary rights. If we are required to obtain a license from a third party, there can be no assurance that we will be able to do so on commercially favorable terms, if at all.

International Risks

We conduct a significant amount of our sales activity and manufacturing efforts outside the United States, which subjects us to additional business risks and may cause our profitability to decline due to increased costs.

Sales to customers outside the United States accounted for approximately 74% of our net sales in calendar 2007, 71% of our net sales in calendar 2006, and 71% of net sales for the calendar year ending December 31, 2005. We anticipate that international sales will continue to account for a majority of our net sales. In addition, a number of our key domestic customers derive a significant portion of their revenues from sales in international markets. We also manufacture a significant portion of our products outside the United States and are dependent on international suppliers for many of our parts. We intend to continue to pursue opportunities in both sales and manufacturing internationally. Our international operations are subject to a number of risks and potential costs that could adversely affect our revenue and profitability, including:

- unexpected changes in regulatory requirements that could impose additional costs on our operations or limit our ability to operate our business;
- greater difficulty in collecting our accounts receivable and longer payment cycles than is typical in domestic operations;
- changes in labor conditions and difficulties in staffing and managing foreign operations;
- expense and complexity of complying with U.S. and foreign import and export regulations;
- liability for foreign taxes assessed at rates higher than those applicable to our domestic operations; and
- political and economic instability.

In the past, we have incurred costs or experienced disruptions due to the factors described above and expect to do so in the future. For example, our operations in Asia, and particularly Korea, Taiwan and Japan, have been negatively impacted in the past as a result of regional economic instability. In addition, Taiwan and Korea account for a growing portion of the world's semiconductor manufacturing. There are currently strained relations between China and Taiwan and there are continuing tensions between North Korea and South Korea and the United States. Any adverse developments in those relations could significantly disrupt the worldwide production of semiconductors, which may lead to reduced sales of our products. Furthermore, we incur additional legal compliance costs associated with our international operations and could become subject to legal penalties in foreign countries if we do not comply with local laws and regulations, which may be substantially different from those in the United States. In many foreign countries it is common to engage in business practices that are prohibited by United States law applicable to us such as the Foreign Corrupt Practices Act. Although we implement policies and procedures designed to ensure compliance with these laws, there can be no assurance that all of our employees, contractors and agents, as well as those companies to which we outsource certain of our business operations, including those based in or from countries where practices which violate such United States laws may be customary, will not take actions in violation of our policies. Any such violation, even if prohibited by our policies, could have an adverse effect on our business.

Fluctuations in the value of the U.S. dollar in relation to other currencies may lead to lower net income or may cause us to raise prices, which could result in reduced net sales.

Foreign currency exchange rate fluctuations could have an adverse effect on our net sales and results of operations. Unfavorable foreign currency fluctuations against the U.S. dollar could require us to increase prices to foreign customers, which could result in lower net sales by us to such customers. Alternatively, if we do not adjust the prices for our products in response to unfavorable foreign currency fluctuations, our profitability could decline. In addition, sales made by our foreign subsidiaries will be denominated in the currency of the country in which these products are sold, and the currency we receive in payment for such sales could be less valuable at the time of receipt versus the time of sale as a result of foreign currency exchange rate fluctuations.

As we seek to source more of the materials from which our products are made from foreign countries we may be subject to increased import duties.

In an effort to reduce the cost of our products or to obtain the highest quality materials available, we expect that our purchases of raw materials and components from foreign countries will increase. Those of our products manufactured in the United States or other countries from these materials and components may consequently be burdened by import duties imposed by the U.S. or those other countries and these additional costs may be substantial and may put our products at a competitive disadvantage.

An increased concentration of wafer manufacturing in Japan could result in lower sales of our wafer shipper products.

A large percentage of the world's 300 mm wafer manufacturing currently takes place in Japan. Our market share in Japan is currently lower than in other regions we serve. If we are not able to successfully operate our manufacturing capability and increase market share in Japan, we might not be able to maintain our global market share in wafer shipper products, especially if 300 mm wafer manufacturing in Japan increases.

Terrorist attacks, such as the attacks that occurred in New York and Washington, D.C. on September 11, 2001, and other acts of violence or war may affect the markets in which we operate and hurt our profitability.

Terrorist attacks may negatively affect our operations and your investment. There can be no assurance that there will not be future terrorist attacks against the United States or United States businesses. These attacks or armed conflicts may directly impact our physical facilities or those of our suppliers or customers. Our primary facilities include headquarters, research and development and manufacturing facilities in the United States, sales, research and development and manufacturing facilities in Japan and Malaysia, and sales and service facilities in Europe and Asia. Also attacks may disrupt the global insurance and reinsurance industries with the result that we may not be able to obtain insurance at historical terms and levels for our facilities. Furthermore, such attacks may make travel and the transportation of our supplies and products more difficult and more expensive and may ultimately affect the sales of our products in the United States and overseas. As a result of terrorism the United States may enter into additional armed conflicts, which could have a further impact on our domestic and international sales, our supply chain, our production capacity and our ability to deliver products to our customers. The consequences of these armed conflicts and the associated instability are unpredictable and we may not be able to foresee events that could have an adverse effect on our business and your investment.

Risks Related to the Securities Markets and Ownership of our Securities

Because of the past volatility of our stock price and the stock price of predecessor companies, the price of our common stock in the future may likewise be volatile so that the ability to trade our common shares may be adversely affected and our ability to raise capital through future equity financing may be reduced.

The stock prices of both of our predecessor companies have been volatile in the past and the price of our common stock may be volatile in the future. For example: in fiscal year 2007, the closing price of our stock on the NASDAQ National Market ranged from a low of $7.87 to a high of $12.18.

The trading price of our common shares is subject to wide fluctuations in response to various factors, some of which are beyond our control, including factors discussed elsewhere in this report and including the following: the failure to meet the published expectations of securities analysts; changes in financial estimates by securities analysts; press releases or announcements by, or changes in market values of, comparable companies; volatility in the markets for high-technology stocks, general stock market price and volume fluctuations, which are particularly common among securities of high-technology companies; stock market price and volume fluctuations attributable to inconsistent trading volume levels; additions or departures of key personnel; and involvement in or adverse results from litigation. These market fluctuations may cause the trading price of our common stock to decrease.

Recently enacted changes in the securities laws and regulations are likely to increase our costs.

The Sarbanes-Oxley Act of 2002 has required changes in some of our corporate governance, securities disclosure and compliance practices. In response to the requirements of that Act, the Securities and Exchange Commission and the NASDAQ have promulgated new rules and listing standards covering a variety of subjects. Compliance with these new rules and listing standards has increased our legal and financial and accounting costs, and we expect these increased costs to continue indefinitely. We also expect these developments to make it more difficult and more expensive for us to obtain director and officer liability insurance, and we may be forced to accept reduced coverage or incur substantially higher costs to obtain coverage. Likewise, these developments may make it more difficult for us to attract and retain qualified members of our Board of Directors, particularly independent directors, or qualified executive officers.

If we fail to maintain an effective system of internal controls, we may not be able to accurately report our financial results. As a result, current and potential stockholders could lose confidence in our financial reporting, which would harm our business and the trading price of our stock.

Effective internal controls are necessary for us to provide reliable financial reports. If we cannot provide reliable financial reports, our business and operating results could be harmed. We have in the past discovered, and may in the future discover, areas of our internal controls that need improvement. For example, during each of the fiscal 2007, 2006 and 2005 year-end audits, a material weakness in internal control over financial reporting was identified. Each of these material weaknesses represented a reasonable possibility that a material misstatement of the Company’s annual or interim financial statements would not have been prevented or detected. The impact of neither of these material weaknesses required the restatement of any of our financial statements.

Any failure to implement and maintain the improvements in the controls over our financial reporting, or difficulties encountered in the implementation of these improvements in our controls, could cause us to fail to meet our reporting obligations. Any failure to improve our internal controls to address the identified material weakness could also cause investors to lose confidence in our reported financial information, which could have a negative impact on the trading price of our stock.

Changes to financial accounting standards relating to the grant of stock options may affect our reported results of operations and could result in additional cost to provide equity incentives to our key employees.

With the commencement of effectiveness of the requirement that employee stock option and employee stock purchase plan shares should be treated as a compensation expense using the fair value method, equity incentive techniques that previously had no impact on our reported results of operations now require that we incur significant compensation charges and our results of operations could be adversely affected.

Provisions in our charter documents, Delaware law and our shareholder rights plan may delay or prevent an acquisition of us, which could decrease the value of your shares.

Our certificate of incorporation and By-Laws, Delaware law and our shareholder rights plan contain provisions that could make it harder for a third party to acquire us without the consent of our Board of Directors. These provisions include limitations on actions by our stockholders by written consent. In addition, our Board of Directors has the right to issue preferred stock without stockholder approval, which could be used to dilute the stock ownership of a potential hostile acquirer. Our shareholder rights plan will permit our stockholders to purchase shares of our common stock at a 50% discount upon the occurrence of specified events, including the acquisition by anyone of 15% or more of our common stock, unless such event is approved by our Board of Directors. Delaware law also imposes restrictions on mergers and other business combinations between us and any holder of 15% or more of our outstanding common stock. Although we believe these provisions provide for an opportunity to receive a higher bid by requiring potential acquirers to negotiate with our Board of Directors, these provisions apply even if the offer may be considered beneficial by stockholders. If a change of control or change in management is delayed or prevented, the market price of our common stock could suffer.

Your percentage ownership in us may be diluted by future issuances of capital stock, which could reduce your influence over matters on which stockholders vote.

Subject to applicable NASDAQ standards, our Board of Directors has the authority, without action or vote of our stockholders, to issue all or any part of our authorized but unissued shares. Issuances of common stock or the exercise of employee and director stock options would dilute your percentage ownership interest, which will have the effect of reducing your influence over matters on which our stockholders vote. In addition, we may issue substantial quantities of our common stock in order to effect acquisitions which will also dilute your ownership interest. If the issuances are made at prices that reflect a discount from the then current trading price of our common stock, your interest in the book value of our common stock might be diluted.

Item 1B. Unresolved Staff Comments.

Not Applicable.

Item 2. Properties.

Our principal executive offices are located in Chaska, Minnesota. We also have manufacturing, design and equipment cleaning facilities in the United States, Japan, France and Malaysia. Information about our principal facilities is set forth below:

Location	Principal Function	Approximate Square Feet	Leased/Owned
Chaska, Minnesota	Executive Offices, Research & Manufacturing	370,000	Owned
Billerica, Massachusetts	Executive Offices, Research & Manufacturing	175,000	Leased(1)
Colorado Springs, Colorado	Manufacturing	82,000	Owned
Gilroy, California	Manufacturing; Cleaning Services	60,000	Owned(2)
Montpelier, France	Cleaning Services	53,000	Owned
Yonezawa, Japan	Manufacturing	196,000	Owned
Kulim, Malaysia	Manufacturing	195,000	Owned

(1) This lease expires March 31, 2014, but is subject to two five year renewal options.

(2) This facility is in the process of being closed and the associated assets are reported as Assets of discontinued operations and other assets held for sale as of December 31, 2007.

We lease approximately 4,200 square feet of manufacturing space in Millipore's facility located in Bedford, MA pursuant to an Amended and Restated Membrane Manufacturing and Supply Agreement that expires December 31, 2010. We also lease approximately 21,000 square feet of research and development and manufacturing space in two buildings located in San Diego, California, which was assumed pursuant to the Mykrolis acquisition of Aeronex, Inc. in 2004. Approximately 31,000 square feet of office, research and development and manufacturing space located in Franklin, MA was assumed pursuant to the Mykrolis acquisition of Extraction Systems, Inc. in 2005. The leases for this space continued for a term of approximately two years following those acquisitions and are subject to renewal options.

We also lease an aggregate of approximately 11,000 square feet of office, R&D and manufacturing space in two buildings located in Burlington, Massachusetts which we acquired in connection with our acquisition of a specialty coatings business. These leases are for a term expiring December 31, 2009.

We maintain a worldwide network of sales, service, repair and cleaning centers in the United States, Germany, France, Japan, Taiwan, Singapore, China and Korea. Leases for our facilities expire between October 2008 and March 2014. We currently expect to be able to extend the terms of expiring leases or to find suitable replacement facilities on reasonable terms.

We believe that our facilities are well-maintained and suitable for their respective operations. Except for approximately 15,000 square feet in our newly expanded Kulim, Malaysia facility, all of our facilities are utilized within a normal range of production volume.

Item 3. Legal Proceedings.

The following discussion provides information regarding certain litigation to which the Company was a party that were pending as of December 31, 2007.

As previously disclosed, on March 3, 2003 the Company's predecessor, Mykrolis Corporation, filed a lawsuit against Pall Corporation in the United States District Court for the District of Massachusetts alleging infringement of two of the Company's U.S. patents by certain fluid separation systems and related assemblies used in photolithography applications manufactured and sold by the defendant. The Company's lawsuit also sought a preliminary injunction preventing the defendant from the manufacture, use, sale, offer for sale or importation into the U.S. of any infringing product. On April 30, 2004, the Court issued a preliminary injunction against Pall Corporation and ordered Pall to immediately stop making, using, selling, or offering to sell within the U.S., or importing into the U.S., its PhotoKleen EZD-2 Filter Assembly products or "any colorable imitation" of those products. On January 18, 2005, the Court issued an order holding Pall Corporation in contempt of court for the violation of the preliminary injunction and ordering Pall to disgorge all profits earned from the sale of its PhotoKleen EZD-2 Filter Assembly products and colorable imitations thereof from the date the preliminary injunction was issued through January 12, 2005. In addition, Pall was also ordered to reimburse Mykrolis for certain of its attorney's fees associated with the contempt and related proceedings. The Court's order also dissolved the preliminary injunction, effective January 12, 2005, based on certain prior art cited by Pall which it alleged raised questions as to the validity of the patents in suit. On February 17, 2005, the Company filed notice of appeal to the U.S. Circuit Court of Appeals for the Federal Circuit appealing the portion of the Court's order that dissolved the preliminary injunction and Pall filed a notice of appeal to that court with respect to the finding of contempt and the award of attorneys' fees. On June 13, 2007 the Court of Appeals issued an opinion dismissing Pall's appeal for lack of jurisdiction and affirming the District Court's order dissolving the preliminary injunction.

On April 6, 2006 the Company filed a lawsuit against Pall Corporation in the United States District Court for the District of Massachusetts alleging infringement of the Company's newly issued U.S. patent No. 7,021,667 by certain filter assembly products used in photolithography applications that are manufactured and sold by the defendant. The Company's lawsuit also seeks a preliminary injunction preventing the defendant from the manufacture, use, sale, offer for sale or importation into the U.S. of the infringing products. On October 23, 2006 the Company's motion for preliminary injunction was argued before the court; a decision on this motion is pending.

On August 23, 2006 the Company filed a lawsuit against Pall Corporation in the United States District Court for the District of Massachusetts alleging infringement of the Company's newly issued U.S. patent No. 7,037,424 by certain fluid separation modules and related separation apparatus, including the product known as the EZD-3 Filter Assembly, used in photolithography applications that are manufactured and sold by the defendant. It is believed that the EZD-3 Filter Assembly was introduced into the market by the defendant in response to the action brought by the Company in March of 2003 as described above. This case is currently in the preliminary stages.

As previously disclosed, on December 16, 2005 Pall Corporation filed suit against the Company in U.S. District Court for the Eastern District of New York alleging patent infringement. Specifically, the suit alleges infringement of two of plaintiff's patents by one of the Company's gas filtration products and by the packaging for certain of the Company's liquid filtration products. Both products and their predecessor products have been on the market for a number of years. The Company intends to vigorously defend this suit and believes that it will ultimately prevail. This case is currently in the discovery stage.

On May, 4, 2007 Pall Corporation filed a lawsuit against the Company in the U.S. District Court for the Eastern District of New York alleging patent infringement. Specifically, the suit alleges that certain of the Company's point-of-use filtration products infringe a newly issued Pall patent, as well as three older Pall patents. Pall's action, which relates only to the U.S., asserts that "on information and belief" the Company's Impact 2 and Impact Plus point-of-use photoresist filters infringe a patent issued to Pall on March 27, 2007, as well as three older patents. The Company intends to vigorously defend this suit and believes that it will ultimately prevail. This case is currently in the preliminary stage.

Item 4. Submission of Matters to a Vote of Security Holders.

None.

PART II

Item 5. Market for Entegris' Common Stock, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Entegris' Common Stock, $0.01 par value, trades on the NASDAQ National Market System (NMS) under the symbol "ENTG". The following table sets forth the highest and lowest sale prices of the Company shares during fiscal 2007 and 2006. As of February 1, 2008 there were 1,145 shareholders of record.

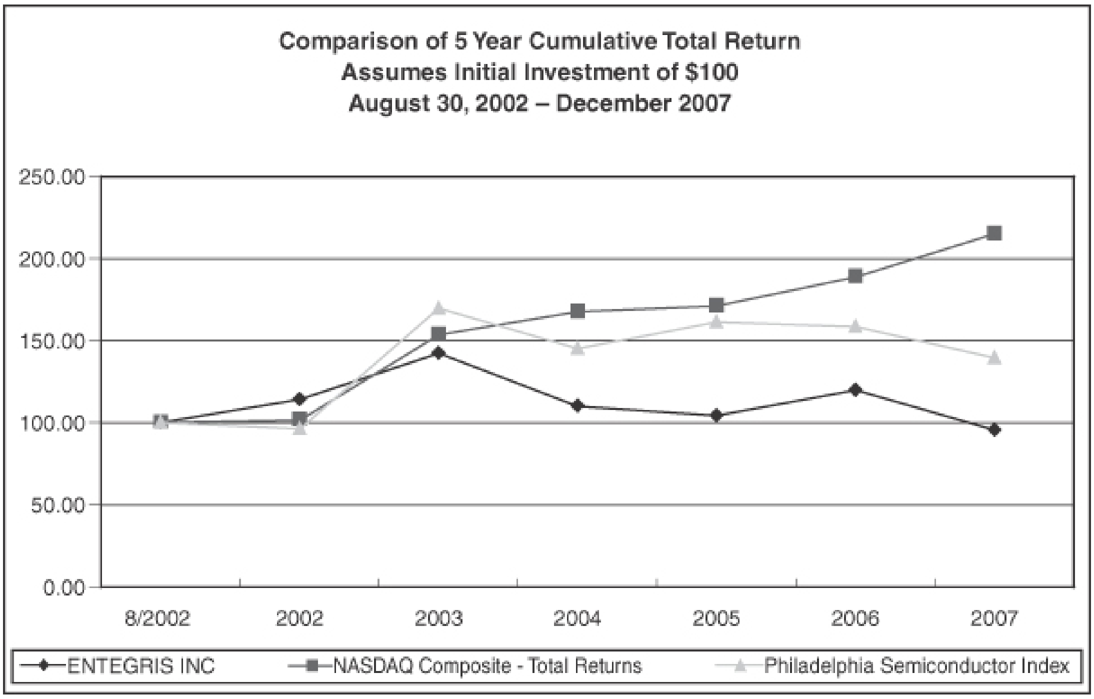
	Fiscal 2007		Fiscal 2006	
	High	Low	High	Low
First quarter	$11.98	$10.21	$11.19	$9.20
Second quarter	$12.18	$10.11	$12.00	$9.26
Third quarter	$12.17	$ 8.61	$11.17	$8.37
Fourth quarter	$ 9.49	$ 7.87	$11.99	$8.65

The Company has never declared or paid any cash dividends on its capital stock. The Company currently intends to retain all available earnings for use in its business or for share repurchase programs and does not anticipate paying any cash dividends in the foreseeable future. On July 27, 2005 the Entegris Board of Directors declared a dividend of one common stock purchase right for each share of Entegris Common Stock outstanding to shareholders of record on August 8, 2005, payable on August 8, 2005. For a description of the Common Stock Rights Plan see "Other Information" in Item 1 above. Each right generally entitles the holder to purchase one one-hundredth of a share of a series of preferred stock of Entegris at a price of $50.

Comparative Stock Performance

The following graph compares the cumulative total shareholder return on the common stock of Entegris Minnesota and the Company from August 30, 2002 through December 31, 2007 with cumulative total return of (1) The NASDAQ Composite Index, and (2) The Philadelphia Semiconductor Index.

The following graph assumes $100 was invested at the close of trading August 30, 2002 in Entegris, Inc. common stock, the NASDAQ Composite Index and the Philadelphia Semiconductor Index and that all dividends are reinvested.



	August 30, 2002	December 31, 2002	December 31, 2003	December 31, 2004	December 31, 2005	December 31, 2006	December 31, 2007
Entegris, Inc.	100	114.07	142.30	110.18	104.30	119.80	95.55
NASDAQ Composite	100	101.75	153.43	167.49	171.03	188.80	214.99
Philadelphia Semiconductor Index	100	96.42	169.72	145.16	161.36	158.56	139.54

Purchases of Equity Securities by the Company

The following table provides information concerning shares of the Company's Common Stock $0.01 par value purchased during the fourth quarter of fiscal 2007.

Period	(a) Total Number of Shares Purchased(1)	(b) Average Price Paid per Share	(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs
October 1–31, 2007	—			$ 49,400,000
November 1–30, 2007	—	—	—	$ 49,400,000
December 1–31, 2007	456,104	$ 8.96	456,104	$ 45,300,000
Total	456,104	$ 8.96	456,104	$ 45,300,000

(1) The Company announced on August 31, 2006, a plan to repurchase up to $150,000,000 of its outstanding common stock over a twelve to eighteen-month period: approximately $100,600,000 of this stock repurchase program was effected pursuant to Accelerated Stock Buyback Agreements with Goldman Sachs & Co commenced in 2006 and completed during the third quarter of 2007 and approximately $49,400,000 is to be effected pursuant to a Rule 10b5-1 trading plan established by the Company on November 15, 2007.

Item 6. Selected Financial Data.

The table that follows presents selected financial data for each of the last five fiscal years and four months ended December 31, 2005 from the Company's consolidated financial statements and should be read in conjunction with the Company's Consolidated Financial Statements and the related Notes and with "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this Form 10-K Report.

On December 13, 2005, the Company's Board of Directors approved a change in fiscal year end from a 52-week or 53-week fiscal year period ending on the last Saturday of August to December 31, effective as of December 31, 2005.

(In thousands, except per share amounts)	Year ended December 31, 2007	Year ended December 31, 2006	Four months ended December 31, 2005	Year ended August 27, 2005	Year ended August 28, 2004	Year ended August 30, 2003
Operating Results						
Net sales	$ 626,238	$ 672,882	$ 199,644	$ 347,345	$ 329,006	$ 238,702
Gross profit	266,237	305,078	70,207	138,183	149,857	97,034
Selling, general and administrative expenses	182,792	188,311	77,253	110,341	91,662	77,096
Engineering, research and development expenses	39,727	38,074	13,904	18,188	18,066	16,760
Operating profit (loss)	43,718	78,693	(20,950)	9,654	40,129	1,580
Income (loss) before income taxes and equity in affiliate earnings	56,619	89,556	(18,572)	14,307	41,478	(2,107)
Income tax expense (benefit)	10,356	26,936	(8,713)	1,154	13,223	(5,227)
Income (loss) from continuing operations	46,356	63,151	(9,789)	12,906	28,242	2,976
Net income (loss)	$ 44,359	$ 63,466	$ (18,324)	$ 9,393	$ 24,770	$ 1,275

(In thousands, except per share amounts)	Year ended December 31, 2007	Year ended December 31, 2006	Four months ended December 31, 2005	Year ended August 27, 2005	Year ended August 28, 2004	Year ended August 30, 2003
Earnings Per Share Data						
Diluted earnings (loss) per share —continuing operations	$ 0.37	$ 0.46	$ (0.07)	$ 0.16	$ 0.37	$ 0.04
Weighted average shares outstanding—diluted	124,940	138,492	135,437	79,328	76,220	74,475
Operating Ratios—% of net sales						
Gross profit	42.5%	45.3%	35.2%	39.8%	45.5%	40.7%
Selling, general and administrative expenses	29.2	28.0	38.7	31.8	27.9	32.3
Engineering, research and development expenses	6.3	5.7	7.0	5.2	5.5	7.0
Operating profit (loss)	7.0	11.7	(10.5)	2.8	12.2	0.7
Income (loss) before income taxes and equity in affiliate earnings	9.0	13.3	(9.3)	4.1	12.6	(0.9)
Effective tax rate(1)	18.3	30.1	46.9	8.1	31.9	248.1
Net income (loss)	7.1	9.4	(9.2)	2.7	7.5	0.5
Cash Flow Statement Data						
Depreciation and amortization	$ 43,776	$ 42,905	$ 13,754	$ 23,599	$ 23,813	$ 25,876
Capital expenditures	26,919	30,860	10,311	19,472	19,633	13,876
Net cash provided by operating activities	132,017	96,076	22,598	52,323	52,896	32,131
Net cash provided by (used in) investing activities	50,800	(17,370)	(13,116)	58,807	(86,880)	(38,059)
Net cash (used in) provided by financing activities	(183,061)	(80,037)	(15,432)	3,066	1,835	10,706
Balance Sheet and Other Data						
Current assets	$ 382,621	$ 556,321	$ 516,364	$ 546,502	$276,482	$221,592
Current liabilities	125,749	92,699	111,017	124,856	63,895	54,289
Working capital	256,872	463,622	405,347	421,646	212,587	167,303
Current ratio	3.04	6.00	4.65	4.38	4.33	4.08
Long-term debt	20,373	2,995	3,383	21,800	18,898	10,070
Shareholders' equity	852,309	1,015,980	1,012,819	1,023,414	372,185	337,665
Total assets	1,035,241	1,157,618	1,142,790	1,185,620	467,046	414,739
Return on average shareholders' equity—%	4.7	6.3	(1.8)	1.3	7.0	0.4
Shares outstanding at end of period	115,356	132,771	136,044	135,299	73,380	72,512

(1) Effective tax rate represents income tax expense (benefit) as a percent of income (loss) before income taxes and equity in affiliates.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

You should read the following discussion and analysis of the Company's consolidated financial condition and results of operations with the consolidated financial statements and the accompanying notes to the consolidated financial statements included elsewhere in this document. *This discussion contains forward-looking statements that involve numerous risks and uncertainties, including, but not limited to, those described in the* "FACTORS AND UNCERTAINTIES THAT MAY AFFECT FUTURE RESULTS" *section of this Item 7. The Company's actual results may differ materially from those contained in any forward-looking statements.*

Overview

This overview is not a complete discussion of the Company's financial condition, changes in financial condition and results of operations; it is intended merely to facilitate an understanding of the most salient aspects of its financial condition and operating performance and to provide a context for the discussion that follows. The detailed discussion and analysis that follows must be read in its entirety in order to fully understand the Company's financial condition and results of operations.

Entegris, Inc. is a leading provider of products and services that purify, protect and transport the critical materials used in key technology-driven industries. Entegris derives most of its revenue from the sale of products and services to the semiconductor and data storage industries. The Company's customers consist primarily of semiconductor manufacturers, semiconductor equipment and materials suppliers, and hard disk manufacturers, which are served through direct sales efforts, as well as sales and distribution relationships, in the United States, Asia, Europe and the Middle East.

The Company offers a diverse product portfolio which includes more than 16,000 standard and customized products that we believe provide the most comprehensive offering of materials integrity management products and services to the microelectronics industry. Certain of these products are unit-driven and consumable products that rely on the level of semiconductor manufacturing activity to drive growth, while others rely on expansion of manufacturing capacity to drive growth. The Company's unit-driven and consumable product class includes wafer shippers, disk shipping containers and test assembly and packaging products, membrane-based liquid filters and housings, metal-based gas filters and resin-based gas purifiers, as well as PVA roller brushes for use in post-CMP cleaning applications. The Company's capital expense driven products include its process carriers that protect the integrity of in-process wafers, components, systems and subsystems that use electro-mechanical, pressure differential and related technologies to permit semiconductor and other electronics manufacturers to monitor and control the flow and condition of process liquids used in these manufacturing processes.

On December 13, 2005, the Company's Board of Directors approved a change in fiscal year end from a 52-week or 53-week fiscal year period ending on the last Saturday of August to December 31, effective as of December 31, 2005. As a result, the financial periods presented and discussed in this Annual Report on Form 10-K will be defined as follows: (i) years ended December 31, 2007 and 2006 representing the twelve months ended December 31, 2007 and 2006; (ii) four-month transition period ended December 31, 2005 representing the four months ended December 31, 2005; and (iii) year ended August 27, 2005 representing the twelve months ended August 27, 2005.

Key operating factors Key factors, which management believes have the largest impact on the overall results of operations of Entegris, Inc., include:

- ***Level of sales*** Since a large portion of the Company's product costs (excepting raw materials, purchased components and direct labor) are largely fixed in the short/medium term, an increase or decrease in sales affects gross profits and overall profitability significantly. Also, increases or decreases in sales and operating profitability affect certain costs such as incentive compensation and commissions, which are highly variable in nature. The Company's sales are subject to effects of industry cyclicality, technological change and substantial competition, including pricing pressures.

- ***Variable margin on sales*** The Company's variable margin on sales is determined by selling prices and the costs of manufacturing and raw materials. This is also affected by a number of factors, which include the Company's sales mix, purchase prices of raw material (especially resin and purchased components), competition, both domestic and international, direct labor costs, and the efficiency of the Company's production operations, among others.
- ***Fixed cost structure*** Increases or decreases in sales have a large impact on profitability. There are a number of large fixed or semi-fixed cost components, which include salaries, indirect labor and benefits, lease expense, and depreciation and amortization. It is not possible to vary these costs easily in the short term as volumes fluctuate. Thus changes in sales volumes can affect the usage and productivity of these cost components and can have a large effect on the Company's results of operations.

Overall Summary of Financial Results for the Year Ended December 31, 2007

For the year ended December 31, 2007 (2007), net sales were $626.2 million, down $46.6 million, or 6.9%, from net sales of $672.9 million reported for the year ended December 31, 2006 (2006) due to lower demand for the Company's products, in part reflecting the demand drivers of the semiconductor industry. The sales comparison is positively affected by approximately $8.9 million due to the year-over-year strengthening of certain international currencies versus the U.S. dollar over the period, most notably the Euro. Net sales for 2007 were positively affected by the inclusion of approximately $6.2 million in sales attributable to a third quarter acquisition.

Mainly reflecting the year-over-year sales decrease and the corresponding lower factory utilization, the Company reported lower gross profits and a reduced gross margin. The Company's gross margin in 2007 was 42.5% versus 45.3% a year earlier.

The Company's selling, general and administrative (SG&A) expenses decreased $5.5 million in 2007. The year-over-year reduction reflected lower costs incurred by the Company in connection with the integration activities associated with the merger with Mykrolis as well as the benefit of lower salaries and other costs resulting from the realignment of activities after the merger.

The Company reported income from continuing operations of $46.4 million for 2007 compared to $63.2 million in 2006. Included in income from continuing operations in 2007 was the second quarter pre-tax gain of $6.1 million on the sale of the Company's interest in a privately-held equity investment and the fourth quarter U.S. tax benefit of $9.4 million associated with the repatriation and recharacterization of $100 million of the Company's Japanese subsidiary's accumulated undistributed earnings.

During 2007, the Company generated cash of $132.0 million from continuing operations as a result of the cash generated by the Company's net earnings, non-cash charges and the net positive impact of changes in operating assets and liabilities, most notably decreases in accounts receivable and inventory. Despite the cash generated by operations, cash and cash equivalents and short-term investments declined to $160.7 million at December 31, 2007 compared to $275.0 million at December 31, 2006. The decrease mainly reflects the use of $256.1 million to purchase the Company's common shares in connection with its second quarter "Dutch auction" tender offer and fourth quarter Rule 10b-5-1 trading plan, $44.9 million to acquire a specialty coatings business in the third quarter and $26.9 million to acquire property and equipment.

Critical Accounting Policies Management's discussion and analysis of financial condition and results of operations are based upon the Company's consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these consolidated financial statements requires the Company to make estimates, assumptions and judgments that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosure of contingent assets and liabilities. At each balance sheet date, management evaluates its estimates, including, but not limited to, those related to accounts receivable, warranty and sales return obligations, inventories, long-lived assets, income taxes, business combinations and shared-based compensation. The Company bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions. The critical accounting policies affected most significantly by estimates, assumptions and judgments used in the preparation of the Company's consolidated financial statements are discussed below.

Net Sales The Company's net sales consist of revenue from sales of products net of trade discounts and allowances. The Company recognizes revenue upon shipment, primarily FOB shipping point, when evidence of an arrangement exists, contractual obligations have been satisfied, title and risk of loss have been transferred to the customer and collection of the resulting receivable is probable based upon historical collection results and regular credit evaluations. In most transactions, the Company has no obligations to its customers after the date products are shipped other than pursuant to warranty obligations. In the event that significant post-shipment obligations or uncertainties exist such as customer acceptance, revenue recognition is deferred as appropriate until such obligations are fulfilled or the uncertainties are resolved.

Accounts Receivable-Related Valuation Accounts The Company maintains allowances for doubtful accounts and for sales returns and allowances. Significant management judgments and estimates must be made and used in connection with establishing these valuation accounts. Material differences could result in the amount and timing of the Company's results of operations for any period if management made different judgments or utilized different estimates. In addition, actual results could be different from the Company's current estimates, possibly resulting in increased future charges to earnings.

The Company provides an allowance for doubtful accounts for all individual receivables judged to be unlikely for collection. For all other accounts receivable, the Company records an allowance for doubtful accounts based on a combination of factors. Specifically, management considers the age of receivable balances and historical bad debts write-off experience when determining its allowance for doubtful accounts. The Company's allowance for doubtful accounts was $0.5 million and $0.8 million at December 31, 2007 and December 31, 2006, respectively.

An allowance for sales returns and allowances is established based on historical trends and current trends in product returns. At December 31, 2007 and December 31, 2006, the Company's reserve for sales returns and allowances was $2.0 million and $1.8 million, respectively.

Inventory Valuation The Company uses certain estimates and judgments to properly value inventory. In general, the Company's inventories are recorded at the lower of manufacturing cost or market value. Each quarter, the Company evaluates its ending inventories for obsolescence and excess quantities. This evaluation includes analyses of inventory levels, historical write-off trends, expected product lives, and sales levels by product. Inventories that are considered obsolete are written off or a full valuation allowance is recorded. In addition, valuation allowances are established for inventory quantities in excess of forecasted demand. Inventory valuation allowances were $8.9 million and $10.1 million at December 31, 2007 and December 31, 2006, respectively.

The Company's inventories include materials and products subject to technological obsolescence, which are sold in highly competitive industries. If future demand or market conditions are less favorable than current conditions, additional inventory write-downs or valuation allowances may be required and would be reflected in cost of sales in the period the revision is made.

Impairment of Long-Lived Assets The Company routinely considers whether indicators of impairment of its property and equipment assets, particularly its molding equipment, are present. If such indicators are present, it is determined whether the sum of the estimated undiscounted cash flows attributable to the assets in question is less than their carrying value. If less, an impairment loss is recognized based on the excess of the carrying amount of the assets over their respective fair values. Fair value is determined by discounting estimated future cash flows, appraisals or other methods deemed appropriate. If the assets determined to be impaired are to be held and used, the Company recognizes an impairment charge to the extent the present value of anticipated net cash flows attributable to the assets is less than the assets' carrying value. The fair value of the assets then becomes the assets' new carrying value, which is depreciated over the remaining estimated useful life of the assets.

The Company assesses the impairment of goodwill at least annually, or whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors considered important, which would trigger an impairment review and potentially an impairment charge, include the following:

- significant underperformance relative to historical or projected future operating results;
- significant changes in the manner of use of the acquired assets or the Company's overall business strategy;
- significant negative industry or economic trends; and
- significant decline in the Company's stock price for a sustained period, changing the Company's market capitalization relative to its net book value.

Income Taxes In the preparation of the Company's consolidated financial statements, management is required to estimate income taxes in each of the jurisdictions in which the Company operates. This process involves estimating actual current tax exposures together with assessing temporary differences resulting from differing treatment of items for tax and accounting purposes. These differences result in deferred tax assets and liabilities, which are included in the Company's consolidated balance sheet.

The Company has significant amounts of deferred tax assets. Management reviews its deferred tax assets for recoverability on a quarterly basis and assesses the need for valuation allowances. These deferred tax assets are evaluated by considering historical levels of income, estimates of future taxable income streams and the impact of tax planning strategies. A valuation allowance is recorded to reduce deferred tax assets when it is determined that it is more likely than not that the Company would not be able to realize all or part of its deferred tax assets. The Company carried no valuation allowance as of December 31, 2007 compared to a $0.7 million valuation allowance against its deferred tax assets at December 31, 2006 related to a portion of a capital loss carryforward which at that time was deemed more likely than not to be unrealized. The elimination of the valuation allowance during the quarter ended June 30, 2007 reflected the utilization of the capital loss carryforward to offset a portion of the capital gain on the sale of an equity investment.

Warranty Claims Accrual The Company records a liability for estimated warranty claims. The amount of the accrual is based on historical claims data by product group and other factors. Estimated claims could be materially different from actual results for a variety of reasons, including a change in product failure rates and service delivery costs incurred in correcting a product failure, manufacturing changes that could impact product quality, or as yet unrecognized defects in products sold. At December 31, 2007 and December 31, 2006, the Company's accrual for estimated future warranty costs was $1.3 million and $1.8 million, respectively.

Business Acquisitions The Company accounts for acquired businesses using the purchase method of accounting, which requires that the assets acquired and liabilities assumed be recorded at the date of acquisition at their respective fair values. The judgments made in determining the estimated fair value assigned to each class of assets acquired and liabilities assumed, as well as asset lives, can materially impact net income. Accordingly, for significant items, the Company typically obtains assistance from independent valuation specialists.

There are several methods that can be used to determine the fair value of assets acquired and liabilities assumed. For intangible assets, the Company normally utilizes the "income method." This method starts with a forecast of all of the expected future net cash flows. These cash flows are then adjusted to present value by applying an appropriate discount rate that reflects the risk factors associated with the cash flow streams. Some of the more significant estimates and assumptions inherent in the income method or other methods include the projected amount and timing of future cash flows and the discount rate reflecting the risks inherent in the future cash flows.

Determining the useful life of an intangible asset also requires judgment. For example, different types of intangible assets will have different useful lives and certain assets may even be considered to have indefinite useful lives. All of these judgments and estimates can significantly impact net income.

Share-Based Compensation Statement of Financial Accounting Standards No. 123 (revised 2004*)*, *Share-Based Payment*, (SFAS 123(R)) requires the measurement and recognition of compensation expense for all share-based payment awards made to employees and directors based on estimated fair values. Under SFAS 123(R), the Company must estimate the value of employee stock option and restricted stock awards on the date of grant.

Prior to the adoption of SFAS 123(R), the value of employee stock options was estimated on the date of grant in connection with the determination of the pro forma share-based compensation disclosures required by SFAS 123 using the Black-Scholes model. The fair value of share-based payment awards using an option-pricing model is affected by the Company’s stock price as well as assumptions regarding a number of highly complex and subjective variables. These variables include, but are not limited to, the expected stock price volatility over the term of the awards, risk-free interest rate and dividend yield assumptions, and actual and projected employee stock option exercise behaviors and forfeitures. No employee stock options have been awarded by the Company since its adoption of SFAS 123(R).

Restricted stock and restricted stock unit awards are valued based on the Company’s stock price on the date of grant.

Because share-based compensation expense recognized in the Consolidated Statement of Operations is based on awards ultimately expected to vest, it has been recorded net of estimated forfeitures. SFAS 123(R) requires forfeitures to be estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. Forfeitures were estimated based on historical experience. If factors change and the Company employs different assumptions in the application of SFAS 123(R) in future periods, the share-based compensation expense recorded under SFAS 123(R) may differ significantly from what was recorded in the current period.

Certain restricted stock and restricted stock unit awards involve stock to be issued upon the achievement of performance conditions (Performance Shares) under the Company’s stock incentive plans. Such performance shares become available subject to time-based vesting conditions if, and to the extent that, financial performance criteria for the applicable fiscal year or multi-year period are achieved. Accordingly, the number of performance shares earned will vary based on the level of achievement of financial performance objectives for the applicable period. Until such time that the Company’s performance can ultimately be determined, each quarter the Company estimates the number of performance shares more likely than not to be earned based on an evaluation of the probability of achieving the performance objectives. Such estimates are revised, if necessary, in subsequent periods when the underlying factors change the Company’s evaluation of the probability of achieving the performance objectives. Accordingly, share-based compensation expense associated with performance shares recorded under SFAS 123(R) may differ significantly from what was recorded in the current period.

Results of Operations

Twelve months ended December 31, 2007 compared to twelve months ended December 31, 2006

The following table sets forth the results of operations and the relationship between various components of operations, stated as a percent of net sales, for the years ended December 31, 2007 and December 31, 2006. The Company's historical financial data was derived from its consolidated financial statements and related notes included elsewhere in this annual report.

(in thousands)	Year ended December 31, 2007		Year ended December 31, 2006	
		% of net sales		% of net sales
Net sales	$ 626,238	100.0%	$ 672,882	100.0%
Cost of sales	360,001	57.5	367,804	54.7
Gross profit	266,237	42.5	305,078	45.3
Selling, general and administrative expenses	182,792	29.2	188,311	28.0
Engineering, research and development expenses	39,727	6.3	38,074	5.7
Operating profit	43,718	7.0	78,693	11.7
Interest income, net	(5,245)	(0.8)	(9,205)	(1.4)
Other income, net	(7,656)	(1.2)	(1,658)	(0.2)
Income before income taxes and equity in earnings of affiliates	56,619	9.0	89,556	13.3
Income tax expense	10,356	1.7	26,936	4.0
Equity in net earnings of affiliates	(93)	(0.0)	(531)	(0.1)
Net income from continuing operations	$ 46,356	7.4	$ 63,151	9.4

Net sales For the year ended December 31, 2007 (2007), net sales were $626.2 million, down $46.6 million, or 6.9%, from sales for the year ended December 31, 2006 (2006). Net sales for fiscal 2007 included favorable foreign currency translation effects of $8.9 million. This reflected the strengthening of certain international currencies versus the U.S. dollar, most notably the Euro. On a geographic basis, total sales to North America were 26%, Asia Pacific 36%, Europe 15% and Japan 23% in 2007. Sales from products of the high-purity semiconductor coatings business acquired in the third quarter totaled $6.2 million in 2007.

Demand drivers for the Company's business primarily consist of semiconductor fab utilization and production (unit-driven) as well as capital spending for new or upgraded semiconductor fabrication facilities (capital-driven). The Company analyzes sales of its products by these two key drivers. Both unit-driven and capital-driven sales in 2007 decreased as compared with 2006. Sales of unit-driven products represented 60% of sales and sales of capital-driven products represented 40% of total sales in 2007. This compares to a unit-driven to capital-driven ratio of 59:41 for the year ended December 31, 2006, indicating a consistent pattern of demand within the industry over the past twelve months.

Sales of unit-driven products fell 6% in 2007 as semiconductor fab utilization rates were relatively flat. Unit-driven products have average lives of less than 18 months or need to be replaced based on usage levels. These products include liquid filters used in the photolithography, CMP and wet etch and clean processes, and in wafer shippers used to ship raw wafers, particularly at wafer sizes of 150mm and below, as well as in chip trays and data storage components used to ship 65mm and 95mm disk drives. Sales of wafer shippers declined 11%, while sales of disk shippers fell 17% primarily due to lower sales of 65mm shippers.

Year-over-year sales of capital-driven products decreased 11% in 2007. Capital-driven products include wafer process carriers, gas microcontamination control systems used in the deployment of advanced photolithography processes, fluid handling systems, including dispense pumps used in the photolithography process, and integrated liquid flow controllers used in various processes around the fab. Sales of liquid systems also declined in the latter half of 2007, reflecting the general slowing in the industry. Wafer transport products, such as 300mm FOUP products, also fell, particularly at some North American customers. Sales of gas microcontamination control products fell 5% after reaching peak levels in 2006.

Gross profit Gross profit for the year ended December 31, 2007 decreased by $38.8 million, to $266.2 million, a decrease of 12.7% from $305.1 million for 2006. The gross margin rate for 2007 was 42.5% versus 45.3% for 2006.

The gross profit decline was primarily due to the lower utilization of the Company's production facilities compared to the prior period. Production volumes were considerably lower in 2007 as the Company sold inventory on hand to satisfy customer demand, particularly in the first half of the year. Prices for raw materials were relatively stable on a year-over-year basis.

Gross margin for 2007 also was affected by $2.2 million in transition costs such as travel, sampling and customer qualification costs related to the transfer of four product lines from U.S. facilities to the Company's facility in Kulim, Malaysia. Costs of $2.9 million associated with the consolidation or closure of manufacturing facilities in the U.S. and Singapore also reduced gross profit in 2007.

Gross margin in 2007 included a $0.8 million cost of sales charge associated with the fair market value write-up of inventory acquired in the purchase of the assets of the high-purity semiconductor coatings business acquired in the third quarter of 2007. The inventory write-up was recorded as part of the purchase price allocation and is charged to cost of sales over inventory turns of the acquired inventory.

Gross profit in 2006 was reduced by costs of $2.8 million incurred in connection with the consolidation of manufacturing facilities in the U.S., Germany and Japan. Offsetting these charges to 2006 gross profit was a gain of $0.7 million on the sale of a facility recognized during the second quarter of 2006. Gross profit in the third and fourth quarters of 2006 was lower than the strong levels achieved earlier in the year due to manufacturing inefficiencies experienced at a North American plant in the third quarter and expenses incurred in the fourth quarter in connection with a comprehensive worldwide review of the Company's manufacturing operations to identify and resolve manufacturing inefficiencies.

Selling, general and administrative expenses Selling, general and administrative (SG&A) expenses of $182.8 million for 2007 decreased $5.5 million, or 3%, compared to $188.3 million in 2006. SG&A expenses, as a percent of net sales, increased to 29.2% from 28.0% a year earlier.

The year-over-year decrease in SG&A costs reflects the lower SG&A expenses incurred by the Company in connection with the integration activities associated with the Mykrolis merger and other realignment activities, as well as the benefit of the consolidation of various sales, marketing and other corporate functions during 2006. Costs of $2.6 million were incurred by the Company in 2007 in connection with the integration and realignment activities associated with the Mykrolis merger, compared to $12.1 million in 2006. The costs included in this category generally relate to expenses incurred to integrate Mykrolis' operations and systems into the Company's pre-existing operations and systems. These costs include, but are not limited to, the integration of information systems, employee benefits and compensation, accounting/finance, tax, treasury, risk management, compliance, administrative services, sales and marketing and other functions and include severance and retention costs. The year-over-year decrease in SG&A expenses also includes a decline in incremental share-based compensation expense of $3.0 million, offset by an increase in professional fees of $2.2 million.

Engineering, research and development expenses Engineering, research and development (ER&D) expenses rose by $1.7 million, or 4.3%, to $39.7 million in 2007 compared to $38.1 million in 2006. ER&D expenses as a percent of net sales were 6.3% compared to 5.7% a year ago. The increase reflected higher product sampling costs as the Company continued to focus on the support of current product lines and the development of new products and manufacturing technologies.

Interest income, net Net interest income was $5.2 million in 2007 compared to $9.2 million in 2006. The decrease reflects lower average invested balances compared to a year ago primarily related to the Company's use of cash to finance the repurchase of its common shares during the second quarter of 2007.

Other income Other income in 2007 includes a pre-tax gain of $6.1 million on the sale of the Company's interest in a privately held equity investment accounted for using the cost method. Proceeds from the sale totaled $6.6 million.

Income tax expense The Company recorded income tax expense of $10.4 million in 2007, compared to income tax expense of $26.9 million in 2006. The effective tax rate was 18.3% in 2007 compared with a 30.1% rate a year earlier.

The Company's 2007 tax rate was lower than statutory rates for a number of reasons. In the fourth quarter of 2007, the Company's Japanese subsidiary declared a dividend of 6.8 billion yen (approximately U.S. $60 million) and also loaned 4.6 billion yen (approximately U.S. $40 million) to the Company. The resulting recharacterization of $100 million of the Japanese subsidiary's accumulated undistributed earnings resulted in a fourth quarter tax benefit of $9.4 million, net of state income tax expense.

The Company also benefited from a tax holiday in Malaysia whereby, as a result of employment commitments, research and development expenditures and capital investments made by the Company, income from certain manufacturing activities in Malaysia was exempt from tax with tax benefits in 2007 in the amount of $2.1 million. In 2006, the Company's benefit from the tax holiday was $2.8 million. The 2007 effective tax rate was also lower due to a corporate income tax refund of $0.8 million resulting from new legislation in Germany and a $0.9 million favorable adjustment recorded to recognize the reconciliation of the Company's 2006 federal tax return and tax accounts. Partially offsetting these reductions was an increase to the Company's tax contingency reserves.

Discontinued operations

The Company's businesses classified as discontinued operations recorded losses of $2.0 million, net of taxes, in 2007. These results included an operating loss of $1.4 million, a pre-tax impairment charge of $2.6 million recorded in connection with the write-down of long-lived assets to fair value less cost to sell and a tax benefit of $0.7 million related to a reduction in the Company's deferred tax asset valuation allowance, resulting from the utilization of a capital loss carryforward to offset a portion of the capital gain on the sale of an equity investment.

The Company's discontinued operations recorded income of $0.3 million net of taxes for 2006. The after-tax earnings of discontinued operations in 2006 included a tax benefit of $1.6 million associated with a decrease in the Company's deferred tax asset valuation allowance described above. The change in the valuation allowance resulted from the settlement of negotiations regarding the terms of sale of a discontinued operation which established the characterization of certain gains and losses.

Net income The Company recorded net income of $44.4 million, or $0.36 per diluted share, in 2007, compared to net income of $63.5 million, or $0.46 per diluted share, in 2006. Income from continuing operations for 2007 was $46.4 million, or $0.37 per diluted share, compared to income from continuing operations of $63.2 million, or $0.46 per diluted share, in the prior year.

Twelve months ended December 31, 2006 compared to twelve months ended December 31, 2005 (Unaudited)

The following table sets forth the results of operations and the relationship between various components of operations, stated as a percent of net sales, for the years ended December 31, 2006 and December 31, 2005. The Company's historical financial data were derived from its consolidated financial statements and related notes included elsewhere in this annual report. The unaudited information has been prepared on the same basis as the audited consolidated financial statements appearing elsewhere in this annual report. All adjustments which management considers necessary for the fair presentation of the unaudited information have been included in the period presented.

(Dollars in thousands)	Year ended December 31, 2006		Year ended December 31, 2005 (Unaudited)	
		% of net sales		% of net sales
Net sales	$ 672,882	100.0%	$ 432,591	100.0%
Cost of sales	367,804	54.7	271,862	62.8
Gross profit	305,078	45.3	160,729	37.2
Selling, general and administrative expenses	188,311	28.0	156,207	36.1
Engineering, research and development expenses	38,074	5.7	26,068	6.0
Operating profit (loss)	78,693	11.7	(21,546)	(5.0)
Interest income, net	(9,205)	(1.4)	(4,519)	(1.0)
Other income, net	(1,658)	(0.2)	(2,138)	(0.5)
Income (loss) before income taxes and equity in earnings of affiliates	89,556	13.3	(14,889)	(3.4)
Income tax expense (benefit)	26,936	4.0	(10,558)	(2.4)
Equity in net (earnings) loss of affiliates	(531)	(0.1)	149	—
Net income (loss) from continuing operations	$ 63,151	9.4	$ (4,480)	(1.0)

Net sales For the year ended December 31, 2006 (2006), net sales were $672.9 million, up $240.3 million, or 55.5%, from sales reported for the year ended December 31, 2005 (2005). The increase in net sales reflects the inclusion of sales from the former Mykrolis operations for the full year in 2006 versus only the five-month period from August 6, 2005 through December 31, 2005 for the prior period. Such incremental sales totaled $192.0 million and accounted for approximately 80% of the year–over-year increase. Net sales for fiscal 2006 included unfavorable foreign currency translation effects, principally related to the Japanese yen, versus the U.S. dollar in the amount of $4.5 million. On a geographic basis, total sales to North America were 28%, Asia Pacific 33%, Europe 16% and Japan 23% in 2006.

Demand drivers for the Company’s business primarily are comprised of semiconductor fab utilization and production (unit-driven) as well as capital spending for new or upgraded semiconductor fabrication facilities (capital-driven). The Company analyzes sales of its products by these two key drivers. Sales of unit-driven products represented 59% of sales and sales of capital-driven products represented 41% of total sales in 2006. This compares to a unit-driven to capital-driven ratio of 60:40 for the year ended December 31, 2005.

Sales of unit-driven products grew in 2006 as semiconductor fab utilization rates remained strong and stable. Unit-driven products have average lives of less than 18 months or need to be replaced based on usage levels. These products include liquid filters used in the photolithography, CMP and wet etch and clean processes and in wafer shippers used to ship raw wafers, particularly at wafer sizes of 150mm and below, as well as in chip trays and data storage components used to ship 65mm and 95mm disk drives. Demand for liquid filters remained relatively stable for most of these semiconductor applications, but sales of these products to non-semiconductor customers declined modestly. Sales of wafer shippers increased modestly due to higher sales of 200mm wafer shipper products. Sales of disk shippers for data storage products were also higher, as the market for 95mm devices remained strong.

Year-over-year sales of capital-driven products generally improved in 2006, with strong sales during the first half of the year and a decline during the second half of 2006, reflecting a general slowing of the industry, particularly in North America. Capital-driven products include wafer process carriers, gas microcontamination control systems, used in the deployment of advanced photolithography processes, fluid handling systems, including dispense pumps used in the photolithography process, and integrated liquid flow controllers used in various processes around the fab. Sales of liquid systems grew during the first half of the year, but declined later in 2006, reflecting a general slowing in the industry.

Wafer transport products, such as 300mm FOUP products, also reflected slower capital spending, particularly at some North American customers. Sales of gas microcontamination control products reached the all-time high in 2006, reflecting the market acceptance of the Company's gas purification systems and liquid lens system used on advanced lithography steppers.

Sequentially, sales for the fourth quarter of 2006 were 1% lower than the third quarter of 2006 due to lower sales of capital-driven products. Unit-driven sales remained stable, reflecting flat levels of wafer starts and semiconductor production. This was in contrast to significantly lower sales of capital-driven products, due in part to softening in demand, particularly from North American customers.

Gross profit Gross profit for the year ended December 31, 2006 increased by $144.3 million to $305.1 million, an increase of 89.8% from $160.7 million for the comparable 2005 period. The gross margin percentage for 2006 was 45.3% versus 37.2% for the comparable 2005 period.

The gross profit and gross margin improvements for the year ended December 31, 2006 compared to the prior year were mainly due to the addition of the former Mykrolis operations, particularly the inclusion of sales of gas microcontamination and liquid microcontamination product lines as these products typically carry higher gross margins than the Company's other products. The Company also benefited from improved sales levels resulting in improved utilization of its manufacturing facilities. Prices for raw materials were relatively stable sequentially and compared to the year-ago period.

Gross profit in 2006 was reduced by costs of $2.8 million incurred in connection with the consolidation of manufacturing facilities in the U.S., Germany and Japan. Offsetting these charges to 2006 gross profit was a gain of $0.7 million on the sale of a facility recognized during the second quarter of 2006. Gross profit in the third and fourth quarters of 2006 was lower than the strong levels achieved earlier in the year due to manufacturing inefficiencies experienced at a North American plant in the third quarter and expenses incurred in the fourth quarter in connection with a comprehensive worldwide review of the Company's manufacturing operations to identify and resolve manufacturing inefficiencies.

Gross profit in 2005 was significantly affected by the inclusion of $23.8 million in incremental charges associated with the fair market value write-up of inventory acquired in the merger with Mykrolis. The inventory write-up was recorded as part of the purchase price allocation and was charged to cost of sales over inventory turns of the acquired inventory during the third and fourth quarters of 2005. Also during 2005, the Company incurred costs of $8.4 million associated with the realignment of manufacturing facilities in the U.S., Germany and Japan and its production and administrative activities, including $3.7 million in accelerated depreciation and impairment charges associated with assets sold or in connection with realignment activities.

Selling, general and administrative expenses Selling, general and administrative (SG&A) expenses of $188.3 million for 2006 increased $32.1 million, or 20.6% compared to $156.2 million in the comparable period a year ago. SG&A expenses as a percent of net sales fell to 28.0% from 36.1% a year earlier. The lower SG&A costs as a percent of net sales reflect the benefit of cost reductions associated with the merging of the two entities.

The year-over-year increase in SG&A costs reflect the addition of SG&A expenses associated with Mykrolis' infrastructure as well as increased amortization of intangibles of $7.4 million. Costs of $12.1 million were incurred by the Company in connection with the integration and realignment activities associated with the Mykrolis merger compared to $23.4 million in 2005. The costs included in the latter category generally relate to expenses incurred to integrate Mykrolis' operations and systems into the Company's pre-existing operations and systems. These costs include, but are not limited to, the integration of information systems, employee benefits and compensation, accounting/finance, tax, treasury, risk management, compliance, administrative services, sales and marketing and other functions and includes severance and retention costs. SG&A costs fell during the second half of 2006 as cost containment measures were put in place in the face of slowing sales and as integration activities were completed.

Engineering, research and development expenses Engineering, research and development (ER&D) expenses rose by $12.0 million, or 46.1%, to $38.1 million in 2006 compared to $26.1 million for the year ended December 31, 2005. The increases mainly reflect the inclusion of ER&D expenses associated with former Mykrolis operations. ER&D expenses as a percent of net sales were 5.7% compared to 6.0% in the prior year. The Company continued to focus on supporting current product lines and developing new products and manufacturing technologies.

Interest income, net Net interest income was $9.2 million in 2006 compared to $4.5 million in the prior-year period. The increase reflects the considerably higher rates of interest available on the Company's investments in short-term debt securities as well as the higher average net invested balance compared to the prior-year period, associated in part with the cash and short-term investments acquired in the Mykrolis merger.

Income tax expense (benefit) The Company recorded income tax expense of $26.9 million in 2006 compared to an income tax benefit of $10.6 million for the comparable period a year ago. The effective tax rate was 30.1% in fiscal 2006 compared with a 70.9% rate a year earlier. The Company's 2006 tax rate was lower than statutory rates due to the benefits associated with export activities and a tax holiday in Malaysia whereby as a result of employment commitments, research and development expenditures and capital investments made by the Company, income from certain manufacturing activities in Malaysia was exempt from tax with tax benefits in 2006 in the amount of $2.8 million. In 2005, the Company's had tax benefits from the Malaysian tax holiday in the amount of $1.0 million.

Discontinued operations The Company's businesses classified as discontinued operations recorded a loss before income taxes of $1.9 million in 2006. The income from discontinued operations included a tax benefit of $1.6 million recorded in the first quarter of 2006 related to the change in the deferred tax asset valuation allowance resulting from the resolution of a matter with respect to the characterization of certain gains and losses.

Net income The Company recorded net income of $63.5 million, or $0.46 per diluted share, in 2006, compared to a net loss of $15.5 million, or $0.16 per diluted share, in the comparable 2005 period. Income from continuing operations for fiscal 2006 was $63.2 million, or $0.46 per diluted share, compared to a net loss of $4.5 million, or $0.03 per diluted share, in the prior-year period.

Four Months Ended December 31, 2005 Compared To Four Months Ended December 31, 2004 (Unaudited)

The following table sets forth the results of operations and the relationship between various components of operations, stated as a percent of net sales, for the four-month periods ended December 31, 2005 and 2004. The Company's historical financial data were derived from its consolidated financial statements and related notes included elsewhere in this annual report. The unaudited information has been prepared on the same basis as the audited consolidated financial statements appearing elsewhere in this annual report. All adjustments which management considers necessary for the fair presentation of the unaudited information have been included in the period presented.

(Dollars in thousands)	Four months ended December 31, 2005	% of net sales	Four months ended December 31, 2004 (Unaudited)	% of net sales
Net sales	$199,644	100.0%	$114,529	100.0%
Cost of sales	129,437	64.8	66,588	58.1
Gross profit	70,207	35.2	47,941	41.9
Selling, general and administrative expenses	77,253	38.7	31,453	27.5
Engineering, research and development expenses	13,904	7.0	6,149	5.4
Operating (loss) profit	(20,950)	(10.5)	10,339	9.0
Interest income, net	(2,440)	(1.2)	(473)	(0.4)
Other expense, net	62	—	214	0.2
(Loss) income before income taxes and equity in (earnings) loss of affiliates	(18,572)	(9.3)	10,598	9.3
Income tax (benefit) expense	(8,713)	(4.4)	2,984	2.6
Equity in net (earnings) loss of affiliates	(70)	—	27	—
Net (loss) income from continuing operations	$ (9,789)	(4.9)	$ 7,587	6.6

Net sales Net sales were $199.6 million for the four months ended December 31, 2005, up 74% compared to $114.5 million in the four months ended December 31, 2004. Sales from Mykrolis operations totaled $89.6 million, accounting for slightly more than the overall period-over-period increase. Sales were adversely affected by approximately $3.5 million due to the weakening of international currencies versus the U.S. dollar, most notably in Japan. On a geographic basis, total regional sales to North America were 31%, Asia Pacific 33%, Europe 14% and Japan 22%.

Industry indicators during the 2005 period were largely positive. Semiconductor device makers and foundries reported continued high fab utilization rates, both at the advanced technology nodes and for NAND flash and other memory devices. Capital spending was also generally favorable.

These trends were reflected across unit-driven products. In particular, sales of liquid filtration and purification products, which represent almost half of unit-driven sales, improved over the comparable period a year earlier. Strength in Japan and North America was offset by relative weakness in Europe, whose order trends typically trail those in other geographies.

Sales of wafer shippers rose during the period, driven by demand for product for 200mm and below. Sales of other unit-driven products were mixed. Strong sales of gas microcontamination filters and purifiers, which are used on a broad spectrum of gas and vacuum based tools, offset lower sales of shippers for data storage devices and matrix trays for finished electronic products.

Among capital-driven products, sales of 300mm wafer carriers improved over the comparable period a year earlier. Sales of these products are primarily driven by the timing of new fab construction, and as such, demand can be variable from period to period. Sales of liquid systems products were also higher than the year-ago period.

Gross profit Gross profit in the four months ended December 31, 2005 increased by $22.3 million to $70.2 million, an increase of 46% from the $47.9 million reported in the four months ended December 31, 2004. The gross margin percentage for the four months ended December 31, 2005, was 35.2 % versus 41.9% in the comparable period of 2004.

The gross margin rate for the four months ended December 31, 2005 was significantly below the rate for the same period in the prior year for a number of reasons. The main factor was the $17.8 million incremental cost of sales charge associated with the fair market value write-up of inventory acquired in the merger with Mykrolis. The inventory write-up was recorded as part of the purchase price allocation and was charged to cost of sales over inventory turns of the acquired inventory and was fully expensed by the end of the quarter ended

November 26, 2005. Costs of $4.8 million associated with the consolidation of manufacturing facilities in the U.S., Germany and Japan also reduced gross profit. Although price increases for resins began to moderate, on a year-over-year basis, the Company's gross margin was lower due to higher material costs for certain products.

Selling, general and administrative expenses Selling, general and administrative (SG&A) expenses increased $45.8 million, or 146%, to $77.3 million in the four months ended December 31, 2005, up from $31.5 million in the comparable four-month period a year earlier. Due to the magnitude of the increase, SG&A expenses, as a percent of net sales, rose to 38.7% from 27.5% a year earlier.

The increase in SG&A costs reflected the addition of SG&A expenses of $31.0 million associated with Mykrolis' infrastructure and increased amortization of intangibles of $4.7 million, as well as costs of $11.3 million incurred by the Company in connection with the integration activities associated with the Mykrolis merger. The costs included in this category generally relate to expenses incurred to integrate Mykrolis' operations and systems into the Company's pre-existing operations and systems. These costs include, but are not limited to, the integration of information systems, employee benefits and compensation, accounting/finance, tax, treasury, risk management, compliance, administrative services, sales and marketing and other functions and includes severance and retention costs. The year-over-year increase also included incremental share-based compensation expense of $9.6 million.

Engineering, research and development expenses Engineering, research and development (ER&D) expenses were $13.9 million in the four months ended December 31, 2005, up 126% from $6.1 million in the four months ended December 31, 2004. ER&D expenses, as a percent of net sales, increased to 7.0% from 5.4%, reflecting the inclusion of Mykrolis ER&D expenses. The Company continued to focus on the support of current product lines and the development of new products and manufacturing technologies.

Interest income, net Net interest income was $2.4 million in the four months ended December 31, 2005 compared to $0.5 million in the same four-month period a year earlier. The increase reflected the higher rates of interest available on the Company's investments in short-term debt securities as well as the higher average net invested balance compared to the prior-year period, associated in part with the short-term investments acquired in the Mykrolis merger.

Income tax expense The Company recorded an income tax benefit of $8.7 million in the four months ended December 31, 2005 compared to income tax expense of $3.0 million in the four months ended December 31, 2004. The effective tax rate was (46.9)% in the 2005 period, compared to 28.2% in the 2004 period.

During the four months ended December 31, 2005, the Company recorded a tax benefit of $1.1 million, plus interest, related to the refund of certain Minnesota corporate income taxes previously paid for fiscal years 2000 and 2001 based upon certain rulings. In both periods, the Company's effective tax rate benefited from a tax benefit associated with export activities and a tax credit associated with research and development (R&D) activities. In addition, the Company benefited from a tax holiday in Malaysia, whereby as a result of employment and R&D expenditure commitments made by the Company, income from certain manufacturing activities in Malaysia was exempt from tax, with tax benefits in the four months ended December 31, 2005 in the amount of $0.2 million.

Income tax expense in the four months ended December 31, 2004 included a $0.5 million tax benefit that was recorded in connection with the resolution of a U.S. federal income tax refund claim made by the Company.

Discontinued operations The Company's businesses classified as discontinued operations recorded a net loss of $8.5 million, net of tax, in the four months ended December 31, 2005. The results included impairment charges of $6.7 million, net of tax, associated with write-downs of long-lived assets to fair value less cost to sell. These product lines were sold in late calendar 2005 and the first quarter of calendar 2006.

Net (loss) income The Company recorded a net loss of $18.3 million, or $0.14 per diluted share, in the four-month period ended December 31, 2005 compared to net income of $6.6 million, or $0.09 per diluted share, in the four-month period ended December 31, 2004. The loss from continuing operations for the 2005 four-month period was $9.8 million, or $0.07 per share, compared to net income of $7.6 million, or $0.10 per share, in the 2004 four-month period.

Quarterly Results of Operations

The following table presents selected data from the Company's consolidated statements of operations for the eight quarters ended December 31, 2007. This unaudited information has been prepared on the same basis as the audited consolidated financial statements appearing elsewhere in this annual report. All adjustments which management considers necessary for the fair presentation of the unaudited information have been included in the quarters presented.

QUARTERLY STATEMENTS OF OPERATIONS DATA (UNAUDITED)

	Year ended December 31, 2006				Year ended December 31, 2007			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
(In thousands)								
Net sales	$156,406	$179,296	$169,880	$167,300	$159,571	$153,508	$151,811	$161,348
Gross profit	72,827	86,981	75,838	69,432	68,508	65,494	65,510	66,725
Selling, general and administrative expenses	51,697	51,553	43,284	41,777	45,944	44,317	43,983	48,548
Engineering, research and development expenses	9,042	9,977	9,651	9,404	10,534	9,679	9,409	10,105
Operating profit	12,088	25,451	22,903	18,251	12,030	11,498	12,118	8,072
Net income	11,353	18,193	17,821	16,099	10,383	14,777	8,417	10,782

	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
(Percent of net sales)								
Net sales	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Gross profit	46.6	48.5	44.6	41.5	42.9	42.7	43.2	41.4
Selling, general and administrative expenses	33.1	28.8	25.5	25.0	28.8	28.9	29.0	30.1
Engineering, research and development expenses	5.8	5.6	5.7	5.6	6.6	6.3	6.2	6.3
Operating profit	7.7	14.2	13.5	10.9	7.5	7.5	8.0	5.0
Net income	7.3	10.1	10.5	9.6	6.5	9.6	5.5	6.7

Our quarterly results of operations have been, and will likely continue to be, subject to significant fluctuations due to a variety of factors, a number of which are beyond the Company's control.

Liquidity and Capital Resources

The Company has historically financed its operations and capital requirements through cash flow from operating activities, long-term loans, lease financing and borrowings under domestic and international short-term lines of credit. In August 2005, the Company financed its merger with Mykrolis Corporation through the issuance of common stock and stock options.

Operating activities Net cash flow provided by operating activities totaled $132.0 million for the year ended December 31, 2007. Cash flow primarily related to net earnings, and the effect of non-cash charges, including depreciation and amortization of $43.8 million, and share-based compensation expense of $10.3 million.

Also adding to operating cash flow was the net positive impact of changes in operating assets and liabilities, most notably declines in receivables and inventory. Working capital stood at $256.9 million at December 31, 2007, including $160.7 million in cash and cash equivalents, down from $463.6 million as of December 31, 2006, including $275.0 million in cash, cash equivalents and short-term investments.

During 2007, accounts receivable, net of foreign currency translation adjustments, decreased by $20.1 million, reflecting lower sales and an improvement in the Company's days sales outstanding, which were 63 days at year end compared to 70 days at the beginning of the year. Net of foreign currency translation adjustments, inventories decreased in 2007 by $24.1 million from December 31, 2006 due to reduced production activity and improved management of inventories.

Investing activities Cash flow provided by investing activities totaled $50.8 million in the twelve months ended December 31, 2007. The company had proceeds from maturities and sales of short-term investments, net of purchases, of $121.1 million during 2007. Proceeds of $2.0 million from the sale of various property and equipment were recorded in the twelve months ended December 31, 2007. The Company owned no short-term investments at December 31, 2007. Cash flow from investing activities also included proceeds from the sale of the Company's interest in a privately-held equity investment totaling $6.6 million.

The acquisition of a specialty coatings business in August 2007 totaled $44.9 million. Acquisition of property and equipment totaled $26.9 million, primarily for additions related to the facility expansion in Malaysia, manufacturing equipment, tooling and information systems. The Company expects total capital expenditures of approximately $30 million for calendar 2008. The Company also invested $6.1 million in equities of privately-held companies.

Financing activities Net cash used in financing activities totaled $183.1 million during 2007. As described below, the Company repurchased and retired $256.1 million of common stock during the year. Proceeds from borrowings received under various debt agreements during the year were $131.1 million. The Company made payments of $88.1 million on borrowings. The Company received proceeds of $29.9 million in connection with common shares issued under the Company's stock option and stock purchase plans.

In June 2007, the Company's Board of Directors authorized a share repurchase program to acquire up to $250 million of the Company's stock. In a modified "Dutch Auction" tender offer completed in June 2007, the Company purchased 21.1 million shares of its common stock at a price of $11.80 per share, plus costs to acquire the shares, for a total cash outlay of approximately $251.4 million.

In August 2006, the Company entered into an accelerated share repurchase agreement (ASRA) and a collared accelerated repurchase agreement (CASRA) with Goldman, Sachs & Co. The Company completed the transaction in August 2007. The Company received an additional 0.4 million shares under the CASRA and paid an additional $0.6 million under the ASRA, respectively.

In November 2007, the Company's Board of Directors authorized a Rule 10b-5-1 trading plan to acquire up to $49.2 million of the Company's common stock. Under the trading plan, the Company purchased 0.5 million shares of its common stock at a total cost of $4.1 million.

The Company executed a new credit agreement in 2007, which expires in June 2010, and allows for aggregate borrowings of up to $85 million with interest at LIBOR rates plus an incremental factor ranging from 0.75% to 1.25% based on the current funded debt to EBITDA ratio (as defined therein). Under the credit agreement, which includes a $60 million revolver and a $25 million one-year term note, the Company is prohibited from paying cash dividends. The Company is also subject to, and is in compliance with, certain financial covenants including a leverage ratio of funded debt to EBITDA (as defined therein) of not more than 3.00 to 1.00. In addition, the Company must maintain consolidated aggregate amounts of cash and cash equivalents (which under the agreement may also include auction rate securities classified as short-term investments) of not less than $50 million. In June 2007, the Company drew down the $25 million term note facility and subsequently paid the note down completely in December 2007. Under the terms of the agreement, the $25 million term note facility is no longer available. As of December 31, 2007, the remaining revolver facility of $60 million under the credit agreement was available with no borrowings outstanding.

At December 31, 2007, the Company's shareholders' equity was $852.3 million, down 16% from $1,016.0 million at the beginning of the period. The decrease is primarily a result of the repurchase and retirement of the Company's stock as described above. This was offset partially by the Company's net earnings of $44.4 million, the proceeds of $29.9 million received in connection with shares issued under the Company's stock option and stock purchase plans, and the increase to additional paid-in capital of $10.6 million associated with the Company's share-based compensation expense and related tax benefits recorded during the period.

As of December 31, 2007, the Company's sources of available funds comprised $160.7 million in cash and cash equivalents, as well as funds available under various credit facilities. Entegris has a credit agreement with one domestic commercial bank with available borrowing capacity of $60 million, with no borrowings outstanding, as of December 31, 2007. The Company also has a line of credit with three international banks that provide for borrowings of currencies for two of the Company's overseas subsidiaries, equivalent to an aggregate of approximately $21.0 million. There was $17.8 million in borrowings outstanding on these lines of credit at December 31, 2007.

As described in greater detail at Note 21 to its consolidated financial statements, the Company executed a new domestic credit agreement in February 2008, which expires in February 2013, with a total borrowing capacity of $230 million.

The Company believes that its cash and cash equivalents, short-term investments, cash flow from operations and available credit facilities will be sufficient to meet its working capital and investment requirements for the next 12 months. However, future growth, including potential acquisitions, may require the Company to raise capital through additional equity or debt financing. There can be no assurance that any such financing would be available on commercially acceptable terms.

The following table summarizes the maturities of the Company's significant financial obligations:

	Maturity by fiscal year						
(In thousands)	**Total**	**2008**	**2009**	**2010**	**2011**	**2012**	**Thereafter**
Contractual obligations related to off-balance sheet arrangements:							
Operating leases	$ 30,158	$ 9,576	$ 6,353	$ 5,517	$ 2,873	$ 2,598	$ 3,241
Foreign currency contracts	286	286	—	—	—	—	—
Total	$ 30,444	$ 9,862	$ 6,353	$ 5,517	$ 2,873	$ 2,598	$ 3,241
Contractual obligations reflected in the balance sheet:							
Long-term debt	$ 29,683	$ 9,310	$ 9,327	$ 11,046	—	—	—
Pension obligations	$ 5,423	570	456	491	711	458	2,737
Total	$ 35,106	$ 9,880	$ 9,783	$ 11,537	$ 711	$ 458	$ 2,737

The Company adopted FIN 48, *Accounting for Uncertainty in Income Taxes-an Interpretation of FASB Statement No. 109* as of January 1, 2007. The Company had $16.6 and $11.7 million of total gross unrecognized tax benefits at December 31, 2007 and the date of adoption, respectively. The timing of any payments which could result from these unrecognized tax benefits will depend on a number of factors. Accordingly, the Company cannot make reasonably reliable estimates of the amount and period of potential cash settlements, if any, with taxing authorities.

Quantitative and Qualitative Disclosure About Market Risks

Entegris' principal financial market risks are sensitivities to interest rates and foreign currency exchange rates. The Company's interest-bearing cash equivalents and certain long-term debt are subject to interest rate fluctuations. Most of the Company's long-term debt at December 31, 2007 carries fixed rates of interest. The Company's cash equivalents are instruments with maturities of three months or less. A 100 basis point change in interest rates would potentially increase or decrease annual net income by approximately $0.7 million annually.

The cash flows and earnings of the Company's foreign-based operations are subject to fluctuations in foreign exchange rates. The Company occasionally uses derivative financial instruments to manage the foreign currency exchange rate risks associated with its foreign-based operations. At December 31, 2007, the Company was party to forward contracts to deliver Japanese yen, Taiwanese dollars, Euros, Israeli new shekels, Malaysia ringgits, and Singapore dollars with notional values of approximately $8.5 million, $6.0 million, $7.8 million, $1.5 million, $7.0 million and $2.8 million, respectively. A hypothetical 10% change in the foreign currency exchange rates would potentially result in exchange gains or losses that could increase or decrease net income by approximately $2.1 million.

On February 6, 2007, the Company entered into a 10-month Japanese yen-based cross-currency interest rate swap, with aggregate notional principal amounts of 2.4 billion Japanese yen and $20 million that matured on November 30, 2007. This swap effectively hedged a portion of the Company's net investment in its Japanese subsidiary. During the term of this transaction, the Company remitted to, and received from, its counterparty interest payments based on rates that were reset quarterly equal to three-month Japanese LIBOR and three-month U.S. LIBOR rates, respectively. The Company designated this hedging instrument as a hedge of a portion of the net investment in its Japanese subsidiary, and used the spot rate method of accounting to value changes of the hedging instrument attributable to currency rate fluctuations. Accordingly, a $2.1 million adjustment in the fair market value of the hedging instrument related to changes in the spot rate was recorded as a charge to "Foreign currency translation" within accumulated other comprehensive loss in shareholders' equity in 2007 to offset changes in a portion of the yen-denominated net investment in the Company's Japanese subsidiary and will remain there until the net investment is disposed. The Company recorded $0.7 million in net interest income in 2007 in connection with the cross-currency interest rate swap.

Impact of Inflation

The Company's consolidated financial statements are prepared on a historical cost basis, which does not completely account for the effects of inflation. Material and labor expenses are the Company's primary costs. The cost of materials, including polymers and stainless steel, was generally flat compared to one year ago due to increased production capacity of suppliers, despite higher oil prices. Entegris expects the cost of these materials to increase notably in 2008 due to the tightening of production capacity of its suppliers, a weak U.S. dollar driving strong demand for these materials overseas, particularly polymer-based resins, and projected higher oil prices. Labor costs, including taxes and fringe benefits rose slightly in fiscal 2007 and moderate increases also can be reasonably anticipated for fiscal 2008. The Company's products are sold under contractual arrangements with its large customers and at current market prices to other customers. Consequently, the Company can adjust its selling prices, to the extent allowed by competition and contractual arrangements, to reflect cost increases caused by inflation. However, many of these cost increases may not be recoverable.

Factors and Uncertainties that may Affect Future Results

The matters discussed in this Annual Report on Form 10-K include forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include but are not limited to statements about:

- our strategy;
- our revenues;
- sufficiency of our cash resources;
- product development;
- our research and development and other expenses; and
- our operations and legal risks.

Discussions containing these forward-looking statements may be found throughout this report including in the items entitled “Business” (Item 1), “Risk Factors” (Item 1A), and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” (Item 7), as well as any amendments thereto reflected in subsequent filings with the SEC. These statements are based on current management expectations and are subject to substantial risks and uncertainties which could cause actual results to differ materially from the results expressed in, or implied by, these forward-looking statements. When used herein or in such statements, the words “anticipate”, “believe”, “estimate”, “expect”, “may”, “will”, “should” or the negative thereof and similar expressions as they relate to Entegris or its management are intended to identify such forward-looking statements. We undertake no obligation to publicly release any revisions to the forward-looking statements or reflect events or circumstances after the date of this Annual Report on Form 10-K except as required by law.

Item 7a. Quantitative and Qualitative Disclosures about Market Risk.

The information required by this item can be found under the subcaption “Quantitative and Qualitative Disclosures About Market Risks” of “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in Item 7.

Item 8. Financial Statements and Supplementary Data.

The information called for by this item is set forth in the Consolidated Financial Statements covered by the Report of Independent Registered Public Accounting Firm at the end of this report.

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure.

None.

Item 9A. Controls and Procedures.

(a) EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

Management evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended, or the Exchange Act), as of December 31, 2007, the end of the fiscal period covered by this report on Form 10-K. The Securities and Exchange Commission, or SEC, rules define the term “disclosure controls and procedures” to mean a company’s controls and other procedures that are designed to ensure that information required to be disclosed in the reports it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time period specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in its reports filed under the Exchange Act is accumulated and communicated to the company's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Based on the evaluation of the effectiveness of our disclosure controls and procedures by our management team with the participation of the Chief Executive Officer and the Chief Financial Officer, our Chief Executive Officer and our Chief Financial Officer have concluded that, as of the end of the period covered by this report, our disclosure controls and procedures were not effective as of such date because of the existence of a material weakness in our internal control over financial reporting related to accounting for income taxes as described below.

(b) MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Exchange Act Rule 13a-15(f). The Company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. generally accepted accounting principles (U.S. GAAP) and includes those policies and procedures that:

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. GAAP, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

Management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2007. In making this assessment, management used the control criteria framework of the Committee of Sponsoring Organizations (COSO) of the Treadway Commission published in its report entitled *Internal Control – Integrated Framework*. As a result of this assessment, management identified a material weakness in the internal control over our financial reporting related to ineffective controls over the accounting for income taxes. Specifically, the Company did not have sufficient tax personnel with adequate expertise to effectively monitor and review the process to prepare the income tax provision. This control deficiency resulted in errors in the interim and annual consolidated financial statements related to both the prior and current periods and there is a reasonable possibility that a material misstatement of the Company's annual or interim consolidated financial statements would not be prevented nor detected on a timely basis. Based on this material weakness, management concluded that the Company's internal control over financial reporting was not effective as of December 31, 2007. KPMG LLP, an independent registered public accounting firm, has issued an auditors' report on the effectiveness of the Company's internal control over financial reporting as of December 31, 2007.

(c) REMEDIATION PLAN RELATED TO 2007 10K MATERIAL WEAKNESS

We have not fully remediated the material weakness relating to accounting for income taxes. Management is committed to improving the internal control over financial reporting to remediate this material weakness and ensuring compensating controls are in place, where necessary. Therefore, in response to the foregoing, we, with the oversight of our Audit Committee, have implemented the following corrective actions and plan to adopt certain additional measures to remediate our material weakness in accounting for income taxes.

- Completed the transition of the tax department leadership to our recently hired Vice President of Tax who has significant public accounting, public company and international tax experience.
- Utilized a third-party tax service provider to complete a significant review and reconciliation of all major deferred tax accounts.
- Utilized a third party tax service provider to complete a review of FIN 48 tax contingencies.
- Hired a new tax manager, in December 2007, with significant public company tax experience.

Additionally, our plan to remediate the material weakness relating to accounting for income taxes includes the following measures:

- Obtaining the control benefit from recently hired experienced tax staff who have public accounting and/or public company experience;
- Hiring additional experienced tax professionals with public accounting and/or public company income tax experience; and
- Continuing to improve our review processes and procedures over the preparation, reconciliation and analysis of its income tax provision and income tax-related accounts.

(d) CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There was no change in the Company's internal control over financial reporting during the most recently completed fiscal quarter that has materially affected, or is reasonably likely to materially affect, internal control over financial reporting.

Item 9B. Other Information.

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

The information called for by this item with respect to registrant's directors, including information relating to the independence of certain directors, identification of the audit committee and the audit committee financial expert and with respect to corporate governance is set forth under the caption “Election of Directors” and “Corporate Governance”, respectively in the Company’s definitive Proxy Statement for the Entegris, Inc. Annual Meeting of Stockholders to be held on May 7, 2008, and to be filed with the Securities and Exchange Commission on or about April 6, 2008, which information is hereby incorporated herein by reference.

The information called for by this item with respect to registrant's compliance with Section 16(a) of the Securities Exchange Act of 1934, as amended, is set forth under the caption “Section 16(a) Beneficial Ownership Reporting Compliance” in the Company’s definitive Proxy Statement for the Entegris, Inc. Annual Meeting of Stockholders to be held on May 7, 2008, and to be filed with the Securities and Exchange Commission on or about April 6, 2008, which information is hereby incorporated herein by reference.

Information called for by this item with respect to registrant's executive officers is set forth under “Executive Officers” in Item 1 of this report.

The Company has adopted a code of ethics, the Entegris, Inc. Code of Business Ethics, which applies to all employees of the registrant including the registrant’s Chief Executive Officer, Chief Financial Officer and Chief accounting Officer. A copy of the Entegris, Inc. Code of Business Ethics is posted on our website at http://www.Entegris.com, under “Investor Relations—Governance”. The Entegris, Inc. Code of Business Ethics is available in print to any stockholder that requests a copy. A copy of the Entegris, Inc. Code of Business Ethics may be obtained by contacting Peter W. Walcott, the Company’s Senior Vice President & General Counsel at the Company’s headquarters. The Company intends to comply with the requirements of Item 10 of Form 8-K with respect to any waiver of the provisions of the Entegris, Inc. Code of Business Ethics applicable to the registrant’s Chief Executive Officer, Chief Financial Officer or Chief Accounting Officer by posting notice of any such waiver at the same location on our website.

Item 11. Executive Compensation.

The information called for by this item is set forth under the caption “COMPENSATION OF EXECUTIVE OFFICERS”, “MANAGEMENT DEVELOPMENT & COMPENSATION COMMITTEE” and “REPORT OF THE MANAGEMENT DEVELOPMENT & COMPENSATION COMMITTEE”, respectively, in the Company’s definitive Proxy Statement for the Entegris, Inc. Annual Meeting of Stockholders to be held on May 7, 2008, and to be filed with the Securities and Exchange Commission on or about April 6, 2008, which information is hereby incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The following information is provided as of December 31, 2007, with respect to our compensation plans under which equity securities are authorized for issuance. The only equity securities currently authorized for issuance under our compensation plans are common stock for awards or options to acquire our common stock.

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))(1) (c)
Equity compensation plans approved by security holders	8,007,073	$ 8.70	7,952,720(2)
Equity compensation plans not approved by security holders	379,270	$ 8.68	934,721(3)
Total	8,386,343	$ 8.70	8,887,441(2)(3)

(1) Includes shares of Entegris common stock available for award or to support option grants under the 2001 Equity Incentive Plan and the 2003 Employment Inducement and Acquisition Stock Option Plan as well as under the 1999 Long Term Incentive and Stock Option Plan and Outside Directors' Option Plan, each of first two enumerated plans contains an "evergreen" provision that annually increases the number of shares available for award or to support option grants by 1% and 0.25%, respectively, of the number of shares of common stock outstanding on the date of the Annual Meeting of Stockholders.

(2) This figure has been reduced for outstanding restricted shares of common stock and the maximum available number of performance shares as of December 31, 2007 in the amount of 2,834,660.

(3) This figure has been reduced by 106,763 outstanding restricted shares of common stock as of December 31, 2007.

The securities issued and available for issue pursuant to equity compensation plans not approved by security holders listed in the table above refers to the Entegris, Inc. 2003 Employment Inducement and Acquisition Stock Option Plan which was adopted by the Board of Directors of Mykrolis and assumed by the Company by action of its Board of Directors effective August 10, 2005. This stock option plan provides for the grant of stock options covering an aggregate of 486,500 shares of the Common stock, $0.01 par value, of the Company to newly hired (or rehired) employees and to employees of companies acquired by Entegris. The plan has a term of ten years and provides that all stock options granted under the plan carry an exercise price of fair market value on the date of grant. This plan also contains an "evergreen" provision that annually increases the number of shares available for award or to support option grants by 0.25% of the number of shares of common stock outstanding on the date of the Annual Meeting of Stockholders during the term of the plan.

The information called for by Item 403 of Regulation S-K is set forth under the caption "OWNERSHIP OF ENTEGRIS COMMON STOCK" in the Company's definitive Proxy Statement for the Entegris, Inc. Annual Meeting of Stockholders to be held on May 7, 2008, and to be filed with the Securities and Exchange Commission on or about April 6, 2008, which information is hereby incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

The information called for by this item with respect to certain transactions and relationships between the registrant and directors, executive officers and five percent stockholders is set forth under the caption "MANAGEMENT AND ELECTION OF DIRECTORS-Nominees for Election as Directors" in the Company's definitive Proxy Statement for the Entegris, Inc. Annual Meeting of Stockholders to be held on May 7, 2008, and to be filed with the Securities and Exchange Commission on or about April 6, 2008, which information is hereby incorporated herein by reference.

Item 14. Principal Accountant Fees and Services.

The information called for by this item with respect to the fees paid to and the services performed by the registrant's principal accountant is set forth under the caption "ACCOUNTANTS" in the Company's definitive Proxy Statement for the Entegris, Inc. Annual Meeting of Stockholders to be held on May 7, 2008, and to be filed with the Securities and Exchange Commission on or about April 6, 2008, which information is hereby incorporated herein by reference.

PART IV

Item 15. Exhibits, Financial Statement Schedules, and Reports on Form 8-K.

(a) The following documents are filed as a part of this report:

1. **Financial Statements.** The Consolidated Financial Statements listed under Item 8 of this report and in the Index to Consolidated Financial Statements on page F-1 of this report that is incorporated by reference.

2. **Exhibits.**

   A. *The following exhibits are incorporated by reference:*

Reg. S-K Item 601(b) Reference	Document Incorporated	Referenced Document on file with the Commission
(2)	Agreement and Plan of Merger, dated as of March 21, 2005, by and among Entegris, Inc., Mykrolis Corporation and Eagle DE, Inc.	Included as Annex A in the joint proxy statement/prospectus included in S-4 Registration Statement of Entegris, Inc. and Eagle DE, Inc. (No. 333-124719)
(2)	Agreement and Plan of Merger, dated as of March 21, 2005, by and between Entegris, Inc., and Eagle DE, Inc.	Included as Annex B in the joint proxy statement/prospectus included in S-4 Registration Statement of Entegris, Inc. and Eagle DE, Inc. (No. 333-124719)
(2)	Form of Master Separation and Distribution Agreement between Millipore Corporation and Mykrolis Corporation	Exhibit 2.1 to Mykrolis Corporation Form S-1 Registration Statement (No. 333-57182)
(2)	Form of General Assignment and Assumption Agreement between Millipore Corporation and Mykrolis Corporation	Exhibit 2.2 to Mykrolis Corporation Form S-1 Registration Statement (No. 333-57182)
(3)	Amended and Restated Certificate of Incorporation of Entegris, Inc.	Included as Annex C-2 in the joint proxy statement/prospectus included in S-4 Registration Statement of Entegris, Inc. and Eagle DE, Inc. (No. 333-124719)
(3)	By-laws of Entegris, Inc.	Included as Annex D in the joint proxy statement/prospectus included in S-4 Registration Statement of Entegris, Inc. and Eagle DE, Inc. (No. 333-124719)
(4)	Form of certificate representing shares of Common Stock, $.01 par value per share	Exhibit 4.1 to Form S-4 Registration Statement of Entegris, Inc. and Eagle DE, Inc. (No. 333-124719)
(4)	Rights Agreement dated July 26, 2005, between Entegris and Wells Fargo Bank, N.A as rights agent	Exhibit 4.1 to Entegris, Inc. (Entegris Minnesota) Current Report on Form 8-K filed with the Securities and Exchange Commission on July 29, 2005
(10)	Entegris, Inc. 1999 Long-Term Incentive and Stock Option Plan*	Entegris, Inc. Registration Statement on Form S-1 (No. 333-33668)

* A “management contract or compensatory plan”

Reg. S-K Item 601(b) Reference	Document Incorporated	Referenced Document on file with the Commission
(10)	Entegris, Inc. Outside Directors’ Stock Option Plan*	Entegris, Inc. Registration Statement on Form S-1 (No. 333-33668)
(10)	Entegris, Inc. 2000 Employee Stock Purchase Plan	Entegris, Inc. Registration Statement on Form S-1 (No. 333-33668)
(10)	2001 Equity Incentive Plan*	Exhibit 10.1 to Mykrolis Corporation Form S-1 Registration Statement (No. 333-57182)
(10)	2003 Employment Inducement and Acquisition Stock Option Plan*	Exhibit 10.6 to Mykrolis Corporation Form 10-Q Quarterly Report for the period ended September 27, 2003
(10)	Supplemental Executive Retirement Plan for Key Salaried Employees*	Exhibit 10.28 to Mykrolis Corporation Form 10-K Annual Report for the year ended December 31, 2002
(10)	2002 Deferred Compensation Plan for Senior Management*	Exhibit 10.29 to Mykrolis Corporation Form 10-K Annual Report for the year ended December 31, 2002
(10)	Lease Agreement, dated April 1, 2002 Between Nortel Networks HPOCS Inc. And Mykrolis Corporation, relating to Executive office, R&D and manufacturing facility located at 129 Concord Road Billerica, MA	Exhibit 10.1.3 to Mykrolis Corporation Quarterly Report on Form 10-Q, for the period ended March 31, 2002
(10)	Master Patent License Agreement	Exhibit 10.8 to Mykrolis Corporation Form S-1 Registration Statement (No. 333-57182)
(10)	Master Patent Grantback License Agreement	Exhibit 10.9 to Mykrolis Corporation Form S-1 Registration Statement (No. 333-57182)
(10)	Master Trademark License Agreement	Exhibit 10.11 to Mykrolis Corporation Form S-1 Registration Statement (No. 333-57182)
(10)	Master Invention Disclosure Assignment	Exhibit 10.12 to Mykrolis Corporation Form S-1 Registration Statement (No. 333-57182)
(10)	Master Trade Secret and Know-How Agreement	Exhibit 10.13 to Mykrolis Corporation Form S-1 Registration Statement (No. 333-57182)
(10)	Tax Sharing Agreement	Exhibit 10.14 to Mykrolis Corporation Form S-1 Registration Statement (No. 333-57182)
(10)	Amended and Restated Membrane Manufacture and Supply Agreement	Exhibit 10.1 to Entegris, Inc. Form 10-Q report for the period ended December 31, 2005
(10)	Restricted Stock Award Agreement, dated as of November 21, 2004, between Mykrolis Corporation and Gideon Argov*	Exhibit 10.32 to Mykrolis Corporation Form 10-K Annual Report for the year ended December 31, 2004
(10)	Form of Restricted Stock Award Agreement, dated as of December 9, 2004, between the Company and each of its executive officers*	Exhibit 10.34 to Mykrolis Corporation Form 10-K Annual Report for the year ended December 31, 2004

* A “management contract or compensatory plan”

Reg. S-K Item 601(b) Reference	Document Incorporated	Referenced Document on file with the Commission
(10)	Agreement and Plan of Merger by and among Mykrolis Corporation, Stingray Merger Corporation, Extraction Systems, Inc. and the Representative of the Holders of all of the Capital Stock of Extraction Systems, Inc. dated as of March 3, 2005	Exhibit 10.35 to Mykrolis Corporation Form 10-K Annual Report for the year ended December 31, 2004
(10)	Letter Agreement, dated as of March 21, 2005, by and between Mykrolis Corporation and Jean-Marc Pandraud*	Exhibit 10.6 to Mykrolis Corporation's Quarterly Report on Form 10-Q for the quarter ended April 2, 2005
(10)	Letter Agreement, dated as of March 21, 2005, by and between Mykrolis Corporation and Peter W. Walcott*	Exhibit 10.8 to Mykrolis Corporation's Quarterly Report on Form 10-Q for the quarter ended April 2, 2005
(10)	Amended and Restated Employment Agreement, dated as of May 4, 2005, by and between Mykrolis Corporation and Gideon Argov*	Exhibit 10.13 to Mykrolis Corporation's Quarterly Report on Form 10-Q for the quarter ended April 2, 2005
(10)	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	Entegris, Inc. Registration Statement on Form S-1 (No. 333-33668)
(10)	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	Entegris, Inc. Registration Statement on Form S-1 (No. 333-33668)
(10)	Credit Agreement, dated as of June 8, 2007, by and among Entegris, Inc., Wells Fargo Bank NA, as agent, and the other banks party thereto	Exhibit 10.1 to Entegris, Inc. Quarterly Report on Form 10-Q for the quarter ended June 30, 2007
(10)	Form of Indemnification Agreement between Entegris, Inc. and each of its executive officers and Directors	Exhibit 10.30 to Entegris, Inc. Annual Report on Form 10- K for the period ended August 27, 2005
(10)	Form of Executive Change of Control Termination Agreement between Entegris, Inc. and each of its executive officers*	Exhibit 10.31 to Entegris, Inc. Annual Report on Form 10-K for the period ended August 27, 2005
(10)	Employment Separation Agreement and Release between Entegris, Inc. and Stan Geyer (assumed by the Company)*	Exhibit 10.32 to Entegris, Inc. Annual Report on Form 10-K for the period ended August 27, 2005
(10)	Employment Agreement and Release between Entegris, Inc. and Michael W. Wright, effective August 6, 2005*	Exhibit 10.34 to Entegris, Inc. Annual Report on Form 10-K for the period ended August 27, 2005

* A “management contract or compensatory plan”

Reg. S-K Item 601(b) Reference	Document Incorporated	Referenced Document on file with the Commission
(10)	Entegris, Inc. 401 (k) Savings and Profit Sharing Plan (2005 Restatement)*	Exhibit 10.35 to Entegris, Inc. Annual Report on Form 10-K for the period ended August 27, 2005
(10)	Letter Agreement, dated as of August 10, 2005, by and between Entegris, Inc. and Bertrand Loy*	Exhibit 10.36 to Entegris, Inc. Annual Report on Form 10-K for the period ended August 27, 2005
(10)	Letter Agreement, dated as of August 10, 2005, by and between Entegris, Inc. and Greg Graves*	Exhibit 10.37 to Entegris, Inc. Annual Report on Form 10-K for the period ended August 27, 2005
(10)	Letter Agreement, dated as of August 10, 2005, by and between Entegris, Inc. and John Goodman*	Exhibit 10.39 to Entegris, Inc. Annual Report on Form 10-K for the period ended August 27, 2005
(10)	Form of Entegris, Inc. Restricted Stock Award Agreement*	Exhibit 10.2 to Entegris, Inc. Quarterly Report on Form 10-Q for the period ended November 27, 2005
(10)	Employment Offer Agreement with John J. Murphy*	Exhibit 10.2 to Entegris, Inc. Quarterly Report on Form 10-Q for the period ended December 31, 2005
(10)	Entegris, Inc.—Form of 2006 Equity Incentive Award Agreement	Exhibit 10.1 to Entegris, Inc. Quarterly Report on Form 10-Q for the period ended April 1, 2006,
(10)	Accelerated Stock Buyback Agreement with Goldman, Sachs & Co., dated as of August 30, 2006 and related Supplemental Confirmation	Exhibit 10.1 to Entegris, Inc. Quarterly Report on Form 10-Q for the period ended September 30, 2006
(10)	Collared Accelerated Stock Buyback Agreement with Goldman, Sachs & Co., dated as of August 30, 2006, and related Supplemental Confirmation	Exhibit 10.2 to Entegris, Inc. Quarterly Report on Form 10-Q for the period ended September 30, 2006

B. The Company hereby files as exhibits to this Annual Report on Form 10-K the following documents:

Reg. S-K Item 601(b) Reference	Documents Filed Herewith
(10.1)	Translation of Loan Agreement, dated November 2, 2007, between Nihon Entegris KK and Sumitomo Mitsui Banking Corporation
(10.2)	Translation of Specialised Overdraft Account Agreement, dated November 2, 2007, between Nihon Entegris KK and Bank of Tokyo-Mitsubishi UFJ, Ltd.
(10.3)	Trust Agreement between Entegris, Inc. Fidelity Management Trust Company and Entegris Inc. 401(k) Savings and Profit Sharing Plan Trust, Dated December 29, 2007.
(10.4)	Entegris, Inc.—Form of 2007 Equity Incentive Award Agreement*
(21.1)	Subsidiaries of Entegris, Inc.
(23.1)	Consent of Independent Registered Public Accounting Firm
(24.1)	Power of Attorney by the Directors of Entegris, Inc.
(31.1)	Certifications required by Rule 13a-14(a) in accordance with Section 302 of the Sarbanes-Oxley Act of 2002.
(31.2)	Certifications required by Rule 13a-14(a) in accordance with Section 302 of the Sarbanes-Oxley Act of 2002.
(32.1)	Certifications required by Rule 13a-14(b) and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
(32.2)	Certifications required by Rule 13a-14(b) and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

* A "management contract or compensatory plan"

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ENTEGRIS, INC.

Dated: March 3, 2008

By /s/ GIDEON ARGOV
Gideon Argov
President & Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

SIGNATURE	TITLE	DATE
/s/ GIDEON ARGOV **Gideon Argov**	Chief Executive Officer and Director	March 3, 2008
/s/ GREGORY B. GRAVES **Gregory B. Graves**	Chief Financial Officer	March 3, 2008
/s/ LYNN BLAKE **Lynn Blake**	Chief Accounting Officer	March 3, 2008
JAMES E. DAUWALTER* **James E. Dauwalter**	Director (Chairman of the Board)	March 3, 2008
MICHAEL A. BRADLEY* **Michael A. Bradley**	Director	March 3, 2008
MICHAEL P.C. CARNS* **Michael P.C. Carns**	Director	March 3, 2008
DANIEL W. CHRISTMAN* **Daniel W. Christman**	Director	March 3, 2008
GARY F. KLINGL* **Gary F. Klingl**	Director	March 3, 2008
PAUL L.H. OLSON* **Paul L.H. Olson**	Director	March 3, 2008
ROGER D. MCDANIEL* **Roger D. McDaniel**	Director	March 3, 2008
BRIAN F. SULLIVAN* **Brian F. Sullivan**	Director	March 3, 2008

*By /s/ PETER W. WALCOTT
PETER W. WALCOTT, ATTORNEY-IN-FACT

ENTEGRIS, INC.
INDEX TO FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Shareholders
Entegris, Inc.:

We have audited the accompanying consolidated balance sheets of Entegris, Inc. and subsidiaries (the Company) as of December 31, 2007 and 2006, and the related consolidated statements of operations, shareholders' equity and comprehensive income (loss), and cash flows for the years ended December 31, 2007, and 2006, the four-month period ended December 31, 2005, and the year ended August 27, 2005. We also have audited the Company's internal control over financial reporting as of December 31, 2007, based on the criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Item 9A.(b) *Management's Report on Internal Control Over Financial Reporting.* Our responsibility is to express an opinion on these consolidated financial statements and an opinion on the Company's internal control over financial reporting based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the consolidated financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis. A material weakness related to accounting for income taxes has been identified and included in management's assessment. This material weakness was considered in determining the nature, timing, and extent of audit tests applied in our audit of the 2007 consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Entegris, Inc. as of December 31, 2007 and 2006, and the results of its operations and its cash flows for the years ended December 31, 2007, and 2006, the four-month period ended December 31, 2005, and the year ended August 27, 2005, in conformity with U.S. generally accepted accounting principles.

Also, in our opinion, because of the effect of the aforementioned material weakness on the achievement of the objectives of the control criteria, the Company has not maintained effective internal control over financial reporting as of December 31, 2007, based on criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Our opinion on the effectiveness of internal control over financial reporting does not affect our opinion on the consolidated financial statements.

As discussed in Note 15 to the consolidated financial statements, the Company adopted the provisions of Financial Accounting Standards Board Interpretation No. 48 "*Accounting for Uncertainty in Income Taxes an interpretation of FASB Statement No. 109*" as of January 1, 2007.

KPMG LLP

Minneapolis, Minnesota
March 3, 2008

ENTEGRIS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(In thousands, except share data)		December 31, 2007		December 31, 2006
ASSETS				
Current assets:				
Cash and cash equivalents	$	160,655	$	154,806
Short-term investments		—		120,168
Trade accounts and notes receivable, net		112,053		127,396
Inventories		73,120		93,426
Deferred tax assets and deferred tax charges		23,238		45,149
Assets of discontinued operations and other assets held for sale		4,187		7,903
Other current assets		9,368		7,473
Total current assets		382,621		556,321
Property, plant and equipment, net		121,157		120,987
Other assets:				
Investments		13,871		7,731
Goodwill		402,125		394,531
Other intangible assets, net		76,370		68,877
Deferred tax assets and other noncurrent tax assets		35,323		5,157
Other		3,774		4,014
Total assets	$	1,035,241	$	1,157,618
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities:				
Current maturities of long-term debt	$	9,310	$	401
Short-term borrowings		17,802		—
Accounts payable		24,260		24,952
Accrued liabilities		57,659		56,479
Income taxes payable		12,493		10,025
Liabilities of discontinued operations and assets held for sale		4,225		842
Total current liabilities		125,749		92,699
Long-term debt, less current maturities		20,373		2,995
Pension benefit obligation and other liabilities		21,320		20,356
Deferred tax liabilities and other noncurrent tax liabilities		15,490		25,588
Commitments and contingent liabilities		—		—
Shareholders' equity:				
Preferred stock, par value $.01; 5,000,000 shares authorized; none issued and outstanding as of December 31, 2007 and 2006		—		—
Common stock, par value $.01; 400,000,000 shares authorized; issued and outstanding shares: 115,355,560 and 132,770,676		1,154		1,328
Additional paid-in capital		701,510		793,058
Prepaid forward contract for share repurchase		—		(5,000)
Retained earnings		145,462		228,936
Accumulated other comprehensive income (loss)		4,183		(2,342)
Total shareholders' equity		852,309		1,015,980
Total liabilities and shareholders' equity	$	1,035,241	$	1,157,618

See the accompanying notes to consolidated financial statements.

ENTEGRIS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except per share data)	Year ended December 31, 2007	Year ended December 31, 2006	Four months ended December 31, 2005	Year ended August 27, 2005
Sales to non-affiliates	$ 626,238	$ 672,882	$ 199,644	$332,654
Sales to affiliates	—	—	—	14,691
Net sales	626,238	672,882	199,644	347,345
Cost of sales	360,001	367,804	129,437	209,162
Gross profit	266,237	305,078	70,207	138,183
Selling, general and administrative expenses	182,792	188,311	77,253	110,341
Engineering, research and development expenses	39,727	38,074	13,904	18,188
Operating profit (loss)	43,718	78,693	(20,950)	9,654
Interest income, net	(5,245)	(9,205)	(2,440)	(2,538)
Other (income) expense, net	(7,656)	(1,658)	62	(2,115)
Income (loss) before income taxes and equity in (earnings) loss of affiliates	56,619	89,556	(18,572)	14,307
Income tax expense (benefit)	10,356	26,936	(8,713)	1,154
Equity in net (earnings) loss of affiliates	(93)	(531)	(70)	247
Income (loss) from continuing operations	46,356	63,151	(9,789)	12,906
(Loss) income from operations of discontinued businesses, net of taxes	(891)	315	(1,867)	(3,513)
Impairment loss on assets of discontinued businesses, net of taxes	(1,106)	—	(6,668)	—
(Loss) income from discontinued operations, net of taxes	(1,997)	315	(8,535)	(3,513)
Net income (loss)	$ 44,359	$ 63,466	$ (18,324)	$ 9,393
Basic earnings (loss) per common share:				
Continuing operations	$ 0.38	$ 0.47	$ (0.07)	$ 0.17
Discontinued operations	(0.02)	0.00	(0.06)	(0.05)
Net income (loss)	$ 0.36	$ 0.47	$ (0.14)	$ 0.12
Diluted earnings (loss) per common share:				
Continuing operations	$ 0.37	$ 0.46	$ (0.07)	$ 0.16
Discontinued operations	(0.02)	0.00	(0.06)	(0.04)
Net income (loss)	$ 0.36	$ 0.46	$ (0.14)	$ 0.12
Weighted shares outstanding				
Basic	122,557	135,116	135,437	77,137
Diluted	124,940	138,492	135,437	79,328

See the accompanying notes to consolidated financial statements.

ENTEGRIS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS’ EQUITY AND COMPREHENSIVE INCOME (LOSS)

(In thousands)	Common shares outstanding	Common stock	Additional paid-in capital	Deferred compensation expense	Prepaid Forward Contract for Share Repurchase	Retained earnings	Accumulated other comprehensive income (loss)	Total	Comprehensive income (loss)
Balance at August 28, 2004	73,380	$ 734	$ 152,869	$ (1,586)	—	$ 216,963	$ 3,205	$ 372,185	
Shares issued under employee stock plans	774	8	4,327	—	—	—	—	4,335	
Shares issued in connection with prior year acquisition	37	—	437	—	—	—	—	437	
Shares issued in connection with Mykrolis acquisition	60,785	608	603,162	—	—	—	—	603,770	
Value of options assumed in connection with Mykrolis acquisition	—	—	33,407	—	—	—	—	33,407	
Deferred compensation recorded in connection with Mykrolis acquisition	—	—	—	(4,142)	—	—	—	(4,142)	
Deferred compensation related to restricted stock awards	547	5	21,638	(21,643)	—	—	—	—	
Share-based compensation expense	—	—	—	5,465	—	—	—	5,465	
Repurchase and retirement of shares	(224)	(2)	(732)	—	—	(1,096)	—	(1,830)	
Tax benefit associated with employee stock plans	—	—	821	—	—	—	—	821	
Foreign currency translation	—	—	—	—	—	—	1,086	1,086	$ 1,086
Net unrealized gain on marketable securities	—	—	—	—	—	—	71	71	71
Reclassification adjustment for gain on sale of equity investments	—	—	—	—	—	—	(1,584)	(1,584)	(1,584)
Net income	—	—	—	—	—	9,393	—	9,393	9,393
Total comprehensive income									$ 8,966
Balance at August 27, 2005	135,299	1,353	815,929	(21,906)	—	225,260	2,778	1,023,414	
Reclassification upon adoption of SFAS No. 123 (R)	—	—	(21,906)	21,906	—	—	—	—	
Shares issued under employee stock option plans	745	7	3,832	—	—	—	—	3,839	
Share-based compensation expense	—	—	11,053	—	—	—	—	11,053	
Tax benefit associated with stock plans	—	—	104	—	—	—	—	104	
Foreign currency translation	—	—	—	—	—	—	(7,225)	(7,225)	$ (7,225)
Net change in unrealized loss on marketable securities, net of tax	—	—	—	—	—	—	(42)	(42)	(42)
Net loss	—	—	—	—	—	(18,324)	—	(18,324)	(18,324)
Total comprehensive loss									$ (25,591)
Balance at December 31, 2005	136,044	1,360	809,012	—	—	206,936	(4,489)	1,012,819	
Shares issued under employee stock plans	5,607	57	19,962	—	—	—	—	20,019	
Share-based compensation expense		—	14,776	—	—	—	—	14,776	
Repurchase and retirement of common stock	(8,880)	(89)	(53,445)	—	(5,000)	(41,466)	—	(100,000)	
Tax benefit associated with stock plans	—	—	2,753	—	—	—	—	2,753	
Foreign currency translation	—	—	—	—	—	—	2,171	2,171	$ 2,171
Net change in unrealized gain on marketable securities, net of tax	—	—	—	—	—	—	204	204	204
Minimum pension liability adjustment to initially apply SFAS No. 158	—	—	—	—	—	—	(228)	(228)	—
Net income	—	—	—	—	—	63,466	—	63,466	63,466
Total comprehensive income									$ 65,841

ENTEGRIS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY AND COMPREHENSIVE INCOME (LOSS)

(In thousands)	Common shares outstanding	Common stock	Additional paid-in capital	Deferred compensation expense	Prepaid Forward Contract for Share Repurchase	Retained earnings	Accumulated other comprehensive income (loss)	Total	Comprehensive income (loss)
Balance at December 31, 2006	132,771	1,328	793,058	—	(5,000)	228,936	$ (2,342)	1,015,980	
Adoption of FIN No. 48	—	—	—	—	—	1,110	—	1,110	
Adjusted beginning balance	132,771	1,328	793,058	—	(5,000)	230,046	(2,342)	1,017,090	
Shares issued under employee stock plans	4,573	46	29,810					29,856	
Share-based compensation expense		—	10,344	—	—	—	—	10,344	
Repurchase and retirement of common stock	(21,988)	(220)	(131,946)	—	5,000	(128,943)	—	(256,109)	
Tax benefit associated with stock plans	—	—	244	—	—	—	—	244	
Foreign currency translation	—	—	—	—	—	—	7,383	7,383	$ 7,383
Net change in unrealized gain on marketable securities, net of tax	—	—	—	—	—	—	(135)	(135)	(135)
Minimum pension liability adjustment	—	—	—	—	—	—	(723)	(723)	(723)
Net income	—	—	—	—	—	44,359	—	44,359	44,359
Total comprehensive income									$ 50,884
Balance at December 31, 2007	115,356	$ 1,154	$ 701,510	$ —	$ —	$ 145,462	$ 4,183	$ 852,309	

The accumulated balances for each component of accumulated other comprehensive income (loss) are as follows:

(In thousands)	Foreign currency translation	Net unrealized gain (loss) on marketable securities	Minimum pension liability adjustment	Total accumulated other comprehensive income (loss)
Balance at August 28, 2004	$ 1,719	$ 1,486	$ —	$ 3,205
Foreign currency translation	1,086		—	1,086
Change in unrealized gain on marketable securities, net of tax of $43	—	71	—	71
Reclassification adjustment for gain on sale of equity investments, net of tax of $1,142	—	(1,584)	—	(1,584)
Balance at August 27, 2005	2,805	(27)	—	2,778
Foreign currency translation	(7,225)	—	—	(7,225)
Change in unrealized loss on marketable securities, net of tax of $26		(42)	—	(42)
Balance at December 31, 2005	(4,420)	(69)	—	(4,489)
Foreign currency translation	2,171	—	—	2,171
Change in unrealized gain on marketable securities, net of tax of $125	—	204	—	204
Minimum pension liability adjustment, net of tax of $113	—	—	(228)	(228)
Balance at December 31, 2006	(2,249)	135	(228)	(2,342)
Foreign currency translation	7,383	—	—	7,383
Change in unrealized gain on marketable securities, net of tax of $83	—	(135)	—	(135)
Minimum pension liability adjustment, net of tax of $522	—	—	(723)	(723)
Balance at December 31, 2007	$ 5,134	$ —	$ (951)	$ 4,183

See the accompanying notes to consolidated financial statements

ENTEGRIS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)	Year ended December 31, 2007	Year ended December 31, 2006	Four months ended December 31, 2005	Year ended August 27, 2005
Operating activities:				
Net income (loss)	$ 44,359	$ 63,466	$ (18,324)	$ 9,393
Adjustments to reconcile net income (loss) to net cash provided by operating activities:				
Loss (income) from discontinued operations	1,997	(315)	8,535	3,513
Depreciation and amortization	43,776	42,905	13,754	23,599
Stock-based compensation expense	10,344	14,776	11,053	5,465
Impairment of property and equipment	4,098	1,505	3,034	3,321
Impairment of intangibles	235	—	—	—
Provision for doubtful accounts	(227)	(508)	(609)	212
Provision for deferred income taxes	(20,434)	11,155	(11,699)	(5,047)
Charge for fair value mark-up of acquired inventory sold	836	—	17,837	5,946
Tax benefit from employee stock plans	—	—	—	821
Excess tax benefit from employee stock plans	(244)	(3,031)	(104)	—
Equity in net (earnings) loss of affiliates	(93)	(531)	(70)	247
Gain on sale of property and equipment	(274)	(903)	(103)	(901)
Gain on sale of equity investments	(6,068)	—	—	(2,914)
Changes in operating assets and liabilities, excluding effects of acquisitions:				
Trade accounts receivable and notes receivable	20,054	(16,960)	7,275	451
Trade accounts receivable due from affiliates	—	—	—	4,790
Inventories	24,061	(24,280)	1,123	2,522
Accounts payable and accrued liabilities	(2,935)	(10,357)	(3,862)	4,037
Other current assets	(1,695)	3,189	(2,331)	79
Income taxes payable and refundable income taxes	14,682	7,669	(3,106)	(3,912)
Other	(455)	8,296	195	701
Net cash provided by operating activities	132,017	96,076	22,598	52,323
Investing activities:				
Acquisition of property and equipment	(26,919)	(30,860)	(10,311)	(19,472)
Acquisition of businesses, net of cash acquired	(44,911)	—	—	(10,157)
Purchase of intangible assets	—	(1,008)	(732)	(727)
Proceeds from sales of property and equipment	2,021	3,866	113	2,191
Proceeds from sale of equity investments	6,568	—	—	5,020
Purchase of equity investments	(6,126)	—	—	—
Purchases of short-term investments	(269,822)	(170,205)	(14,265)	(108,766)
Proceeds from sale or maturities of short-term investments	390,915	181,412	12,079	93,235
Cash and cash equivalents acquired through acquisition of Mykrolis	—	—	—	97,498
Other	(926)	(575)	—	(15)
Net cash provided by (used in) investing activities	50,800	(17,370)	(13,116)	58,807
Financing activities:				
Principal payments on short-term borrowings and long-term debt	(88,115)	(3,087)	(22,853)	(21,568)
Proceeds from short-term borrowings and long-term debt	131,063	—	3,478	22,129
Repurchase and retirement of common stock	(256,109)	(100,000)	—	(1,830)
Excess tax benefit from employee stock plans	244	3,031	104	—
Issuance of common stock	29,856	20,019	3,839	4,335
Net cash (used in) provided by financing activities	(183,061)	(80,037)	(15,432)	3,066
Discontinued operations:				
Net cash provided by (used in) operating activities	1,237	1,754	611	(5,511)
Net cash provided by (used in) investing activities	—	13,017	1,863	(1,286)
Net cash provided by (used in) discontinued operations	1,237	14,771	2,474	(6,797)
Effect of exchange rate changes on cash and cash equivalents	4,856	(1,472)	(3,724)	426
Increase (decrease) in cash and cash equivalents	5,849	11,968	(7,200)	107,825
Cash and cash equivalents at beginning of period	154,806	142,838	150,038	42,213
Cash and cash equivalents at end of period	$ 160,655	$ 154,806	$ 142,838	$ 150,038
Supplemental Cash Flow Information				
Non-cash transactions:				
Acquisition of Mykrolis, net of transaction costs	—	—	—	$ 637,609
Equipment purchases in accounts payable	$ 1,198	—	—	—
Schedule of interest and income taxes paid:				
Interest paid	$ 691	$ 463	$ 367	$ 840
Income taxes, net of refunds received	$ 3,794	$ 2,502	$ 683	$ 9,482

See accompanying notes to consolidated financial statements.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations and Principles of Consolidation Entegris is a worldwide developer, manufacturer and supplier of materials integrity management solutions to the microelectronics industry in general and to the semiconductor and data storage markets in particular. The consolidated financial statements include the accounts of the Company and its majority-owned subsidiaries. Intercompany profits, transactions and balances have been eliminated in consolidation.

The Company was incorporated in Delaware in June 2005 under the name Eagle DE, Inc. (Eagle DE) as a wholly owned subsidiary of Entegris, Inc., a Minnesota corporation (Entegris Minnesota). Effective August 6, 2005, Entegris Minnesota and Mykrolis Corporation, a Delaware corporation, completed a strategic merger of equals transaction, pursuant to which they were each merged into the Company to carry on the combined businesses. Pursuant to the merger the Company's name was changed to Entegris, Inc. The stock-for-stock transaction was accounted for under the purchase method of accounting as an acquisition of Mykrolis by the Company.

Fiscal Year On December 13, 2005, the Company's Board of Directors approved a change in fiscal year end from a 52-week or 53-week fiscal year period ending on the last Saturday of August to a fiscal year ending December 31. The Company's new fiscal quarters consist of 13 week periods that end on Saturday, except in the fourth quarter. The Company's fiscal quarters in 2007 ended on March 31, 2007, June 30, 2007, September 29, 2007 and December 31, 2007. As a result, the financial periods presented and discussed are as follows: (i) the years ended December 31, 2007 and 2006 represent the twelve months ended December 31, 2007 and 2006, respectively; (ii) the four-month transition period represents the four months ended December 31, 2005; and (iii) the year ended August 27, 2005 represents the twelve months ended August 27, 2005.

Basis of Presentation Certain amounts reported in previous years have been reclassified to conform to the current year's presentation. These classifications were largely due to the classification of discontinued operations and had no effect on the amounts of total assets, net income, shareholders' equity or cash flow of the Company.

In the fourth quarter and year ended December 31, 2007, the Company identified certain errors, primarily related to prior years, in its tax-related accounts. The impact of correcting these errors increased income tax expense in the fourth quarter and year ended December 31, 2007 by $1.9 million and $0.8 million, respectively, with corresponding increases to the income taxes payable and reserves for tax contingencies, and a decrease to deferred tax assets. Neither the origination nor the correction of the errors was material to the Company's consolidated financial statements.

The Company had 400 million shares of authorized common stock at December 31, 2007 and 2006, as indicated in the accompanying consolidated balance sheets. The Company erroneously reflected authorized common shares of 200 million in its 2006 report.

Use of Estimates The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, particularly receivables, inventories, goodwill and intangibles, accrued expenses and income taxes and related accounts, and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Share-based Compensation In December 2004, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standard ("SFAS") No. 123R, *Share-Based Payment*. SFAS No. 123R focuses primarily on accounting for transactions in which an entity obtains employee services through share-based payment transactions. SFAS No. 123R requires a public entity to measure the cost of employee services received in exchange for the award of equity instruments based on the fair value of the award at the date of grant. The cost is to be recognized over the period during which an employee is required to provide services in exchange for the award.

SFAS No. 123R also requires the benefit of tax deductions in excess of recognized compensation expense to be reported as a financing cash flow, rather than as an operating cash flow as prescribed under previous accounting rules. This requirement reduces net operating cash flows and increases net financing cash flows in periods subsequent to adoption. Total cash flows remain unchanged from those reported under previous accounting rules. Effective August 28, 2005, the Company adopted the provisions of SFAS No. 123R using the modified prospective method. Results of operations for prior annual periods have not been restated to reflect recognition of stock-based compensation expense. Upon adoption of SFAS No. 123R, the Company applied an estimated forfeiture rate to unvested awards. Previously, the Company recorded forfeitures as incurred.

Prior to the adoption of SFAS No. 123R, the Company followed the intrinsic value method in accordance with APB 25 to account for its employee stock options and employee share purchase plan. Accordingly, no compensation expense was recognized for share purchase rights granted in connection with the issuance of stock options under the Company’s employee stock option plan or employee stock purchase plan; however, compensation expense was recognized in connection with the issuance of restricted stock awards. The adoption of SFAS No. 123R primarily resulted in a change in the Company’s method of recognizing stock-based compensation and estimating forfeitures for unvested awards. See Note 16 to the Consolidated Financial Statements for additional information on share-based compensation.

Cash, Cash Equivalents and Short-term Investments Cash and cash equivalents include cash on hand and highly liquid debt securities with original maturities of three months or less, which are valued at cost. Debt securities with original maturities greater than three months and remaining maturities of less than one year are classified and accounted for as available for sale and are recorded at fair value, and are classified as short-term investments.

Allowance for Doubtful Accounts An allowance for uncollectible trade receivables is estimated based on a combination of write-off history, aging analysis and any specific, known troubled accounts.

Inventories Inventories are stated at the lower of cost or market. Cost is determined by the first-in, first-out (FIFO) method.

Property, Plant, and Equipment Property, plant and equipment are carried at cost and are depreciated principally on the straight-line method over the estimated useful lives of the assets. 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 additions and improvements are capitalized. Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or group of asset(s) may not be recoverable based on estimated future undiscounted cash flows. The amount of impairment, if any, is measured as the difference between the net book value and the estimated fair value of the asset(s).

Investments The Company’s nonmarketable investments are accounted for under either the cost or equity method of accounting, as appropriate. All equity investments are periodically reviewed to determine whether declines, if any, in fair value below cost basis are other-than-temporary. If the decline in fair value is determined to be other-than-temporary, an impairment loss is recorded and the investment written down to a new cost basis.

Fair Value of Financial Instruments The carrying value of cash equivalents, short-term investments, accounts receivable, accounts payable 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 its carrying value at December 31, 2007.

Goodwill and Other Intangible Assets Goodwill is the excess of the purchase price over the fair value of net assets of acquired businesses. The Company does not amortize goodwill, but tests for impairment at least annually. Other amortizable intangible assets include, among other items, patents, unpatented and other developed technology and customer-based intangibles, and are amortized using the straight-line method over their respective estimated useful lives of 3 to 12 years. The Company reviews intangible assets for impairment if changes in circumstances or the occurrence of events suggest the remaining value is not recoverable.

Derivative Financial Instruments SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities*, requires the Company to record derivatives as assets or liabilities on the balance sheet and to measure such instruments at fair value. Changes in fair value of derivatives are recorded each period in current results of operations or other comprehensive income, depending on whether the derivative is designated as part of a hedge transaction.

The Company periodically enters into forward foreign currency contracts to reduce exposures relating to rate changes in certain foreign currencies. Certain exposures to credit losses related to counterparty nonperformance exist. However, the Company does not anticipate nonperformance by the counterparties since they are large, well-established financial institutions. Except as described in the following paragraph, none of these derivatives is accounted for as a hedge transaction under the provisions of SFAS No. 133. Accordingly, changes in the fair value of forward foreign currency contracts are recorded as a component of net income. The fair values of the Company's derivative financial instruments are based on prices quoted by financial institutions for these instruments. The Company was a party to forward foreign currency contracts with notional amounts of $33.6 million and $58.3 million at December 31, 2007 and 2006, respectively.

On February 6, 2007, the Company entered into a 10-month Japanese yen-based cross-currency interest rate swap, with aggregate notional principal amounts of 2.4 billion Japanese yen and $20 million that matured on November 30, 2007. This swap effectively hedged a portion of the Company's net investment in its Japanese subsidiary. During the term of this transaction, the Company remitted to, and received from, its counterparty interest payments based on rates that were reset quarterly equal to three-month Japanese LIBOR and three-month U.S. LIBOR rates, respectively. The Company designated this hedging instrument as a hedge of a portion of the net investment in its Japanese subsidiary, and used the spot rate method of accounting to value changes of the hedging instrument attributable to currency rate fluctuations. As such, a $2.1 million adjustment in the fair market value of the hedging instrument related to changes in the spot rate was recorded as a charge to "Foreign currency translation" in shareholders' equity in 2007 to offset changes in a portion of the yen-denominated net investment in the Company's Japanese subsidiary and will remain there until the net investment is disposed. The Company recorded $0.7 million in net interest income in 2007 in connection with the cross-currency interest rate swap.

Foreign Currency Translation Assets and liabilities of foreign subsidiaries are translated from foreign currencies into U.S. dollars at period-end exchange rates, and the resulting gains and losses arising from translation of net assets located outside the U.S. are recorded as a cumulative translation adjustment, a component of accumulated other comprehensive income (loss) in the consolidated balance sheets. Income statement amounts are translated at the weighted average exchange rates for the year. Translation adjustments are not adjusted for income taxes as substantially all translation adjustments relate to permanent investments in non-U.S. subsidiaries. Gains and losses resulting from foreign currency transactions are included in other income, net in the consolidated statements of operations.

Revenue Recognition/Concentration of Risk Revenue and the related cost of sales are generally recognized upon shipment of the products. Revenue for product sales is recognized upon delivery, when title and risk of loss have been transferred to the customer; collectibility is reasonably assured, and pricing is fixed or determinable.

The Company provides for estimated returns and warranty obligations when the revenue is recorded. The Company sells its products throughout the world primarily to companies in the microelectronics industry. 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 losses on trade receivables.

Certain 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 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.

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. 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. The Company collects various sales and value-added taxes on certain product and service sales, which are accounted for on a net basis.

Except as indicated in Note 15 as relates to 11.4 billion yen (approximately $100 million), the Company intends to continue to reinvest its remaining undistributed international earnings in its international operations indefinitely; therefore, no U.S. tax expense has been recorded to cover the repatriation of such undistributed earnings.

The Company's policy for recording interest and penalties associated with audits and unrecognized tax benefits is to record such items as a component of income before taxes. Penalties are recorded in other expense and interest paid or received is recorded in interest expense or interest income, respectively, in the statement of operations.

Comprehensive Income (Loss) Comprehensive income (loss) represents the change in shareholders' equity resulting from other than shareholder investments and distributions. The Company's foreign currency translation adjustments, unrealized gains and losses on marketable securities and minimum pension liability adjustments are included in accumulated other comprehensive income (loss). Comprehensive income (loss) and the components of accumulated other comprehensive income (loss) are presented in the accompanying consolidated statements of shareholders' equity and comprehensive income (loss).

Recent Accounting Pronouncements In June 2006, the Financial Accounting Standards Board (FASB) ratified the Emerging Issues Task Force (EITF) consensus on EITF Issue No. 06-3, *How Taxes Collected From Customers and Remitted to Governmental Authorities Should Be Presented in the Income Statement* (EITF No. 06-3). The scope of EITF No. 06-3 includes any tax assessed by a governmental authority that is directly imposed on a revenue-producing transaction between a seller and a customer, and provides that a company may adopt a policy of presenting taxes either gross within revenue or on a net basis. For any such taxes that are reported on a gross basis, a company should disclose the amounts of those taxes for each period for which an income statement is presented if those amounts are significant. This statement is effective to financial reports for interim and annual reporting periods beginning after December 15, 2006. EITF No. 06-3 became effective for the Company as of January 1, 2007. The Company collects various sales and value-added taxes on certain product and service sales, which are accounted for on a net basis.

In July 2006, the FASB issued FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes, an interpretation of FASB Statement No. 109* (FIN No. 48). FIN No. 48 was effective for the Company as of January 1, 2007. FIN No. 48 defines the threshold for recognizing the benefits of tax positions in the financial statements as "more-likely-than-not" to be sustained upon examination. The interpretation also provides guidance on the de-recognition, measurement and classification of income tax uncertainties, along with any related interest and penalties. FIN No. 48 also requires expanded disclosure at the end of each annual reporting period including a tabular reconciliation of unrecognized tax benefits. In accordance with FIN No. 48, the Company reports the difference between the net amount of assets and liabilities recognized in the statement of financial position prior to and after the application of FIN No. 48 as a cumulative effect adjustment to the January 1, 2007 balance of retained earnings. The adoption of FIN No. 48 is further described in Note 15.

In September 2006, the FASB issued Statement of Financial Accounting Standard (SFAS) No. 157, *Fair Value Measurements* (SFAS No. 157). This statement provides a single definition of fair value, a framework for measuring fair value and expanded disclosures concerning fair value. Previously, different definitions of fair value were contained in various accounting pronouncements, creating inconsistencies in measurement and disclosures. SFAS No. 157 applies under those previously issued pronouncements that prescribe fair value as the relevant measure of value, except SFAS No. 123(R) and related interpretations and pronouncements that require or permit measurement similar to fair value, but are not intended to measure fair value. SFAS No. 157 is effective for the Company as of January 1, 2008. The adoption of SFAS No. 157 is currently not expected to have a material impact on the Company's consolidated financial statements.

In February 2008, the FASB issued FASB Staff Position (FSP) Financial Accounting Standard (FAS) 157-1, *Application of FASB Statement No. 157 to FASB Statement No. 13 and Its Related Interpretive Accounting Pronouncements That Address Leasing Transactions*, and FSP FAS 157-2, *Effective Date of FASB Statement No. 157*. FSP FAS 157-1 removes leasing from the scope of SFAS No. 157, "Fair Value Measurements." FSP FAS 157-2 delays the effective date of SFAS No. 157 from 2008 to 2009 for all nonfinancial assets and nonfinancial liabilities, except those that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually). See SFAS No. 157 discussion above.

In February 2007, the FASB issued SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities—Including an amendment of FASB Statement No. 115* (SFAS No. 159). SFAS No. 159 permits entities to choose to measure many financial instruments and certain other items at fair value. The objective is to improve financial reporting by providing entities with the opportunity to mitigate volatility in reported earnings caused by measuring related assets and liabilities differently without having to apply complex hedge accounting provisions. SFAS 159 is effective for the Company as of January 1, 2008. The adoption of SFAS No. 159 is currently not expected to have a material impact on the Company's consolidated financial statements.

In December 2007, the FASB issued SFAS No. 141 (revised 2007) *Business Combinations* (SFAS No. 141(R)). SFAS No. 141(R) retains the fundamental requirements of the original pronouncement requiring that the purchase method be used for all business combinations. SFAS No. 141(R) defines the acquirer as the entity that obtains control of one or more businesses in the business combination, establishes the acquisition date as the date that the acquirer achieves control and requires the acquirer to recognize the assets acquired, liabilities assumed and any noncontrolling interest at their fair values as of the acquisition date. SFAS No. 141(R) also requires that acquisition-related costs be recognized separately from the acquisition. SFAS No. 141(R) is effective for the Company in 2009. The Company is currently assessing the impact of SFAS No. 141(R) on its consolidated financial statements.

In December 2007, the FASB issued Statement No. 160, *Noncontrolling Interests in Consolidated Financial Statements (SFAS No. 160)*. SFAS No. 160 clarifies that a noncontrolling interest in a subsidiary should be reported as equity in the consolidated financial statements. Consolidated net income should include the net income for both the parent and the noncontrolling interest with disclosure of both amounts on the consolidated statement of income. The calculation of earnings per share will continue to be based on income amounts attributable to the parent. SFAS No. 160 is effective for the Company in 2009. The Company is currently assessing the impact of SFAS No. 160 on its consolidated financial statements.

(2) ACQUISITIONS AND DIVESTITURES

On August 16, 2007, the Company acquired the specialty coatings business of a privately-held company located in Burlington, Massachusetts. This specialty coatings business develops and applies proprietary low-temperature, high-purity coatings to critical wafer handling components used in ion implant operations as well as to other critical components used in semiconductor manufacturing and other applications.

The purchase price was $44.9 million in cash, including transaction costs of $0.2 million and contingent consideration of $3.1 million paid to the seller as certain financial metrics related to calendar 2007 results were met. This acquisition was accounted for under the purchase method of accounting and the results of operations of this specialty coatings business are included in the Company's consolidated financial statements since August 16, 2007. Pro forma results are not included as this acquisition does not constitute a material business combination.

The above purchase price has been preliminarily allocated based on estimates of the fair values of assets acquired and liabilities assumed, as summarized in the table below. The final valuation of net assets is expected to be completed as soon as possible, but no later than one year from the acquisition date.

(In thousands):	
Inventory	$ 1,478
Equipment	600
Other intangible assets	26,500
Goodwill	16,633
Total assets acquired	$45,211
Current liabilities	(300)
Net assets acquired	$44,911

The amount allocated to acquired inventories above replacement cost was $0.8 million. Accordingly, the results of operations for the year ended December 31, 2007 include an incremental charge of $0.8 million in cost of sales.

The $26.5 million of other intangible assets included $16.1 million of customer relationships (12-year economic consumption life), $10.0 million of developed technologies (12-year economic consumption life), and $0.4 million of employment and non-competition agreements (2.4-year average economic consumption life). These intangible assets were valued at fair value as determined by the Company with the assistance of an independent valuation specialist.

The goodwill recorded in connection with the acquisition will not be amortized, but is deductible for tax purposes. The goodwill is expected to be realized through the benefits of cost-saving synergies associated with the leveraging of the Company's manufacturing and administrative functions as well as the enhancement of sales and marketing efforts through the Company's global sales and distribution network and product offerings.

Acquisition of Mykrolis Corporation

On August 6, 2005, Entegris merged with Mykrolis Corporation (Mykrolis) in a transaction accounted for as an acquisition for a purchase price of approximately $645.0 million, which included Entegris common stock and vested share awards, as well as transaction costs.

Mykrolis was a worldwide developer, manufacturer and supplier of liquid and gas delivery systems, components and consumables used to precisely measure, deliver, control and purify the process liquids, gases and chemicals that are used in the semiconductor manufacturing process. Its products were also used to manufacture a range of other products, such as flat panel displays, high-purity chemicals, photoresists, solar cells, gas lasers, optical and magnetic storage devices and fiber optic cables. Mykrolis sold its products worldwide through a direct sales force and through distributors in selected regions. The acquisition was made to expand the Company's global network, expand its product offering base and enhance the leverage of its manufacturing and administrative functions.

The fair value of Entegris equity securities was derived using an average market price per share of Entegris common stock of $9.94, which was based on Entegris' average stock price for the period two days before through two days after the terms of the acquisition were agreed to and announced on March 21, 2005, net of registration costs associated with the issued securities. Under the terms of the merger agreement, each outstanding share of Mykrolis common stock was exchanged for 1.39 shares of Entegris common stock in a tax-free transaction. Accordingly, no amount of goodwill is expected to be deductible for tax purposes.

The acquisition was accounted for as a purchase business combination. Under the purchase method of accounting, the assets acquired and liabilities assumed from Mykrolis are recorded at the date of acquisition, at their respective fair values. The consolidated financial statements and reported results of operations of Entegris issued after completion of the acquisition reflect these values. The Company's consolidated financial statements include the net assets and results of operations from August 6, 2005, the date of acquisition.

The following table summarizes the components of the purchase price:

(In thousands, except per share data)	Conversion Calculation	Fair Value
Common stock		
Mykrolis common stock outstanding as of August 6, 2005	43,730	
Exchange ratio	1.39	
Entegris common stock issued	60,785	
Value of Entegris' common stock	$ 9.94	$604,202
Stock options		
Value of Entegris stock options issued in exchange for Mykrolis stock options as of August 6, 2005(1)		33,407
Other transaction costs		7,389
Total estimated purchase price		$644,998

(1) Estimated fair value of 8,790 Entegris stock options (in thousands) issued as of August 6, 2005 in exchange for 6,323 Mykrolis outstanding stock options (in thousands), calculated using the Black-Scholes option pricing model, modified for dividends, with model assumptions estimated as of March 21, 2005 and an Entegris stock price of $9.94.

Allocation of Purchase Price

The above purchase price has been allocated based on the fair values of assets acquired and liabilities assumed.

(In thousands)	
Book value of net assets acquired	$283,137
Less existing goodwill and other intangible assets	51,134
Book value of tangible net assets acquired	232,003
Remaining allocation:	
Increase inventories to fair value[a]	23,783
Decrease property, plant and equipment to fair value[b]	(10,273)
Record identifiable intangible assets[c]	75,800
Increase benefit plan liabilities to fair value[d]	(1,059)
Decrease net assets to be sold to fair value[b][e]	(22,756)
Increase other net assets to fair value	1,938
Adjustments of tax-related assets and liabilities[f]	25,366
Goodwill[g]	320,196
Purchase price	$644,998

Since the Company's initial allocation of the purchase price in August 2005, the significant revisions to the Company's estimates related primarily to net assets to be sold ($5.9 million decrease) and tax adjustments ($2.7 million increase).

The following table summarizes the allocation of the Mykrolis purchase price to the fair values of the assets acquired and liabilities assumed (In thousands):

Cash, cash equivalents and short-term investments	$120,525
Accounts receivable, inventories and other current assets	125,325
Property, plant and equipment	31,247
Other intangible assets	75,800
Goodwill	320,196
Other assets	55,628
Total assets acquired	728,721
Current liabilities	(74,578)
Other liabilities	(13,287)
Total liabilities assumed	(87,865)
Deferred compensation—Unvested options and restricted stock awards	4,142
Net assets acquired	$644,998

(a) The fair value of acquired inventories, developed in consultation with independent valuation specialists, was determined as follows:

- Finished goods—the estimated selling price less the cost of disposal and reasonable profit for the selling effort.
- Work in process—the estimated selling price of finished goods less the cost to complete, cost of disposal and reasonable profit on the selling and remaining manufacturing efforts.
- Raw materials—estimated current replacement cost, which equaled Mykrolis' historical cost.

The increase in inventories to record the fair values of finished goods and work in process were as follows:

(In thousands)	
Finished goods	$ 17,401
Work in process	6,382
Total	$ 23,783

(b) The fair value of acquired property, plant and equipment, developed in consultation with independent valuation specialists, was valued at its value-in-use, unless there was a known plan to dispose of an asset. Assets to be disposed of were valued at prevailing market rates, less costs to sell.

(c) The Company worked with independent valuation specialists to determine the fair value of identifiable intangible assets, which were as follows:

(In thousands of dollars)	**Fair value**	**Useful life in years**	**Weighted average life in years**
Developed technology	$38,500	3–6	4.6
Trademarks and trade names	9,000	3–8	4.9
Customer relationships and other	28,300	9	9.0
Total	$75,800		

The total weighted average life of identifiable intangible assets acquired from Mykrolis that are subject to amortization is 6.25 years.

Developed technology represents the technical processes, intellectual property, and institutional understanding that were acquired from Mykrolis with respect to products, compounds and/or processes for which development had been completed.

The fair value of identifiable intangible assets was determined using the “income approach” on a project-by-project basis. This method starts with a forecast of expected future net cash flows. These net cash flow projections do not anticipate any revenue or cost synergies. These cash flows are then adjusted to present value by applying an appropriate discount rate that reflects the risk factors associated with the cash flow streams, some of which are more certain than others.

The valuations were based on the information that was available as of the acquisition date and the expectations and assumptions that have been deemed reasonable by the Company’s management. No assurance can be given, however, that the underlying assumptions or events associated with such assets will occur as projected. For these reasons, among others, the actual results may vary from the projected results.

(d) The increase to fair value for acquired benefit plans was $1.1 million for pension benefit obligations. The fair value of the pension obligations, determined in consultation with independent actuarial specialists, includes assumptions relating to economic factors such as interest rates of high quality fixed income investments, demographic factors such as salary growth projections and other data, such as expected employee terminations. The underlying assets of the plans were measured using market rates as of the acquisition date.

(e) The decrease for net assets to be sold is based on fair value less cost to sell at disposal. On September 12, 2005 the Company announced that it would divest the gas delivery (GD) product line included in the Mykrolis acquisition. The assessment and formulation of a plan to exit the GD business began in the period leading up to the date of consummation. This divestiture was completed in

February 2006. The GD product line includes mass flow controllers, pressure controllers and vacuum gauges that are used by customers in manufacturing operations to measure and control process gas flow rates and to control and monitor pressure and vacuum levels during the manufacturing process. As part of the purchase accounting allocation for Mykrolis, the $13.1 million fair value of the assets of the GD business was classified as an asset held for sale.

(f) Gives effect to the estimated tax effects of the acquisition.

(g) In accordance with the requirements of SFAS No. 142, *Goodwill and Other Intangible Assets* (SFAS No.142), the goodwill associated with the merger will not be amortized. None of the goodwill is deductible for tax purposes. The goodwill recorded in connection with the acquisition is expected to be realized through the benefits of cost-saving synergies associated with the leveraging of the Company's manufacturing and administrative functions as well as the enhancement of sales and marketing through the company's expanded global network and product offerings.

Pro Forma Results

The following unaudited pro forma financial information presents the combined results of operations of the Company as if the acquisition of Mykrolis had occurred as of the beginning of the years presented. The unaudited pro forma financial information is not necessarily indicative of what the Company's consolidated results of operations actually would have been had the acquisition occurred at the beginning of each year. In addition, the unaudited pro forma financial information does not attempt to project the future results of operations of the combined company.

(In thousands of dollars, except per share data) (Unaudited)	Year ended August 27, 2005	Year ended August 28, 2004
Net sales	$ 602,204	$ 528,073
Income from continuing operations	42,393	45,709
Net income	29,171	34,499
Per share amounts:		
Income from continuing operations per common share-basic	0.31	0.37
Net income per common share—basic	0.22	0.27
Income from continuing operations per common share-diluted	0.30	0.35
Net income per common share—diluted	0.21	0.26

The unaudited pro forma financial information above gives effect to the following:

a. The elimination of transactions between Entegris and Mykrolis, which upon completion of the merger would be considered intercompany. This reflects the elimination of inter-company sales and associated intercompany profit.

b. Incremental amortization and depreciation expense of approximately $6.6 million and $7.3 million in 2005 and 2004, respectively, related to the estimated fair value of identifiable intangible assets and property, plant and equipment from the purchase price allocation. Identifiable intangible assets are being amortized over their estimated useful lives over a range of 3 to 9 years and property, plant and equipment is being depreciated over the estimated useful lives of the underlying assets.

c. The pro forma data includes the results of operations for Entegris, Inc. for the twelve months ended August 27, 2005 and August 28, 2004 for 2005 and 2004, respectively, while the results of operations for Mykrolis are included for the twelve-month periods ended July 2, 2005 and July 3, 2004, respectively.

d. The above pro forma results have been reclassified to segregate the operating results of discontinued operations.

The unaudited pro forma financial information above for the year ended August 28, 2004 excludes the purchase accounting impact of the incremental charge of $23.8 million reported in cost of sales for the sale of acquired inventory that was written up to fair value.

Divestitures and Discontinued Operations

In June 2007, the Company announced its intent to divest its cleaning equipment business. This divestiture is expected to be completed no later than June 2008. The cleaning equipment business sells precision cleaning systems to semiconductor and hard disk drive customers for use in their manufacturing operations. In conjunction with the establishment of management's plan to sell the cleaning equipment business, the fair value of the assets of that business was tested for impairment and, where applicable, adjusted to fair value less costs to sell. During 2007 the Company determined that long-lived assets of $2.6 million were impaired and accordingly recorded a pretax charge to "Impairment loss on assets of discontinued operations." The assets and liabilities of the cleaning equipment business have been classified as "Assets of discontinued operations and assets held for sale" and "Liabilities of discontinued operations" in the accompanying consolidated balance sheets.

On September 12, 2005, the Company announced that it would divest its gas delivery, life science and tape and reel product lines. The gas delivery products included mass flow controllers, pressure controllers and vacuum gauges that are used by customers in manufacturing operations to measure and control process gas flow rates and to control and monitor pressure and vacuum levels during the semiconductor manufacturing process. The life sciences products included stainless steel clean in place systems for life sciences applications. Tape and reel products included the Stream™ product line, which is a packaging system designed to protect and transport microelectronic components, while enabling the high-speed automated placement of the components onto printed circuit boards used for electronics.

The assets and liabilities of the life sciences product line and the assets of the tape and reel product line were sold in December 2005 for net proceeds of $0.8 million and $1.0 million, respectively. The Company closed the sale of the gas delivery assets in February 2006. After adjustments for severance, sublease payments and other closing costs, the net proceeds of the sale totaled $13.1 million. As part of the purchase accounting allocation of the acquisition of Mykrolis, the fair value of the assets of the gas delivery product line were classified as assets held for sale as of the date of the August 6, 2005 acquisition. Accordingly, the Company adjusted its purchase price allocation related to the assets of the gas delivery product line and did not recognize a gain or loss from the sale.

The consolidated financial statements have been reclassified to segregate as discontinued operations the assets and liabilities, and operating results of, the product lines divested for all periods presented. The summary of operating results from discontinued operations is as follows:

(In thousands)	Year ended December 31, 2007	Year ended December 31, 2006	Four months ended December 31, 2005	Year ended August 27, 2005
Net sales	$ 4,891	$ 9,227	$ 18,125	$ 19,754
Loss from discontinued operations, before income taxes	$ (3,996)	$ (1,906)	$ (10,387)	$ (5,639)
Income tax benefit	1,999	2,221	1,852	2,126
(Loss) income from discontinued operations, net of taxes	$ (1,997)	$ 315	$ (8,535)	$ (3,513)

Net assets of discontinued operations at December 31, 2007 and 2006 consisted of the following:

(In thousands)	December 31, 2007	December 31, 2006
Accounts receivable	$ 276	$ 1,564
Inventory	3,029	353
Assets held for sale	882	5,986
Total assets of discontinued operations and assets held for sale	4,187	7,903
Total liabilities associated with discontinued operations and assets held for sale	4,225	842
Net assets (liabilities) of discontinued operations	$ (38)	$ 7,061

No interest expense was allocated to the operating results of discontinued operations. The after-tax earnings of discontinued operations in the year ended December 31, 2006 included a tax benefit of $1.6 million associated with a decrease in the Company's deferred tax asset valuation allowance resulting from the resolution of a matter with respect to the characterization of certain gains and losses.

Assets of discontinued operations and other assets held for sale shown in the consolidated balance sheet as of December 31, 2007 include the net assets of the cleaning equipment business carried at $4.2 million. Assets of discontinued operations and other assets held for sale shown in the consolidated balance sheet as of December 31, 2006 include the net assets of the cleaning equipment business carried at $5.7 million and a building located in Germany unrelated to the cleaning equipment business held for sale carried at $2.2 million. This building was sold in 2007 for proceeds of $1.9 million.

(3) ACCOUNTS RECEIVABLE

Accounts receivable and notes receivable from customers at December 31, 2007 and 2006 consist of the following:

(In thousands)	2007	2006
Accounts receivable	$ 99,236	$ 112,451
Notes receivable	13,316	15,767
	112,552	128,218
Less allowance for doubtful accounts	499	822
	$ 112,053	$ 127,396

(4) INVENTORIES

Inventories at December 31, 2007 and 2006 consist of the following:

(In thousands)	2007	2006
Raw materials	$ 21,237	$ 30,679
Work-in-process	3,496	4,019
Finished goods[(a)]	47,455	58,032
Supplies	932	696
	$ 73,120	$ 93,426

(a) Includes consignment inventories held by customers for $6,428 and $6,102 at December 31, 2007 and 2006 respectively.

(5) PROPERTY, PLANT AND EQUIPMENT

Property, plant, and equipment at December 31, 2007 and 2006 consist of the following:

(In thousands)	2007	2006	Estimated useful lives in years
Land	$ 10,826	$ 9,924	
Buildings and improvements	72,001	70,225	5-35
Manufacturing equipment	100,319	94,722	5-10
Molds	85,669	78,673	3-5
Office furniture and equipment	63,611	55,695	3-8
	332,426	309,239	
Less accumulated depreciation	211,269	188,252	
	$121,157	$120,987	

Depreciation expense for the fiscal years ended December 31, 2007 and 2006, four months ended December 31, 2005, and fiscal year ended August 27, 2005 was $24.9 million, $25.3 million, $7.8 million, and $18.5 million, respectively. The Company recorded asset impairment write-offs on molds and equipment due to abandonment of approximately $4.1 million, $1.5 million, $3.0 million, and $3.3 million for the fiscal years ended December 31, 2007 and 2006, four months ended December 31, 2005, and fiscal year ended August 27, 2005, respectively. In the four months ended December 31, 2005, $0.5 million of the impairments are included in selling, general and administrative expenses; all other impairment losses are included in cost of sales.

(6) INVESTMENTS

Equity Investments

At December 31, 2007 and 2006, the Company held equity investments totaling $13.9 million and $7.7 million, respectively. These investments all represent interests in privately-held companies. Investments representing $10.1 million of the total at December 31, 2007 are accounted for under equity method of accounting, with the remaining $3.8 million accounted for under the cost method.

During 2007, the Company recorded other income of $6.1 million on the sale of the Company’s interest in a privately held equity investment accounted for using the cost method with a carrying value of $0.5 million. Proceeds from the sale totaled $6.6 million.

On August 16, 2004, Nortem N.V. (formerly Metron Technology N.V.), a publicly traded security in which the Company held an equity interest, announced that it had entered into an agreement with Applied Materials, Inc. (Applied), pursuant to which Applied would acquire the business assets of Nortem. On December 14, 2004, upon completion of the sale to Applied of substantially all of its assets and the outstanding shares of Nortem’s worldwide operating subsidiaries, Nortem entered into liquidation.

Subsequently, Nortem paid two liquidation distributions to shareholders of record in the amount of $4.77 per Nortem share for each of the remaining 1.1 million shares owned by the Company. Accordingly, based on the Company’s carrying value of $2.1 million, $2.00 per share, and the $5.0 million cash distribution, the Company recorded a pre-tax gain of $2.9 million that was reflected as other income in the year ended August 27, 2005.

In addition, as a result of the liquidation activities of Nortem, Nortem ceased to be an affiliate of the Company as of February 2005. Since that date the Company no longer classifies its trade receivable due from Nortem separately in its consolidated balance sheet, nor have sales after that date been categorized as sales to affiliates. Sales to Nortem under previous distribution agreements classified as sales to affiliates were $14.7 million in the year ended August 27, 2005.

Short-term Investments

Short-term investments at December 31, 2006 consist of the following:

(In thousands)	2006
Variable rate demand notes	$ 16,825
Auction rate securities	78,550
Corporate debt securities	24,793
	$ 120,168

The amortized cost, gross unrealized losses and fair value of the Company's short-term investments at December 31, 2006 are as follows:

(In thousands)	2006
Amortized cost	$120,170
Gross unrealized losses	(2)
Fair value	$120,168

The contractual maturities of the Company's short-term investments at December 31, 2006 are as follows:

(In thousands)	2006
Within one year	$ 120,168
Fair value	$ 120,168

Realized gains and losses were not material for the fiscal years ended December 31, 2007 and 2006, the four months ended December 31, 2005, and the fiscal year ended August 27, 2005.

(7) INTANGIBLE ASSETS

The changes in the carrying amount of goodwill for the years ended December 31, 2007 and 2006 are as follows:

(In thousands)	2007	2006
Beginning of period	$394,531	$404,300
Acquisition of specialty coatings business	16,633	—
Adjustments to Mykrolis purchase price allocation	(6,981)	(9,499)
Impairment of goodwill associated with assets held for sale	(408)	—
Other, including foreign currency translation	(1,650)	(270)
End of year	$402,125	$394,531

As of December 31, 2007, goodwill amounted to approximately $402.1 million, an increase of $7.6 million from the balance at December 31, 2006. The increase relates primarily to a business acquisition completed in August 2007 as described in Note 2. The increase was partially offset by the allocation of goodwill to the discontinued cleaning equipment business also described in Note 2, foreign currency translation and changes associated with various tax-related purchase price adjustments related to the Mykrolis acquisition completed in August 2005.

Other intangible assets, excluding goodwill, at December 31, 2007 and 2006 were as follows:

	2007			
(In thousands)	Gross carrying amount	Accumulated amortization	Net carrying value	Weighted average life in years
Patents	$ 17,855	$ 13,323	$ 4,532	9.1
Unpatented technology	7,988	5,260	2,728	10.0
Developed technology	48,500	20,943	27,557	6.1
Trademarks and trade names	9,000	5,513	3,487	4.9
Customer relationships	44,100	7,888	36,212	10.2
Employment and noncompete agreements	3,407	2,893	514	4.7
Other	4,203	2,863	1,340	5.6
	$ 135,053	$ 58,683	$ 76,370	7.9

	2006			
(In thousands)	Gross carrying amount	Accumulated amortization	Net carrying value	Weighted average life in years
Patents	$ 17,835	$ 11,228	$ 6,607	9.1
Unpatented technology	8,139	4,542	3,597	10.0
Developed technology	38,500	12,020	26,480	4.6
Trademarks and trade names	9,000	3,212	5,788	4.9
Customer relationships	28,000	4,303	23,697	9.1
Employment and noncompete agreements	3,968	3,439	529	5.3
Other	4,349	2,170	2,179	5.8
	$ 109,791	$ 40,914	$ 68,877	7.0

Amortization expense was $18.9 million, $17.6 million, $6.0 million, and $5.1 million in the fiscal years ended December 31, 2007 and 2006, the four months ended December 31, 2005 and the fiscal year ended August 27, 2005, respectively.

Estimated amortization expense for the fiscal years 2008 to 2012, and thereafter, is $16.9 million, $14.4 million, $9.1 million, $5.5 million, $4.7 million, and $25.8 million, respectively.

(8) ACCRUED LIABILITIES

Accrued liabilities at December 31, 2007 and 2006 consist of the following:

(In thousands)	2007	2006
Payroll and related benefits	$ 29,915	$ 34,063
Employee benefits	4,664	6,150
Taxes, other than income taxes	3,135	1,005
Royalties	1,568	582
Interest	1,692	25
Warranty and related	1,306	1,824
Other	15,379	12,830
	$ 57,659	$ 56,479

(9) WARRANTY

The Company accrues for warranty costs based on historical trends and the expected material and labor costs to provide warranty services. The majority of products sold are generally covered by a warranty for periods ranging from 90 days to one year. The following table summarizes the activity related to the product warranty liability during the fiscal years ended December 31, 2007 and 2006, the four months ended December 31, 2005, and the fiscal year ended August 27, 2005:

(In thousands)	Year ended December 31, 2007	Year ended December 31, 2006	Four months ended December 31, 2005	Year ended August 27, 2005
Beginning of period	$ 1,824	$ 1,795	$ 2,072	$ 1,829
Accrual for warranties issued during the period	1,742	2,042	831	1,834
Adjustment of previously recorded accruals	(1,170)	(21)	—	(730)
Assumption of liability in connection with acquisition	—	—	—	694
Settlements during the period	(1,090)	(1,992)	(1,108)	(1,555)
End of period	$ 1,306	$ 1,824	$ 1,795	$ 2,072

(10) FINANCING ARRANGEMENTS

Short-term borrowings at December 31, 2007 and 2006 consist of the following:

(In thousands)	2007	2006
Bank borrowings, denominated in Japanese yen with an average interest rate of 1.28%	$17,802	$—
Total short-term borrowings	$17,802	$—

Long-term debt at December 31, 2007 and 2006 consists of the following:

(In thousands)	2007	2006
Bank loan denominated in Japanese yen with interest of 1.43% through 2010	$ 26,702	$ —
Stock redemption notes payable with interest of 8% through December 2010	1,223	1,609
Small Business Administration loans with interest ranging from 5.5% to 7.35% and various maturities through July 2010	1,758	1,787
Total long-term debt	29,683	3,396
Less current maturities of long-term debt	9,310	401
Long-term debt less current maturities	$ 20,373	$ 2,995

Annual maturities of long-term debt as of December 31, 2007, are as follows:

Fiscal year ending	*(In thousands)*
2008	$ 9,310
2009	9,327
2010	11,046
2011	—
2012	—
Thereafter	—
	$ 29,683

During the second quarter of 2007, the Company executed an unsecured domestic credit agreement, which expires in June 2010 and allows for aggregate borrowings of up to $85 million with interest at LIBOR rates plus an incremental factor ranging from 0.75% to 1.25% based on the current funded debt to EBITDA ratio (as defined therein). Under the credit agreement, which includes a $60 million revolver and a $25 million one-year term note, the Company is prohibited from paying cash dividends. The Company is also subject to, and is in compliance with, certain financial covenants including a leverage ratio of funded debt to EBITDA (as defined therein) of not more than 3.00 to 1.00. In addition, the Company must maintain consolidated aggregate amounts of cash and cash equivalents (which under the agreement may also include auction rate securities classified as short-term investments) of not less than $50 million. The Company pays a 0.15% commitment fee on the unused portion of the $60 million revolver. In June 2007, the Company drew down the $25 million term note facility and subsequently paid the note down completely in December 2007. Under the terms of the agreement, the $25 million term note facility is no longer available. As of December 31, 2007, the remaining revolver facility of $60 million under the credit agreement was available with no borrowings outstanding. There were no borrowings at December 31, 2006 under the Company's previous unsecured revolving credit agreement.

As described in Note 21, the Company executed a new domestic credit agreement in February 2008, which expires in February 2013, with a total borrowing capacity of $230 million.

During the fourth quarter of 2007, the Company executed a 3.0 billion yen ($26.7 million) unsecured term note agreement with a Japanese bank. Under the note agreement, the Company will make semi-annual payments in May and November each year of 500 million yen ($4.7 million) through November 2010, along with interest at a rate of 1.43%.

The Company has entered into unsecured line of credit agreements, which expire at various dates, with three international commercial banks, which provide for aggregate borrowings of 10.5 million Malaysia ringgits and 2 billion Japanese yen for its foreign subsidiaries, which is equivalent to $21.0 million as of December 31, 2007. Interest rates for these facilities are based on a factor of the banks' reference rates. Borrowings outstanding under international line of credit agreements at December 31, 2007 and December 31, 2006, were $17.8 million and none, respectively.

(11) LEASE COMMITMENTS

As of December 31, 2007, the Company was obligated under noncancellable operating lease agreements for certain sales offices and manufacturing facilities, manufacturing equipment, vehicles, information technology equipment and warehouse space. Future minimum lease payments for noncancellable operating leases with initial or remaining terms in excess of one year are as follows:

Fiscal year ending December 31	*(In thousands)*
2008	$ 9,576
2009	6,353
2010	5,517
2011	2,873
2012	2,598
Thereafter	3,241
Total minimum lease payments	$ 30,158

Total rental expense for all equipment and building operating leases for the fiscal years ended December 31, 2007 and 2006, the four months ended December 31, 2005 and the fiscal year ended August 27, 2005 were $14.0 million, $13.7 million, $3.7 million, and $5.5 million, respectively.

(12) RESTRUCTURING COSTS

Gilroy Cleaning Service Facility

In November 2007, the Company announced that during 2007 it would close its cleaning service facility in Gilroy, California and relocate certain equipment to other existing manufacturing plants located in Asia, Europe, and the United States. In connection with this action, the Company recorded estimated charges of $3.8 million for employee severance and retention costs (generally over the employees' required remaining term of service) and asset impairment and accelerated depreciation.

Severance and retention costs, mainly classified as selling, general and administrative expense, totaled $0.7 million for the year ended December 31, 2007. Other costs of $3.1 million related to fixed asset write-offs and accelerated depreciation, classified in cost of sales, were also recorded for the year ended December 31, 2007.

For the year ended December 31, 2007, the accrued liabilities, provisions and payments associated with the employee severance and retention costs of the Gilroy restructuring activity were as follows:

(In thousands)	Year ended December 31, 2007
Accrued liabilities at beginning of period	$ —
Provision	709
Payments	—
Accrued liabilities at end of period	$ 709

Singapore Regional Service Center

In August 2007, the Company announced that during 2007 it would close its regional service center located in Singapore and relocate certain equipment to other existing manufacturing plants located in Asia. In connection with this action, the Company recorded estimated charges of $0.3 million for employee severance and retention costs that were primarily classified as selling, general and administrative expense for the year ended December 31, 2007.

For the year ended December 31, 2007, the accrued liabilities, provisions and payments associated with the employee severance and retention costs of the Singapore restructuring activity were as follows:

(In thousands)	Year ended December 31, 2007
Accrued liabilities at beginning of period	$ —
Provision	343
Payments	(148)
Accrued liabilities at end of period	$ 195

Bad Rappenau Facility

In November 2005, the Company announced that during 2006 it would close its manufacturing plant located in Bad Rappenau, Germany and relocate the production of products made in that facility to other existing manufacturing plants located in the United States and Asia. In addition, the Company moved its Bad Rappenau administrative center to Dresden, Germany. In connection with these actions, the Company incurred charges of $7.5 million for employee severance and retention costs (generally over the employees' required remaining term of service) and asset impairment and accelerated depreciation.

Severance and retention costs, mainly classified as selling, general and administrative expense, totaled $(0.2) million, $4.4 million and $0.6 million for the years ended December 31, 2007 and 2006 and four months ended

December 31, 2005, respectively. Other costs of $0.4 million, $1.2 million and $1.1 million, related to fixed asset write-offs and accelerated depreciation classified in cost of sales, were also recorded for the years ended December 31, 2007 and 2006 and four months ended December 31, 2005, respectively.

The Company's facility in Bad Rappenau became available for sale during the third quarter of 2006 and was classified in assets held for sale as of December 31, 2006 at a carrying value of $2.2 million. During the second quarter of 2007, the Company sold the facility for $1.9 million.

For the years ended December 31, 2007 and 2006 and four months ended December 31, 2005, the accrued liabilities, provisions and payments associated with the employee severance and retention costs of the Bad Rappenau restructuring activity were as follows:

(In thousands)	Year ended December 31, 2007	Year ended December 31, 2006	Four months ended December 31, 2005
Accrued liabilities at beginning of period	$ 641	$ 568	$ —
Provision (reversal)	(145)	4,368	576
Payments	(496)	(4,295)	(8)
Accrued liabilities at end of period	$ —	$ 641	$ 568

(13) INTEREST INCOME, NET

Interest income, net consists of the following:

(In thousands)	Year ended December 31, 2007	Year ended December 31, 2006	Four months ended December 31, 2005	Year ended August 27, 2005
Interest income	$ 7,815	$ 9,668	$ 2,753	$ 3,404
Interest expense	(2,570)	(463)	(313)	(866)
Interest income, net	$ 5,245	$ 9,205	$ 2,440	$ 2,538

(14) OTHER INCOME (EXPENSE), NET

Other income (expense), net consists of the following:

(In thousands)	Year ended December 31, 2007	Year ended December 31, 2006	Four months ended December 31, 2005	Year ended August 27, 2005
Gain (loss) on foreign currency remeasurement	$ 1,196	$ 794	$ 401	$ (884)
Gain on sale of equity investments	6,068	—	—	2,914
Other, net	392	864	(463)	85
Other income (expense), net	$ 7,656	$ 1,658	$ (62)	$ 2,115

(15) INCOME TAXES

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

(In thousands)	Year ended December 31, 2007	Year ended December 31, 2006	Four months ended December 31, 2005	Year ended August 27, 2005
Domestic	$ 2,563	$ 46,864	$ (24,842)	$ 3,370
Foreign	54,056	42,692	6,270	10,937
	$ 56,619	$ 89,556	$ (18,572)	$ 14,307

Income tax (benefit) expense is summarized as follows:

(In thousands)	Year ended December 31, 2007	Year ended December 31, 2006	Four months ended December 31, 2005	Year ended August 27, 2005
Current:				
Federal	6,612	$ 923	$ —	$ 2,678
State	3,122	1,115	—	402
Foreign	21,056	13,474	2,690	2,852
	30,790	15,512	2,690	5,932
Deferred:				
Federal	(18,974)	13,038	(8,495)	(4,602)
State	(72)	610	(2,023)	(166)
Foreign	(1,388)	(2,224)	(885)	(10)
	(20,434)	11,424	(11,403)	(4,778)
	$ 10,356	$ 26,936	$ (8,713)	$ 1,154

Income tax (benefit) expense differs from the expected amounts based upon the statutory federal tax rates as follows:

(In thousands)	Year ended December 31, 2007	Year ended December 31, 2006	Four months ended December 31, 2005	Year ended August 27, 2005
Expected federal income tax at statutory rate	19,817	$ 31,344	(6,500)	$ 5,007
State income taxes, net of federal tax effect	1,983	1,131	(1,683)	33
Effect of foreign source income	(2,637)	(4,671)	2	(986)
Tax benefits on exempt earnings from export sales	—	(850)	(250)	(900)
Equity compensation	542	418	—	—
Non-deductible executive compensation	461	—	—	—
Research tax credit	(300)	(325)	(100)	(300)
Tax-exempt interest	(135)	(905)	(295)	(676)
Tax effect of foreign dividend	(11,175)	—	—	—
Tax contingencies	974	—	—	(1,375)
Other items, net	826	794	113	351
Income tax expense (benefit)	$ 10,356	$ 26,936	$ (8,713)	$ 1,154

In the year ended August 27, 2005, income tax expense was reduced by $1.4 million due to the favorable resolution of U.S Federal income tax matters made by the Company.

As a result of commitments made by the Company related to investment in tangible property and equipment (approximately $43 million by December 31, 2010), the establishment of a research and development center in 2006 and certain employment commitments through 2010, income from certain manufacturing activities in Malaysia is exempt from tax for years up through 2015. The income tax benefits attributable to the tax status of these subsidiaries are estimated to be $2.1 million (2 cents per diluted share), $2.8 million (2 cents per diluted share), $0.2 million (zero cents per diluted share), and $1.0 million (1 cent per diluted share), for the years ended December 31, 2007 and 2006, four months ended December 31, 2005 and year ended August 27, 2005.

$0.2 million, $2.8 million, $0.1 million, and $0.8 million was added to additional paid-in capital in accordance with FAS No. 123(R) or APB No. 25 reflecting tax differences relating to employee stock option and restricted stock award transactions for the years ended December 31, 2007 and 2006, four months ended December 31, 2005 and year ended August 27, 2005, respectively.

Goodwill was reduced by approximately $7.0 million in 2007 largely due to the determination that tax contingencies established in connection with the Mykrolis acquisition were no longer necessary.

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities at December 31, 2007 and December 31, 2006 are as follows:

(In thousands)	2007	2006
Deferred tax assets attributable to:		
Accounts receivable	837	$ 873
Inventory	3,535	5,351
Intercompany profit	6,188	9,505
Accruals not currently deductible for tax purposes	12,206	10,443
Net operating loss carryforwards	684	16,526
Tax credit carryforwards	30,822	6,038
Depreciation	5,308	3,451
Equity compensation	5,764	6,876
Capital loss carryforward	—	711
Other, net	2,819	1,231
Gross deferred tax assets	68,163	61,005
Valuation allowance	—	(711)
Total deferred tax assets	68,163	60,294
Deferred tax liabilities attributable to:		
Purchased intangible assets	19,045	25,625
Total deferred tax liabilities	19,045	25,625
Net deferred tax assets	49,118	$ 34,669

On October 22, 2007, the Company's Japanese subsidiary, Nihon Entegris KK (NEKK), acted to declare a dividend of 6.8 billion yen (approximately U.S. $60 million) and to lend 4.6 billion yen (approximately U.S. $40 million) to the Company. These transactions were completed in early November of 2007. The dividend and loan were funded from available cash and lines of credit established with Japanese banks. Prior to the declaration of the dividend, the accumulated undistributed earnings of NEKK were considered to be reinvested indefinitely as allowed by the provisions of Accounting Principles Board (APB) Opinion No. 23, *Accounting for Income Taxes—Special Areas*, as amended by SFAS No. 109, such that no U.S. tax effect had been provided with respect to such accumulated undistributed NEKK earnings. The dividend and loan transactions resulted in a recharacterization of $100 million of NEKK's accumulated undistributed earnings as no longer being indefinitely reinvested. This recharacterization of the NEKK accumulated undistributed earnings resulted in a fourth quarter U.S. tax benefit of approximately $9.4 million after reduction for state taxes of $1.9 million.

At December 31, 2007, there were approximately $95.7 million of accumulated undistributed earnings of subsidiaries outside the United States that are considered to be reinvested indefinitely. Management has considered its future cash needs and affirms its intention to indefinitely invest such earnings overseas to be utilized for working capital purposes, expansion of existing operations, and possible acquisitions. No U.S. tax has been provided on such earnings. If they were remitted to the Company, applicable U.S. federal and foreign withholding taxes would be partially offset by available foreign tax credits.

At December 31, 2007, the Company had state operating loss carryforwards of approximately $0.4 million, which begin to expire in 2011, foreign tax credit carryforwards of approximately $28.4 million which expire in 2018, alternative minimum tax credit carryforwards of approximately $0.1 million and research tax credit carryforwards of approximately $2.3 million which begin to expire in 2021, and foreign operating loss carryforwards of $0.3 million which do not expire under current law.

The Company established a valuation allowance of $2.2 million during the four months ended December 31, 2005 with respect to capital loss carryovers, of which $0.7 million and $1.6 million reversed in 2007 and 2006, respectively.

No valuation allowance has been recorded in the year ending December 31, 2007 against the deferred tax assets because management believes that it is more likely than not that the assets will be realized. This determination is based largely upon management's belief that sufficient earnings, both in the United States and offshore, will be earned to realize the deferred tax assets. Included in the Company's gross deferred tax assets is $28.4 million of foreign tax credits which will expire within ten years and which require both foreign source and U.S. taxable income to use the credits. Management believes that over the next ten years, the Company will be able to generate $155 million and $125 million of U.S. taxable income and foreign source income, respectively, the amounts necessary to recover those deferred tax assets.

The Company adopted the provisions of FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes, an Interpretation of FASB Statement 109," effective January 1, 2007. Interpretation 48 prescribes a recognition threshold and a measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. Benefits from tax positions should be recognized in the financial statements only when it is more likely than not that the tax positions will be sustained upon examination by the appropriate taxing authority that would have full knowledge of all relevant information. A tax position that meets the more-likely-than-not recognition threshold is measured at the largest amount of benefit that is greater than fifty percent likely of being realized upon ultimate settlement. Tax positions that previously failed to meet the more-likely-than-not recognition threshold should be recognized in the first subsequent financial reporting period in which that threshold is met. Previously recognized tax positions that no longer meet the more-likely-than-not recognition threshold should be derecognized in the first subsequent financial reporting period in which that threshold is no longer met. Interpretation 48 also provides guidance on the accounting for and disclosure of unrecognized tax benefits, interest and penalties.

A reconciliation of the beginning and ending balances of the total amounts of gross unrecognized tax benefits is as follows (in thousands):

Gross unrecognized tax benefits at January 1, 2007	$11,679
Increases in tax positions for prior years	8,775
Decreases in tax positions for prior years	(4,919)
Increases in tax positions for current year	1,485
Settlements	(193)
Lapse in statute of limitations	(194)
Gross unrecognized tax benefits at December 31, 2007	$16,633

The total amount of net unrecognized tax benefits that, if recognized, would affect the effective tax rate was $3.3 million at December 31, 2007.

The Company’s policy for recording interest and penalties associated with audits is to record such items as a component of income before taxes. Penalties are recorded in “Other (gains) losses,” and interest paid or received is recorded in interest expense or interest income, respectively, in the statement of income. For the year ended December 31, 2007, the Company has accrued interest and penalties related to unrecognized tax benefits of $3.1 million. $0.5 million of interest and penalties were recognized in the statement of operations for the year ended December 31, 2007.

The Company files income tax returns in the U.S. and in various state, local and foreign jurisdictions. The statute of limitations related to the consolidated Federal income tax return is closed for all years up to and including fiscal 2003. With respect to foreign jurisdictions, the statute of limitations varies from country to country with the earliest open year for the Company’s major foreign subsidiaries being 2001. During 2007, German tax authorities were auditing the Company’s German subsidiary. It is likely that a settlement will be reached with the German authorities within twelve months.

Due to the potential for resolution of foreign examinations, the expiration of various statutes of limitation, the filings for change in accounting methods and amended return filings, it is reasonably possible that the company’s gross unrecognized tax benefits balance may change within the next twelve months by a range of zero to $2.7 million.

(16) SHAREHOLDERS’ EQUITY

Share Repurchase Program

On August 21, 2006, the Company's Board of Directors authorized a share repurchase program of up to $150 million over the succeeding 12 to 18 months. In connection with the share repurchase program the Company entered into an Accelerated Share Repurchase Agreement (ASRA) and a Collared Accelerated Share Repurchase Agreement (CASRA) with Goldman, Sachs & Co. (GS) on August 30, 2006. Under the ASRA, which was effective as of August 30, 2006, the Company acquired 4.7 million shares of common stock on September 5, 2006 from GS for $50.0 million, which was paid on September 5, 2006. The transaction was accounted for as a share retirement with common stock, paid-in capital and retained earnings reduced by $47 thousand, $28.2 million, and $21.7 million, respectively.

Under the CASRA, the Company paid $50.0 million for a prepaid forward contract, which was effective August 30, 2006, to repurchase the Company’s common stock. The Company received deliveries of common stock of 3.0 million shares and 1.2 million shares on September 5, 2006 and October 6, 2006, respectively. The transaction was accounted for as a share retirement with common stock, paid-in capital and retained earnings reduced by $42 thousand, $25.2 million, and $19.8 million, respectively. $5.0 million of the $50.0 million payment was reflected as a prepaid forward contract for share repurchase in shareholders’ equity, which was credited when the Company received additional shares under the CASRA.

The Company financed the ASRA and CASRA with its available cash equivalents and short-term investments. Under the terms of the ASRA and the CASRA, GS repurchased an equivalent number of shares in the open market from September 2006 through August 2007. Upon GS’s completion of trading in August 2007, the Company's price under the ASRA was adjusted up based on the volume-weighted average price of the stock repurchased by GS, resulting in a cash payment to GS of $0.6 million in 2007, leaving $49.4 million remaining available for repurchases pursuant to the August 2006 authorization. Also in 2007, the Company received 0.4 million additional shares of common stock pursuant to the CASRA, based on the volume-weighted average price of the stock repurchased by GS.

In May 2007, the Company’s Board of Directors authorized a self-tender offer program to acquire up to $250 million of the Company’s common stock. A modified “Dutch Auction” tender offer began on May 11, 2007 and expired on June 8, 2007, and was subject to the terms and conditions described in the offering materials mailed to the Company's shareholders and filed with the Securities and Exchange Commission. The tender offer was completed on June 14, 2007 with the Company purchasing 21.1 million shares of its common stock at a price of $11.80 per share. The Company incurred $2.3 million in costs associated with the tender offer for a total cost of approximately $251.4 million.

In November 2007, the Company's Board of Directors authorized a Rule 10b-5-1 trading plan to acquire up to $49.4 million of the Company's common stock. The share buyback program, which commenced on December 1, 2007, was established in accordance with the provisions of Rule 10b5-1 and Rule 10b-18 under the Securities Exchange Act of 1934. Under the trading plan, the Company purchased 0.5 million shares of its common stock at an average price of $8.96 per share in 2007. The total cost of the purchases was $4.1 million.

Share-based Compensation Expense

Effective August 28, 2005, the Company adopted Statement of Financial Accounting Standards No. 123 (revised 2004), *Share-Based Payment*, (SFAS 123(R)) which requires the measurement and recognition of compensation expense for all share-based payment awards made to employees and directors including employee stock options and employee stock purchases related to the Employee Stock Purchase Plan (employee stock purchases) to be based on estimated fair values. SFAS 123(R) supersedes the Company's previous accounting under Accounting Principles Board Opinion No. 25, *Accounting for Stock Issued to Employees* (APB 25). In March 2005, the Securities and Exchange Commission issued Staff Accounting Bulletin No. 107 (SAB 107) relating to SFAS 123(R). The Company has applied the provisions of SAB 107 in its adoption of SFAS 123(R).

The Company adopted SFAS 123(R) using the modified prospective transition method, which required the application of the accounting standard as of August 28, 2005. In accordance with the modified prospective transition method, the Company's Consolidated Financial Statements for prior periods were not restated to reflect, and did not include, the impact of SFAS 123(R). Share-based compensation expense recorded under SFAS 123(R) for the years ended December 31, 2007 and 2006 and four months ended December 31, 2005 was $10.5 million, $14.8 million and $11.1 million, respectively. Share-based compensation expense of $5.5 million for the year ended August 27, 2005 was mainly related to restricted stock grants that the Company had been recognizing under previous accounting standards.

SFAS 123(R) requires companies to estimate the fair value of share-based payment awards on the date of grant using an option-pricing model. The value of the portion of the award that is ultimately expected to vest is recognized as expense over the requisite service periods in the Company's Consolidated Statement of Operations. Prior to the adoption of SFAS 123(R), the Company accounted for share-based awards to employees and directors using the intrinsic value method in accordance with APB 25 as allowed under Statement of Financial Accounting Standards No. 123, *Accounting for Stock-Based Compensation* (SFAS 123). Under the intrinsic value method, no share-based compensation expense had been recognized in the Company's Consolidated Statement of Operations, other than as related to restricted stock grants, because the exercise price of the Company's stock options granted to employees and directors equaled the fair market value of the underlying stock at the date of grant.

Share-based compensation expense recognized for periods after the adoption of SFAS 123(R) is based on the value of the portion of share-based payment awards that is ultimately expected to vest during the period. Share-based compensation expense recognized in the Company's Consolidated Statement of Operations for the years ended December 31, 2007 and 2006 and four months ended December 31, 2005 includes compensation expense for share-based payment awards granted prior to, but not yet vested as of August 27, 2005 based on the grant date fair value estimated in accordance with the pro forma provisions of SFAS 123.

Share-based payment awards in the form of restricted stock awards for 0.9 million shares and 1.1 million shares were granted to employees during the years ended December 31, 2007 and 2006, respectively, with no shares granted during the four months ended December 31, 2005. Share-based payment awards in the form of stock awards subject to performance conditions for up to 0.9 million shares and 0.9 million shares were also granted to certain employees during the years ended December 31, 2007 and 2006, respectively, with no performance shares granted during the four months ended December 31, 2005. Compensation expense is based on the grant date fair value estimated in accordance with the provisions of SFAS 123(R).

In conjunction with the adoption of SFAS 123(R), the Company changed its method of attributing the value of share-based compensation to expense from the accelerated multiple-option approach to the straight-line single option method. Compensation expense for all share-based payment awards granted on or prior to August 27, 2005 will continue to be recognized using the accelerated multiple-option approach, while compensation expense for all share-based payment awards granted subsequent to August 27, 2005 will be recognized using the straight-line single-option method. Because share-based compensation expense recognized in the Consolidated Statement of Operations for the years ended December 31, 2007 and 2006 and four months ended December 31, 2005 is based on awards ultimately expected to vest, it has been reduced for estimated forfeitures. SFAS 123(R) requires forfeitures to be estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. In the Company’s pro forma information required under SFAS 123 for the periods through August 27, 2005, the Company accounted for forfeitures as they occurred.

There were stock option awards of 1.1 million shares in the year ended August 27, 2005. Restricted stock awards of 1.9 million shares were made to employees in the year ended August 27, 2005. Prior to August 28, 2005, the Company used the Black-Scholes option-pricing model (Black-Scholes model) for the Company’s pro forma information required under SFAS 123. The Company’s determination of fair value of share-based payment awards on the date of grant using an option-pricing model is affected by the Company’s stock price as well as assumptions regarding a number of highly complex and subjective variables. These variables include, but are not limited to, the Company’s expected stock price volatility over the term of the awards and actual and projected employee stock option exercise behaviors and forfeitures.

On November 10, 2005, the Financial Accounting Standards Board (FASB) issued FASB Staff Position No. FAS 123(R)- 3, *Transition Election Related to Accounting for Tax Effects of Share-Based Payment Awards* (FSP 123(R)-3). An entity could take up to one year from the effective date of FSP 123(R)-3 to evaluate its available transition alternatives and make its one-time election. The Company adopted the alternative transition method provided in the FASB Staff Position for calculating the tax effects of share-based compensation pursuant to SFAS 123(R). The alternative transition method includes simplified methods to establish the beginning balance of the additional paid-in capital pool (APIC pool) related to the tax effects of employee share-based compensation and to determine the subsequent impact on the APIC pool and consolidated statements of cash flows of the tax effects of employee share-based compensation awards that are outstanding upon adoption of SFAS 123(R).

Employee Stock Purchase Plan

The Company has the Entegris, Inc. Employee Stock Purchase Plan (ESPP). A total of 4.0 million common shares are reserved for issuance under the ESPP. The ESPP allows employees to elect, at six-month intervals, to contribute up to 10% of their compensation, subject to certain limitations, to purchase shares of common stock at the lower of 85% of the fair market value on the first day or last day of each six-month period. The Company treats the ESPP as a compensatory plan under SFAS 123(R). As of December 31, 2007, 1.3 million shares had been issued under the ESPP. At December 31, 2007, 2.7 million shares remained available for issuance under the ESPP. Employees purchased 0.2 million shares, 0.2 million shares, none, and 0.2 million shares, at a weighted-average price of $8.63, $8.06, none, and $8.34 during the years ended December 31, 2007 and 2006, four months ended December 31, 2005 and year ended August 27, 2005, respectively.

Employee Stock Option Plans

As of December 31, 2007, the Company had five stock incentive plans: the Entegris, Inc. 1999 Long-Term Incentive and Stock Option Plan (the 1999 Plan), the Entegris, Inc. Outside Directors’ Option Plan (the

Directors' Plan) and three former Mykrolis stock option plans assumed by the Company on August 10, 2005: The 2001 Equity Incentive Plan (the 2001 Plan), the 2003 Employment Inducement and Acquisition Stock Option Plan (the Employment Inducement Plan) and the 2001 Non-Employee Director Stock Option Plan (the 2001 Directors Plan). At present, the Company intends to issue new common shares upon the exercise of stock options under each of these plans. The plans are described in more detail below.

1999 Plan: The 1999 Plan provides for the issuance of share-based awards to selected employees, directors, and other persons (including both individuals and entities) who provide services to the Company or its affiliates. Under the 1999 Plan, the Board of Directors determines the number of shares for which each option is granted, the rate at which each option is exercisable and whether restrictions will be imposed on the shares subject to the awards. The term of options issued under the 1999 Plan has been ten years, generally exercisable ratably in 25% increments over the 48 months following grant, with exercise prices equal to 100% of the fair market value of the Company's common stock on the date of grant.

The Directors' Plan and the 2001 Directors Plan: The Directors' Plan provides for the grant to each outside director of an option to purchase 15,000 shares on the date the individual becomes a director and for the annual grant to each outside director, at the choice of the Directors' Plan administrator (defined as the Board of Directors or a committee of the Board), of either an option to purchase 9,000 shares, or a restricted stock award of up to 3,000 shares. Options are exercisable six months subsequent to the date of grant. Under the Directors' Plan, the term of options shall be ten years and the exercise price for shares shall not be less than 100% of the fair market value of the common stock on the date of grant of such option. The 2001 Directors Plan provides for the grant to each newly elected eligible director of options to purchase 15,000 shares of common stock on the date of his or her first election and for the annual grant of options to purchase 10,000 shares of common stock for each subsequent year of service as a director. The exercise price of the stock options may not be less than the fair market value of the stock at the date of grant. On August 10, 2005 the Company's Board of Directors determined that the equity compensation paid to non-employee directors would be an aggregate of 10,000 shares of restricted stock per annum, inclusive of the amounts specified in the above described plans.

2001 Plan: The 2001 Plan provides for the issuance of share-based awards to selected employees, directors, and other persons (including both individuals and entities) who provide services to the Company or its affiliates. The 2001 Plan has a term of ten years. Under the 2001 Plan, the Board of Directors determines the term of each option, option price, number of shares for which each option is granted, whether restrictions will be imposed on the shares subject to options, and the rate at which each option is exercisable. The exercise price for incentive stock options may not be less than the fair market value per share of the underlying common stock on the date granted (110% of fair market value in the case of holders of more than 10% of the voting stock of the Company). The 2001 Plan contains an "evergreen" provision, which increases the number of shares in the pool of options available for grant annually by 1% of the number of shares of common stock outstanding on the date of the Annual Meeting of Stockholders or such lesser amount determined by the Board of Directors. Under NASDAQ rules new grants and awards under the 2001 Plan may only be made to employees and directors of the Company who were employees or directors of Mykrolis prior to the merger or who were hired by the Company subsequent to the merger.

Employment Inducement Plan: The Employment Inducement Plan is a non-shareholder approved plan that provides for the issuance of stock options and other share-based awards to newly-hired employees and to employees of companies acquired by the Company. The Employment Inducement Plan has a term of ten years. Options granted under the Employment Inducement Plan have a maximum term of ten years and an exercise price equal to the fair market value of the Company's common stock on the date of grant. The Board of Directors determines other terms of option grants including, number of shares, restrictions and the vesting period. The number of reserved shares under the Employment Inducement Plan automatically increases annually by 0.25% of the number of shares of common stock outstanding on the date of the Annual Meeting of Stockholders unless otherwise determined by the Board of Directors.

Millipore Plan

In addition to the Company's plans, certain employees of the Company who were employees of Mykrolis were granted stock options under a predecessor's share-based compensation plan. The Millipore 1999 Stock Incentive Plan (the Millipore Plan) provided for the issuance of stock options and restricted stock to key employees as incentive compensation. The exercise price of a stock option was equal to the fair market value of Millipore's common stock on the date the option was granted and its term was generally ten years and vested over four years. Options granted to the Company's employees under the Millipore Plan in the past were converted into options to acquire Mykrolis common stock pursuant to the spin-off of Mykrolis by Millipore, and then were converted into options to acquire the Company's common stock pursuant to the merger with Mykrolis.

General Option Information

Option activity for the 1999 Plan and the Directors' Plan for the years ended December 31, 2007 and 2006, four months ended December 31, 2005 and year ended August 27, 2005 is summarized as follows:

	Year ended December 31, 2007		Year ended December 31, 2006		Four months ended December 31, 2005		Year ended August 27, 2005	
(Shares in thousands)	Number of shares	Weighted average exercise price	Number of shares	Weighted average exercise price	Number of shares	Weighted average exercise price	Number of shares	Weighted average exercise price
Options outstanding, beginning of period	6,383	$ 7.76	8,501	$ 7.35	8,826	$ 7.30	8,268	$ 7.05
Granted	—	—	—	—	—	—	1,125	8.39
Exercised	(2,627)	6.01	(1,925)	5.56	(231)	4.23	(415)	4.49
Canceled	(251)	12.10	(193)	11.35	(94)	10.43	(152)	9.23
Options outstanding, end of period	3,505	$ 8.77	6,383	$ 7.76	8,501	$ 7.35	8,826	$ 7.30
Options exercisable, end of period	3,505	$ 8.77	6,379	$ 7.76	7,109	$ 7.33	7,109	$ 7.29

Options outstanding for the 1999 Plan and the Directors' Plan at December 31, 2007 are summarized as follows:

(Shares in thousands)	Options outstanding			Options exercisable	
Range of exercise prices	Number outstanding	Weighted average remaining life in years	Weighted-average exercise price	Number exercisable	Weighted average exercise price
$3.15	190	0.1 years	$ 3.15	190	$ 3.15
$4.22	68	1.7 years	4.22	68	4.22
$5.90	481	4.8 years	5.90	481	5.90
$6.86 to $7.49	83	3.3 years	7.47	83	7.47
$8.04	588	3.8 years	8.04	588	8.04
$8.36 to $10.00	1,058	4.8 years	8.78	1,058	8.78
$10.35 to $11.99	859	4.6 years	11.59	859	11.59
$12.01 to $15.38	178	5.7 years	13.61	178	13.61
	3,505			3,505	

The weighted average remaining contractual term for options outstanding and exercisable for the 1999 Plan and the Directors' Plan at December 31, 2007 was 4.3 years and 4.3 years, respectively.

Option activity for the 2001 Plan, the Employment Inducement Plan, the 2001 Directors Plan and the Millipore plan for the years ended December 31, 2007 and 2006, four months ended December 31, 2005, and year ended August 27, 2005 are summarized as follows:

(Shares in thousands)	Year ended December 31, 2007		Year ended December 31, 2006		Four months ended December 31, 2005		Year ended August 27, 2005	
	Number of shares	Weighted average exercise price	Number of shares	Weighted average exercise price	Number of Shares	Weighted average exercise price	Number of shares	Weighted Average Exercise Price
Options outstanding, beginning of period	6,422	$ 8.62	7,998	$ 8.53	8,599	$ 8.38	—	—
Options assumed in Mykrolis acquisition	—	—	—	—	—	—	8,790	$ 8.33
Options exercised	(1,345)	8.24	(1,102)	7.09	(508)	5.64	(177)	5.37
Options expired	(186)	10.23	(474)	10.74	(93)	10.39	(14)	10.74
Options outstanding, end of period	4,891	$ 8.67	6,422	$ 8.62	7,998	$ 8.53	8,599	$ 8.38
Options exercisable	4,723	$ 8.67	6,080	$ 8.63	7,553	$ 8.61	7,638	$ 8.47

Options outstanding for the 2001 Plan, Employment Inducement Plan, 2001 Directors Plan and Millipore Plan at December 31, 2007 are summarized as follows:

(Shares in thousands)	Options outstanding			Options exercisable	
Range of exercise prices	Number outstanding	Weighted average remaining life in years	Weighted average exercise price	Number exercisable	Weighted-average exercise price
$3.83-$4.89	555	1.8	$ 4.77	555	$ 4.77
$5.01-$8.09	953	1.8	6.19	953	6.19
$8.35-$9.94	1,290	2.5	8.49	1,122	8.50
$10.09-$10.91	1,095	1.1	10.77	1,095	10.77
$11.12-$11.76	998	3.1	11.13	998	11.13
	4,891	2.1	$ 8.67	4,723	$ 8.67

The weighted average remaining contractual term for options outstanding and exercisable for the 2000 Plan, the Employment Inducement Plan, the 2001 Directors' Plan and the Millipore Plan at December 31, 2007 was 2.1 years and 2.0 years, respectively.

For all plans, the Company had shares available for future grants of 8.9 million shares, 8.1 million shares, 7.2 million shares and 4.9 million shares at December 31, 2007, December 31, 2006, December 31, 2005 and August 27, 2005, respectively.

For all plans, the total pretax intrinsic value of stock options exercised during the years ended December 31, 2007 and 2006 was $18.0 million and $14.2 million, respectively. The aggregate intrinsic value, which represents the total pretax intrinsic value based on the Company's closing stock price of $8.63 at December 31, 2007, which theoretically could have been received by the option holders had all option holders exercised their options as of that date, was $8.1 million for both options outstanding and options exercisable. The total number of in-the-money options exercisable as of December 31, 2007 was 4.6 million.

During the years ended December 31, 2007 and 2006, and August 27, 2005, certain existing stock option grants and restricted stock awards were modified in connection with the execution of various severance and separation agreements. Under the agreements, the terms of unvested and vested stock option grants were modified with no future service required by the affected individuals. Accordingly, under the measurement principles of SFAS No. 123(R) and APB No. 25, incremental share-based compensation expense of $0.1 million, $0.4 million and $1.0 million, respectively, was recognized for the value of the modified stock option grants at the date of the agreements' execution.

During the years ended December 31, 2007 and 2006, four months ended December 31, 2005 and year ended August 27, 2005, the Company received cash from the exercise of stock options totaling $28.1 million, $18.5 million, $3.8 million, and $3.4 million, respectively. During the years ended December 31, 2007 and 2006, four months ended December 31, 2005 and years ended August 27, 2005, the Company received cash of $1.8 million, $1.5 million, none, and $1.5 million, respectively, in employee contributions to the Entegris, Inc. Employee Stock Purchase Plan.

Restricted Stock Awards

Restricted stock awards are awards of common stock that are subject to restrictions on transfer and to a risk of forfeiture if the awardee terminates employment with the Company prior to the lapse of the restrictions. The value of such stock is determined using the market price on the grant date. Compensation expense is recorded over the applicable restricted stock vesting periods. In conjunction with the adoption of SFAS 123(R), the Company changed its method of attributing the value of share-based compensation to expense from the accelerated multiple-option approach to the straight-line single option method. Accordingly, compensation expense for restricted stock awards granted on or prior to August 27, 2005 are recorded using the accelerated multiple-option approach, while compensation expense for restricted stock awards granted subsequent to August 27, 2005 are recognized using the straight-line single-option method. A summary of the Company's restricted stock activity for the years ended December 31, 2007 and 2006, four months ended December 31, 2005 and year ended August 27, 2005 is presented in the following table:

(Shares in thousands)	Year ended December 31, 2007		Year ended December 31, 2006		Four months ended December 31, 2005		Year ended August 27, 2005	
	Number of shares	Weighted average grant date fair value	Number of shares	Weighted average grant date fair value	Number of shares	Weighted average grant date fair value	Number of shares	Weighted average grant date fair value
Unvested, beginning of period	1,950	$ 10.71	1,526	$ 11.03	2,374	$ 11.05	236	$ 12.29
Granted	897	11.09	1,131	10.46	—	—	1,900	10.84
Unvested shares assumed in acquisition	—	—	—	—	—	—	365	11.32
Vested	(801)	10.74	(631)	11.04	(843)	11.09	(103)	11.18
Forfeited	(173)	10.60	(76)	10.69	(5)	10.28	(24)	9.23
Unvested, end of period	1,873	$ 10.89	1,950	$ 10.71	1,526	$ 11.03	2,374	$ 11.05

The weighted average remaining contractual term for unvested restricted shares at December 31, 2007 and 2006 was 2.4 years and 2.5 years, respectively.

As of December 31, 2007, the total compensation cost related to nonvested stock options and restricted stock awards not yet recognized was $0.3 million and $11.5 million, respectively, that is expected to be recognized over the next 15.8 months on a weighted-average basis. These amounts exclude restricted stock awards for which performance criteria have yet to be determined and, accordingly, grant dates for those awards have not been established.

During the years ended December 31, 2007 and 2006, Entegris, Inc. awarded performance stock for up to 0.9 million shares for each year to be issued upon the achievement of performance conditions (Performance Shares) under the Company's stock incentive plans to certain officers and other key employees. The Performance Shares will be earned if, and to the extent that, various financial performance criteria for fiscal years 2006 through 2009 are achieved. The number of performance shares earned in a given year may vary based on the level of achievement of financial performance objectives for that year or multi-year period. If the Company's performance fails to achieve the specified performance threshold, then the Performance Shares allocated to that financial performance criteria are forfeited. Each annual tranche will have its own service period beginning at the date (the grant date) at which the Board of Directors establishes the annual performance targets for the applicable year. Compensation expense to be recorded in connection with the Performance Shares will be based on the grant date fair value of the Company's common stock. Awards of Performance Shares are expensed over the service period based on an evaluation of the probability of achieving the performance objectives.

For Performance Share awards granted in 2006, 25% of the shares are available to be awarded each year through 2009, if and to the extent the financial performance criteria for fiscal years 2006 through 2009 are achieved. The number of Performance Shares earned in a given year may vary based on the level of achievement of financial performance objectives for that year. If the Company's performance for a year fails to achieve the specified performance threshold, then the Performance Shares allocated to that year are forfeited. Each annual tranche will have its own service period beginning at the date (the grant date) at which the Board of Directors establishes the annual performance targets for the applicable year, or January 1 of that year, whichever occurs later. Compensation expense to be recorded in connection with the Performance Shares is based on the grant date fair value of the Company's common stock on the date the financial performance criteria are established for each annual tranche. Once earned, Performance Shares are fully vested with no restrictions. Awards of Performance Shares are expensed over the service period based on an evaluation of the probability of achieving the performance objectives.

For Performance Share awards granted in 2007, 50% of the shares are available to be awarded, if and to the extent that two financial performance criteria for fiscal year 2007 are achieved, while the remaining 50% of the shares are available to be awarded if and to the extent that a third financial performance criteria for the three-year period including fiscal years 2007 through 2009 is achieved. The number of performance shares earned may vary based on the level of achievement of financial performance criteria indicated. If the Company's performance fails to achieve the specified performance threshold, then the performance shares are forfeited. Compensation expense to be recorded in connection with the 2007 Performance Shares is based on the grant date fair value of the Company's common stock on the date the financial performance criteria were established. All shares earned in connection with the 2007 Performance Share awards are also subject to service conditions. Shares available upon attainment of the financial performance criteria for fiscal year 2007 vest annually over a four-year period, while shares available upon attainment of the financial performance criteria for the three-year period from fiscal years 2007 through 2009 will cliff-vest at the end of 2009, with the final 25% vesting in 2010.

Certain unvested restricted shares of Mykrolis common stock issued in connection with restricted stock awards made prior to the merger with the Company were exchanged for unvested restricted shares of the Company's common stock, with the number of shares adjusted for the exchange ratio of 1.39. Accordingly, 0.3 million restricted Mykrolis shares were exchanged for 0.4 million restricted shares of the Company's common stock. The intrinsic value of $2.5 million associated with the unvested restricted stock was recorded as deferred compensation as part of the purchase price allocation for the Mykrolis acquisition. This balance is being charged to earnings over the remaining vesting periods that extend to 2009.

Valuation and Expense Information under SFAS 123(R)

The following table summarizes share-based compensation expense related to employee stock options, restricted stock awards and grants under the employee stock purchase plan under SFAS 123(R) for the years ended December 31, 2007 and 2006 and four months ended December 31, 2005 that was allocated as follows:

(In thousands)	Year ended December 31, 2007	Year ended December 31, 2006	Four months ended December 31, 2005
Cost of sales	$ 1,800	$ 3,000	$ 882
Engineering, research and development	180	230	95
Selling, general and administrative	8,520	11,546	10,076
Share-based compensation expense	10,500	14,776	11,053
Tax benefit	3,948	5,556	4,156
Share-based compensation expense, net of tax	$ 6,552	$ 9,220	$ 6,897

No stock option grants have been made to employees since the adoption of SFAS123(R). Prior to the adoption of SFAS 123(R), the value of each employee stock option was estimated on the date of grant using the Black-Scholes model for the purpose of the pro forma financial information in accordance with SFAS 123.

Pro Forma Information Under SFAS 123 for Periods Prior to Adoption of SFAS 123(R)

The following table illustrates the effect on net income and earnings per common share for the year ended August 27, 2005 if the Company had applied the fair value recognition provisions of SFAS 123, *Accounting for Stock-Based Compensation*, to share-based employee compensation.

(In thousands, except share data)	Year ended August 27, 2005
Net income	$ 9,393
Add: Stock-based compensation included in net income, net of tax of $2,077	3,388
Deduct: Total stock-based compensation expense determined under fair value based method for all awards, net of tax benefits of $6,727	(11,159)
Pro forma net income	$ 1,622
Earnings per share:	
Basic as reported	$ 0.12
Diluted as reported	0.12
Basic pro forma	0.02
Diluted pro forma	0.02

During September 2004, the Compensation and Stock Option Committee (the Committee) of the Company's Board of Directors reviewed the Company's stock-based compensation plans in light of evolving compensation practices and the anticipated issuance by the Financial Accounting Standards Board (FASB) of its revision of FASB Statement No. 123, *Accounting for Stock-Based Compensation* (SFAS No. 123R) (subsequently issued in December 2004) which upon adoption required all share-based payments to employees, including grants of employee stock options, to be recognized in the Company's consolidated statement of operations based on their fair values. After consideration of various alternatives, the Committee approved the accelerated and full vesting of all unvested outstanding employee stock options with exercise prices above $9.21 issued prior to October 1, 2004. The effect of the vesting acceleration was the recognition of incremental share-based employee compensation of approximately $4.8 million in the first quarter of the year ended August 28, 2005 in the Company's pro forma disclosure above. This previously deferred stock-based employee compensation expense amount would otherwise in part have been recognized in the Company's consolidated statements of operations in future periods after the adoption of SFAS No. 123R on August 28, 2005.

The fair values of options granted and the option component of the employee stock purchase plan shares were estimated at the date of grant using the Black-Scholes option pricing model and the following assumptions:

Option plans	Year ended August 27, 2005
Expected dividend yield	0%
Expected stock price volatility	75%
Risk-free interest rate	3.5%
Expected life	6.0 years

Employee stock purchase plan	Year ended August 27, 2005
Expected dividend yield	0%
Expected stock price volatility	75%
Risk-free interest rate	2.0%
Expected life	0.5 years

The expected stock price volatility was based on computations of historical volatility of the Company's common stock.

The weighted average fair value of options granted during years ended August 27, 2005 with exercise prices equal to the market price at the date of grant was $5.69.

Shareholder Rights Plan On July 27, 2005, the Company's Board of Directors adopted a shareholder rights plan (the "Rights Plan") pursuant to which Entegris declared a dividend on August 8, 2005 to its shareholders of record on that date of one preferred share purchase right (a "Right") for each share of Entegris common stock owned on August 8, 2005. Each Right entitles the holder to purchase one-hundredth of a share of a series of preferred stock at an exercise price of $50, subject to adjustment as provided in the Rights Plan. The Rights Plan is designed to protect Entegris' shareholders from attempts by others to acquire Entegris on terms or by using tactics that could deny all shareholders the opportunity to realize the full value of their investment. The Rights are attached to the shares of the Company's common stock until certain triggering events specified in the Rights Agreement occur, including, unless approved by the Company's Board of Directors, an acquisition by a person or group of specified levels of beneficial ownership of Entegris common stock or a tender offer for Entegris common stock. Upon the occurrence of any of these triggering events, the Rights authorize the holders to purchase at the then-current exercise price for the Rights, that number of shares of the Company's common stock having a value equal to twice the exercise price. The Rights are redeemable by the Company for $0.01 and will expire on August 8, 2015. One of the events which will trigger the Rights is the acquisition, or commencement of a tender offer, by a person (an Acquiring Person, as defined in the shareholder rights plan), other than Entegris or any of its subsidiaries or employee benefit plans, of 15% or more of the outstanding shares of the Company's common stock. An Acquiring Person may not exercise a Right.

(17) BENEFIT PLANS

401(k) Plan The Company maintains the Entegris, Inc. 401(k) Savings and Profit Sharing Plan (the 401(k) Plan) that qualifies as a deferred salary arrangement under Section 401(k) of the Internal Revenue Code. Under the Plan, eligible employees may defer a portion of their pretax wages, up to the Internal Revenue Service annual contribution limit. Entegris matches 100% of employees' contributions on the first 3% of eligible wages and 50% of employees' contributions on the next 2% of eligible wages, or a maximum match of 4% of the employee's eligible wages. In addition to the matching contribution, the Company's Board of Directors may, at its discretion, declare a profit sharing contribution as a percentage of eligible wages based on the company's worldwide operating results. The employer profit sharing and matching contribution expense under the Plans was $5.9 million, $5.8 million, $0.7 million and $4.6 million in the fiscal years ended December 31, 2007 and 2006, the four months ended December 31, 2005, and the fiscal year ended August 27, 2005, respectively.

Supplemental Savings and Retirement Plan The Company also maintains the Supplemental Savings and Retirement Plan (the "Supplemental Plan"). Under the Supplemental Plan, certain senior executives are allowed certain salary deferral benefits that would otherwise be lost by reason of restrictions imposed by the Internal Revenue Code limiting the amount of compensation which may be deferred under tax-qualified plans. Liabilities of $3.2 million and $3.2 million at December 31, 2007 and 2006, respectively, related to the Supplemental Plan are included in the consolidated balance sheets under the caption "Pension benefit obligations and other liabilities". The Company recorded expense of $0.3 million, $0.5 million and $0.3 million in the years ended December 31, 2007 and 2006 and the four months ended December 31, 2005, respectively. The Company recorded no expense in connection with the Supplemental Plan in the year ended August 27, 2005.

Defined Benefit Plans. The Company assumed the obligations under defined benefit pension plans in its merger with Myrkolis on August 6, 2005. The employees of the Company's subsidiaries in Japan and Taiwan are covered in defined benefit pension plans. The Company uses a December 31 measurement date for its pension plans.

Effective December 31, 2006, the Company adopted SFAS No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans*. Under SFAS No. 158, the Company is required to recognize the overfunded or underfunded status of its defined benefit pension plans as an asset or liability in its consolidated balance sheets and to recognize changes in that funded status in the year in which the changes occur through comprehensive income. SFAS No. 158 also requires the measurement of the funded status of a plan as of the date of its year-end consolidated balance sheet. The Company's existing policy was to measure the funded status of it plans as of the balance sheet date; accordingly, the new measurement date requirements of SFAS No. 158 had no impact.

The tables below set forth the Company's estimated funded status as of December 31, 2007 and 2006:

(In thousands)	2007	2006
Change in benefit obligation:		
Benefit obligation at beginning of period	$ 14,297	$ 14,084
Plan Amendments	530	—
Service cost	1,165	1,248
Interest cost	307	264
Actuarial (gains) losses	1,183	(745)
Benefits paid	(1,007)	(425)
Foreign exchange impact	892	(129)
Benefit obligation at end of period	17,367	14,297
Change in plan assets:		
Fair value of plan assets at beginning of period	3,824	3,321
Plan Amendments	(510)	—
Return on plan assets	349	148
Employer contributions	675	440
Benefits paid	(129)	(44)
Foreign exchange impact	233	(41)
Fair value of plan assets at end of period	4,442	3,824
Funded status:		
Plan assets in excess of/(less than) benefit obligation	(12,925)	(10,473)
Net amount recognized	$(12,925)	$(10,473)
Amounts recognized in the consolidated balance sheet consist of:		
Noncurrent liability	$(12,925)	$(10,473)
Accumulated other comprehensive loss, net of taxes	951	228
Amounts recognized in accumulated other comprehensive loss, net of tax consist of:		
Net actuarial loss	$ 417	$ 175
Prior service cost	209	166
Unrecognized transition obligation	960	—
Gross amount recognized	$ 1,586	$ 341
Deferred Income taxes	(635)	(113)
Net amount recognized	951	228

Information for pension plans with an accumulated benefit obligation in excess of plan assets as of December 31, 2007 and 2006:

(In thousands)	2007	2006
Projected benefit obligation	$ 17,367	$ 14,297
Accumulated benefit obligation	15,495	12,288
Fair value of plan assets	4,422	3,824

The components of the net periodic benefit cost for the years ended December 31, 2007 and 2006, four months ended December 31, 2005 and year ended August 27, 2005 are as follows:

(In thousands)	Year ended December 31, 2007	Year ended December 31, 2006	Four months ended December 31, 2005	Year ended August 27, 2005
Pension benefits:				
Service cost	$ 1,165	$ 1,248	$ 471	$ 63
Interest cost	307	264	88	16
Expected return on plan assets	(30)	(33)	(194)	(1)
Amortization of prior service cost	10	10	4	—
Amortization of net transition obligation	(1)	—	—	—
Recognized actuarial net loss	114	75	1	—
Net periodic pension benefit cost	$ 1,565	$ 1,564	$ 370	$ 78

The estimated amount that will be amortized from accumulated other comprehensive income into net periodic benefit cost in 2008 is as follows:

(In thousands)	
Transition obligation	$(114)
Prior service cost	10
	$(104)

Assumptions used in determining the benefit obligation and net periodic benefit cost for the Company's pension plans are presented in the following table as weighted-averages:

	Year ended December 31, 2007	Year ended December 31, 2006	Four months ended December 31, 2005	Year ended August 27, 2005
Benefit obligations:				
Discount rate	1.78%	2.06%	1.79%	1.79%
Rate of compensation increase	6.53%	2.26%	2.14%	2.14%
Net periodic benefit cost:				
Discount rate	2.05%	1.84%	2.15%	2.15%
Rate of compensation increase	2.26%	2.26%	2.53%	2.53%
Expected return on plan assets	0.90%	0.90%	1.48%	1.48%

The discount rate used by the Company is based on rates of long-term government bonds.

Plan Assets

At December 31, 2007, the majority of the Company's pension plan assets are invested in a Japanese insurance company's guaranteed-return fixed income securities. There is interest rate risk associated with the valuation of these investments. The long-term rate of return on Japanese pension plan assets was developed through an analysis of historical returns and the fund's current guaranteed return rate. Estimates of future returns are based on a continuation of the existing guaranteed rate of return. The remaining portion of the Company's plan assets is deposited in Central Trust of China in the form of cash, where Central Trust of China is the assigned funding vehicle for the statutory retirement benefit.

Cash Flows

The Company expects to contribute $1.0 million to its defined benefit pension plans during fiscal 2008. The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid:

(In thousands)	
2008	$ 570
2009	456
2010	491
2011	711
2012	458
Years 2013-2017	2,737

(18) EARNINGS PER SHARE (EPS)

Basic EPS is computed by dividing net income (loss) by the weighted average number of shares of common stock outstanding during each period. The following table presents a reconciliation of the share amounts used in the computation of basic and diluted earnings per share:

(In thousands)	Year ended December 31, 2007	Year ended December 31, 2006	Four months ended December 31, 2005	Year ended August 27, 2005
Basic earnings per share—Weighted common shares outstanding	122,557	135,116	135,437	77,137
Weighted common shares assumed upon exercise of options	1,617	2,377	—	1,844
Weighted common shares assumed upon vesting of restricted common stock	766	999	—	347
Diluted earnings per share—Weighted common shares outstanding	124,940	138,492	135,437	79,328

Approximately 3.6 million, 4.5 million, and 2.9 million of the Company’s stock options were excluded from the calculation of diluted earnings per share in the fiscal years ended December 31, 2007 and 2006, and the fiscal year ended August 27, 2005, respectively, because the exercise prices of the stock options were greater than the average price of the Company’s common stock, and therefore their inclusion would have been antidilutive. The effect of the inclusion of stock options and unvested restricted common stock for the four-month period ended December 31, 2005 would have been anti-dilutive.

(19) SEGMENT INFORMATION

Entegris operates in one segment for the design, development, manufacture, marketing and sale of material integrity management products and services predominantly within the semiconductor industry. All products are sold on a worldwide basis. In accordance with SFAS No. 131, *Disclosures About Segments of an Enterprise and Related Information*, the Company’s chief operating decision-maker has been identified as the President and Chief Executive Officer, who reviews operating results to make decisions about allocating resources and assessing performance for the entire company. Since Entegris operates in one reportable segment, all financial information required by SFAS 131 can be found in the consolidated financial statements.

The following table summarizes total net sales by markets served:

(In thousands)	Year ended December 31, 2007	Year ended December 31, 2006	Four months ended December 31, 2005	Year ended August 27, 2005
Net sales:				
Semiconductor	$ 482,083	$ 526,243	$ 153,664	$258,835
Data storage	37,334	44,461	13,527	42,363
Other	106,821	102,178	32,453	46,147
	$ 626,238	$ 672,882	$ 199,644	$347,345

The following tables summarize total net sales, based upon the country to which sales to external customers were made, and property, plant and equipment attributed to significant countries:

(In thousands)	Year ended December 31, 2007	Year ended December 31, 2006	Four months ended December 31, 2005	Year ended August 27, 2005
Net sales:				
United States	$ 163,146	$ 193,887	$ 61,641	$ 118,128
Japan	144,231	153,454	44,276	57,101
Germany	30,508	25,635	7,104	16,815
Taiwan	89,012	82,039	26,260	33,694
Singapore	34,168	30,648	9,611	25,842
Korea	51,477	55,901	15,388	24,737
Malaysia	21,230	24,945	6,529	13,776
China	18,504	15,507	5,498	7,337
Other	73,962	90,866	23,337	49,915
	$ 626,238	$ 672,882	$ 199,644	$ 347,345

(In thousands)	December 31, 2007	December 31, 2006	December 31, 2005	August 27, 2005
Property, plant and equipment:				
United States	$ 63,774	$ 69,463	$ 73,131	$ 74,079
Japan	22,481	21,114	19,740	20,499
Germany	238	290	3,953	6,090
Malaysia	27,270	22,874	16,168	15,890
Other	7,394	7,246	7,137	6,798
	$ 121,157	$ 120,987	$ 120,129	$ 123,356

In the fiscal years ended December 31, 2007 and 2006, four months ended December 31, 2005 and fiscal year ended August 27, 2005, no single nonaffiliated customer accounted for 10% or more of net sales. In the fiscal years ended December 31, 2007 and 2006, the four months ended December 31, 2005, and the fiscal year ended August 27, 2005 , net sales to the Company's top ten customers accounted for approximately 28%, 27%, 33% and 35%, respectively, of the Company's net sales.

(20) COMMITMENTS AND CONTINGENT LIABILITIES

The following discussion provides information regarding certain litigation to which the Company was a party that were pending as of December 31, 2007.

As previously disclosed, on March 3, 2003 the Company's predecessor, Mykrolis Corporation, filed a lawsuit against Pall Corporation in the United States District Court for the District of Massachusetts alleging infringement of two of the Company's U.S. patents by certain fluid separation systems and related assemblies used in photolithography applications manufactured and sold by the defendant. The Company's lawsuit also sought a preliminary injunction preventing the defendant from the manufacture, use, sale, offer for sale or importation into the U.S. of any infringing product. On April 30, 2004, the Court issued a preliminary injunction against Pall Corporation and ordered Pall to immediately stop making, using, selling, or offering to sell within the U.S., or importing into the U.S., its PhotoKleen EZD-2 Filter Assembly products or "any colorable imitation" of those products. On January 18, 2005, the Court issued an order holding Pall Corporation in contempt of court for the violation of the preliminary injunction and ordering Pall to disgorge all profits earned from the sale of its PhotoKleen EZD-2 Filter Assembly products and colorable imitations thereof from the date the preliminary injunction was issued through January 12, 2005. In addition, Pall was also ordered to reimburse Mykrolis for certain of its attorney's fees associated with the contempt and related proceedings. The Court's order also dissolved the preliminary injunction, effective January 12, 2005, based on certain prior art cited by Pall which it alleged raised questions as to the validity of the patents in suit. On February 17, 2005, the Company filed notice of appeal to the U.S. Circuit Court of Appeals for the Federal Circuit appealing the portion of the Court's order that dissolved the preliminary injunction and Pall filed a notice of appeal to that court with respect to the finding of contempt and the award of attorneys' fees. On June 13, 2007 the Court of Appeals issued an opinion dismissing Pall's appeal for lack of jurisdiction and affirming the District Court's order dissolving the preliminary injunction.

On April 6, 2006 the Company filed a lawsuit against Pall Corporation in the United States District Court for the District of Massachusetts alleging infringement of the Company's newly issued U.S. patent No. 7,021,667 by certain filter assembly products used in photolithography applications that are manufactured and sold by the defendant. The Company's lawsuit also seeks a preliminary injunction preventing the defendant from the manufacture, use, sale, offer for sale or importation into the U.S. of the infringing products. On October 23, 2006 the Company's motion for preliminary injunction was argued before the court; a decision on this motion is pending.

On August 23, 2006 the Company filed a lawsuit against Pall Corporation in the United States District Court for the District of Massachusetts alleging infringement of the Company's newly issued U.S. patent No. 7,037,424 by certain fluid separation modules and related separation apparatus, including the product known as the EZD-3 Filter Assembly, used in photolithography applications that are manufactured and sold by the defendant. It is believed that the EZD-3 Filter Assembly was introduced into the market by the defendant in response to the action brought by the Company in March of 2003 as described above. This case is currently in the preliminary stages.

As previously disclosed, on December 16, 2005 Pall Corporation filed suit against the Company in U.S. District Court for the Eastern District of New York alleging patent infringement. Specifically, the suit alleges infringement of two of plaintiff's patents by one of the Company's gas filtration products and by the packaging for certain of the Company's liquid filtration products. Both products and their predecessor products have been on the market for a number of years. The Company intends to vigorously defend this suit and believes that it will ultimately prevail. This case is currently in the discovery stage.

On May, 4, 2007 Pall Corporation filed a lawsuit against the Company in the U.S. District Court for the Eastern District of New York alleging patent infringement. Specifically, the suit alleges that certain of the Company's point-of-use filtration products infringe a newly issued Pall patent, as well as three older Pall patents. Pall's action, which relates only to the U.S., asserts that “on information and belief” the Company’s Impact 2 and Impact Plus point-of-use photoresist filters infringe a patent issued to Pall on March 27, 2007, as well as three older patents. The Company intends to vigorously defend this suit and believes that it will ultimately prevail. This case is currently in the preliminary stage.

(21) SUBSEQUENT EVENT

On February 15, 2008, the Company entered into an unsecured domestic credit agreement with Wells Fargo Bank, National Association, as agent, and certain other banks. The agreement provides for a $230 million revolving credit facility (the Facility) for a period of five years with an uncommitted option to expand the Facility by up to $20 million provided that no default or event of default has occurred or is continuing at such time. The Facility replaces the Company’s credit agreement, executed in June 2007 between the Company and Wells Fargo Bank, National Association, as agent, and certain other banks. The Company generally may elect that the loans comprising each borrowing bear interest at a rate per annum equal to (a) the Base Rate equal to the higher of the Prime Rate then in effect and the Federal Funds Rate then in effect, plus 0.50% or (b) a LIBOR rate plus a LIBOR Margin ranging from 1.00% to 1.50% depending on leverage.

The Facility is guaranteed by the Company’s material direct and indirect subsidiaries which are treated as domestic for tax purposes. In addition, the Facility is secured by a pledge of 65% of the stock owned by the domestic subsidiaries of each material subsidiary which is treated as foreign for tax purposes. The Facility requires that the Company comply on a quarterly basis with certain financial covenants, including leverage and interest coverage ratio covenants. In addition, the Facility includes negative covenants, subject to exceptions, restricting or limiting our ability and the ability of our subsidiaries to, among other things, sell assets, engage in mergers, acquisitions and other business combinations, and declare dividends or redeem or repurchase capital stock. The Facility also contains customary representations, warranties, covenants and events of default.

(22) QUARTERLY INFORMATION-UNAUDITED

(In thousands, except per share data)	Fiscal quarter ended March 31, 2007	June 30, 2007	September 29, 2007	December 31, 2007
Net sales	$159,571	$153,508	$ 151,811	$ 161,348
Gross profit	68,508	65,494	65,510	66,725
Net income from continuing operations	10,494	15,750	8,953	11,159
Net loss from discontinued operations	(111)	(973)	(536)	(377)
Net income	10,383	14,777	8,417	10,782
Basic earnings (loss) per share				
Continuing operations	0.08	0.12	0.08	0.10
Discontinued operations	0.00	(0.01)	(0.00)	(0.00)
Net income	0.08	0.11	0.07	0.09
Diluted earnings (loss) per share				
Continuing operations	0.08	0.12	0.08	0.10
Discontinued operations	0.00	(0.01)	(0.00)	(0.00)
Net income	0.08	0.11	0.07	0.09

(In thousands, except per share data)	Fiscal quarter ended April 1, 2006	July 1, 2006	September 30, 2006	December 31, 2006
Net sales	$156,406	$179,296	$ 169,880	$ 167,300
Gross profit	72,827	86,981	75,838	69,432
Net income from continuing operations	10,006	18,782	18,018	16,345
Net income (loss) from discontinued operations	1,347	(589)	(197)	(246)
Net income	11,353	18,193	17,821	16,099
Basic earnings per share				
Continuing operations	0.07	0.14	0.13	0.12
Discontinued operations	0.01	—	—	—
Net income	0.08	0.13	0.13	0.12
Diluted earnings per share				
Continuing operations	0.07	0.13	0.13	0.12
Discontinued operations	0.01	—	—	—
Net income	0.08	0.13	0.13	0.12

Exhibit 10.1

LOAN AGREEMENT

11/2, 2007

To: The Sumitomo Mitsui Banking Corporation

Debtor:

Name: Nihon Entegris K.K.

President, Representative Director Takashi Mizumo (Seal)

Address: 1-4-28 Mita Minato-Ku Tokyo

Joint and Several Guarantor:

Name: ____________________

Address: ____________________

Joint and Several Guarantor:

Name: ____________________

Address: ____________________

Article 1. Conditions of Loan

The Debtor has duly obtained a money in the form of loan (if the Debtor obtains the loan in two [2] or more parts, the money to be obtained on the first loan date) from The Sumitomo Mitsui Banking Corporation (hereinafter referred to as the "Bank") and has received the money pursuant to the following conditions, upon agreeing to the provisions of this Agreement and those of the Agreement on Bank Transactions between the Debtor and the Bank.

Details of Loan

1. Loan Amount

¥ 3 0 0 0 0 0 0 0 0 0 YEN
(Add "¥" in front of the amount)

2. Purpose of Loan: Operation
3. Borrowing Date: 11/2, 2007
4. Final Repayment Date: 11/2, 2010

Loan Interest Rate, Repayment Method and Interest Payment Method

6. Loan Interest Rate: 1.43% per annum

7. Repayment Method and Interest Payment Method

			Repayment Date and Repayment Interval		Number of Times	Amount of Each Repayment
Principal	Each Repayment	First Repayment	5/2, 2008			500,000,000 yen
		Second and Subsequent Payments	From 11, 2008 through 5, 2010; every 6 months; on 2 day		4 times	500,000,000 yen
	Repayment on Repayment Date		Final repayment date 11/2, 2010			500,000,000 yen
Interest	Payment Method: Deferred payment				Payment Interval	Every 6 months
	First Payment	5/2, 2008	Second Payment	11/2, 2008	Subsequent Payment	on 2 day

The interest accruing during the deferment period and the amount of the first payment of principal and interest shall be calculated in accordance with the method prescribed by the Bank. In such case, the amount of the first payment of principal and interest may differ from the amount of the second or subsequent payments.

Automatic Account Transfer of Principal and Interest

8. Settlement Account (in the Debtor's name)

Branch Name (Name of the branch that holds such account): Mita-Dori branch

Type of Deposit: Current deposit

Account Number: 6712931

Account Name: Debtor (Nihon Entegris K.K.)

(If the account name includes the trade name, etc., fill in the blank with the registered name for the account.)

9. Automatic transfer date

The contract date prescribed in Item 6. above; provided, however, that, if such day falls on a bank holiday, the: immediately following business day.

Article 2. Interest and Damages

1. The Debtor shall pay the interest in the following method:

   (1) If the repayment method is “payment of principal in equal amounts,” and the interest payment method is advance payment:

   On the interest payment date(s) prescribed in Article 1, Item 6. hereof, the Debtor shall pay in advance the interest for the period from the day following such interest payment date (or from the loan date with respect to the first payment) through the next interest payment date or through the final repayment date. If the interest payment date falls on a bank holiday, the provisions of Article 1, Item 8. hereof shall apply by reading “automatic transfer date” as “interest payment date.” The loan interest rate shall be the rate prescribed in Article 1, Item 5. hereof, and shall be calculated on a per diem basis on the basis of a three hundred sixty-five (365)-day year.

   (2) If the repayment method is “payment of principal in equal amounts,” and the interest payment method is deferred payment:

   On the interest payment date(s) prescribed in Article 1, Item 6. hereof and on the final repayment date, the Debtor shall pay in arrears the interest for the period from the day following the preceding interest payment date (or from the loan date with respect to the first loan) through such date. If the interest payment date falls on a bank holiday, the provisions of Article 1, Item 8. hereof shall apply by reading “automatic transfer date” as “interest payment date.” The loan interest rate shall be the rate prescribed in Article 1, Item 5. hereof, and shall be calculated on a per diem basis on the basis of a three hundred sixty-five (365)-day year.

   (3) If the repayment method is “equal payments of principal and interest”:

   On the interest payment date(s) set forth in Article 1, Item 6. hereof and on the final repayment date, the Debtor shall pay in arrears the interest for the period through such date calculated in accordance with the method prescribed by the Bank. The loan interest rate shall be the rate prescribed in Article 1, Item 5. hereof, and shall be calculated on a monthly basis on the basis of a twelve (12)-month year; provided, however, that the interest rate for any fractional days less than one (1) month shall be calculated on a per diem basis on the basis of a three hundred sixty-five (365)-day year.

2. In the event that the performance of the Debtor’s obligations hereunder is delayed, the Debtor shall pay the delinquent charges at the annual rate of fourteen percent (14%) of the amount that should be paid. In such case, the calculation shall be made on a per diem basis on the basis of a three hundred sixty-five (365)-day year.

Article 3. Automatic Transfer of Repayment/Payment of Principal and Interest from Repayment Acco

1. On the contract date prescribed in Article 1, Item 6. hereof (hereinafter referred to as the “Contract Repayment Date”), the Bank shall withdraw automatically from the Repayment Account the prescribed amount of principal and interest without giving any notice, and shall apply it to the payment of the obligations hereunder.

2. In the event that the balance in the Repayment Account is less than the prescribed amount of principal and interest to be paid on the Contract Repayment Date, the Debtor shall make no objection that the Bank suspends the automatic transfer set forth in the preceding paragraph by deeming that the full amount of debts has not been repaid or paid. In the event that the Debtor can not perform the repayment/payment on the Contract Repayment Date and performs the repayment/payment on a subsequent date, the Bank shall withdraw automatically from the Repayment Account the amount equivalent to such amount of principal and interest and the amount equivalent to the delinquent charges set forth in Article 3, Paragraph 2 hereof.

3. In relation to the procedures set forth in the preceding two (2) paragraphs, in the event that the Debtor requests the Bank to make automatic transfer from the Repayment Account with respect to any debt other than the debt hereunder, or there is another agreement on the repayment by the Debtor to the Bank, the priority of the payment or repayment shall be determined at the Bank’s sole discretion, and the Debtor shall not make any objection to such decision.

Article 4. Amendment

1. During the tenor of this loan, any amendment on items in Article 1 cannot be made.
2. In case the Bank gives its consent to the amendment, the following process is to be taken.
   (1) Based on the remaining loan balance on the amendment day, the Bank will calculate expected amended return under amended terms and conditions.
   (2) The above return is calculated by market rate which the Bank handles. (365 days/year base)
   (3) In case the above amended return is lower than the original return based on the original terms and conditions before amendment, the Debtor shall pay the difference to the Bank.
3. If this loan is based on the guarantee of any credit guarantee corporation, any amendment also requires the consent from that credit guarantee corporation.

Article 5. Prepayment

1. During the tenor of this loan, the Debtor cannot make any prepayment of the loan without the consent from the Bank.
2. In case the Bank gives its consent to the amendment, the following process is to be taken.
   (1) If the reinvestment market rate (defined by the Bank), is lower than the original loan interest rate, the Bank will calculate difference.
   (2) The above difference is to be [the total of the expected interests generated from the prepayment amount (based on the interest rate in the Article 1 of this agreement) from the day after the prepayment day toward the end of the loan maturity date] – (minus) [the total of the expected interest based on the then-inter-bank market rate of the repayment day from the day after the prepayment day toward the end of the loan maturity date. (365 days/year base)
   (3) The Debtor shall pay the above difference to the Bank.
3. In case the acceleration gets triggered and so the Debtor repays all the remaining balance of this loan, the Debtor shall pay the difference, if any, mentioned in Article 5-2. If the Article of 5-1 of the Agreement on Bank Transactions triggers the acceleration, the Bank will calculate the difference assuming that calculation date is the repayment day.

Article 6. Cancellation of this agreement between the signing date and execution date.

1. The Debtor acknowledges that the Bank will arrange its funding on the signing date of this agreement. And so, no amendment of any terms and conditions can be made even before the execution date.
2. In case the Bank gives its consent to the amendment or the cancellation, the following process is to be taken.
   (1) If the reinvestment market rate (defined by the Bank) on the cancellation or amendment date, is lower than the original loan interest rate, the Bank will calculate difference.
   (2) The calculation methodology is the same as described in Article 5-2.
   (3) The Debtor shall pay the above difference to the Bank.
3. In case the situation described in Article 5-1 of the Agreement on Bank Transactions takes place, this loan agreement will be nullified without any notice from the Bank to the Debtor. In case the situation described in Article 5-2 of the Agreement on Bank Transactions takes place, this loan agreement will be nullified by the notice from the Bank to the Debtor. In both cases, the Debtor shall pay the difference based on the request from the Bank.

Article 7. Cancellation of this agreement between the signing date and execution date.

1. In case Japanese material change of the Japanese law taken place, or material change of regulators' interpretation of the Japanese law takes place, the Debtor and the Bank will have a discussion. In case the Bank decides to terminate this loan due to the new environment, upon the Bank's request, the Debtor will repay all the remaining loan balance and the difference formulated / defined in Article 5-2 of this agreement immediately.

2. In case any law change or the change in regulators' interpretation of the law incurs the Bank additional cost/expense/tax, the Debtor will absorb those payments upon the request from the Bank.

Article 8. Tax

The Debtor cannot deduct any of the Debtor's current or future tax / expense / any kinds of payment obligation from the payment to the Bank.

Article 9. Notarial Deed

The Debtor and the Joint and Several Guarantor shall take the necessary procedures in order to execute a Notarial Deed with authorization for self-enforcement with respect to their obligations hereunder, immediately upon the request of the Bank that is based upon a justifiable reason.

Article 10. Allocation of Expenses

The expenses related to the loan hereunder, such as the guarantee fee of a credit guarantee corporation (including delinquent charges) and other guarantee fees, stamp costs, registration expenses, fixed date expenses, expenses for the preparation of a Notarial Deed, expenses paid in advance and all the other expenses, and the expenses necessary for the exercise or preservation of the Bank's rights hereunder against the Debtor, shall be borne by the Debtor.

Article 11. Automatic Transfer of Expenses, etc. from Repayment Account

1. In the event that the Debtor is required to make any payment to the Bank hereunder, such as the payment of principal, interest, difference of interest to be additionally paid pursuant to Article 4 hereof and the expenses et forth in the preceding Article, the Bank may withdraw the amount of such payment automatically from the Repayment Account.
2. In the event that the Bank withdraws the amount to be paid to the Bank hereunder from the Repayment Account, the Debtor shall not write checks or submit the ordinary deposit bankbook or a written request for the refund of the ordinary deposit, regardless of the provisions of the current account agreement or the ordinary deposit agreement.

Article 12. Assignment of Credits

1. The Debtor approves in advance that the Bank will assign all or part of its loan receivables hereunder to other financial institution(s). The Debtor acknowledges that the provisions of the Agreement on Bank Transactions between the Debtor and the Bank and those of this Agreement shall remain in effect even after such assignment.
2. The Debtor agrees that the Bank takes the following procedures for the management and collection of the loan receivables assigned by the Bank in accordance with the preceding paragraph as an agent of the assignee, while the Bank is duly authorized by the assignee.
3. In the event that the loan receivables hereunder are guaranteed by a credit guarantee corporation, the Bank shall obtain the approval of the relevant credit guarantee corporation prior to the assignment of loan receivables under Paragraph 1 above.

Article 13. Special Provisions Concerning Joint and Several Guarantor

1. The Joint and Several guarantor shall be jointly and severally liable with the Debtor with respect to any and all the Debtor's obligations hereunder. With respect to the performance of such obligations, the Joint and Several Guarantor hereby agrees to abide by the provisions of this Agreement, as well as the provisions of the Agreement on Bank Transactions between the Debtor and the Bank.
2. The Joint and Several Guarantor shall not set off any obligation owed by the Debtor to the Bank against any of the Debtor's deposits at the Bank or any other credits with the Bank.
3. Even if the Bank changes or cancels the security or other guarantees for the Bank's convenience, the Joint and Several Guarantor shall not claim to be released from its obligations.
4. In the event that the Joint and Several Guarantor performs such guarantee obligations, the Joint and Several Guarantor shall not exercise any rights obtained from the Bank by subrogation without the prior

approval of the Bank so long as the transactions between the Debtor and the Bank continue. At the request of the Bank, the Joint and Several Guarantor shall assign such right or priority to the Bank free of charge.

5. In the event that the Joint and Several Guarantor has separately submitted a guarantee with respect to the obligations arising from the transactions between the Debtor and the Bank, such guarantee shall not be modified by this guarantee agreement. In addition, in the event the Joint and Several Guarantor has separately submitted a guarantee that prescribes a maximum amount of the guarantee, the amount of the guarantee hereunder shall be added to such maximum amount of the guarantee.

6. The same as the provisions of the preceding paragraph shall apply in the event that the Joint and Several Guarantor provides additional guarantees in the future with respect to the transactions between the Debtor and the Bank.

Note: This translation is from the original document written in Japanese. The Japanese original shall be controlling.

Exhibit 10.2

Special Agreement

Date: 2007/11/2

To: The Bank of Tokyo-Mitsubishi UFJ, Ltd.

The Obligor:	Address:	1-4-28 Mita Minator-Ku Tokyo
		Nihon Entegris K.K.
	Name:	President, Representative Director Takashi Mizuno (Seal)
Joint Guarantor:	Address:	______________________
	Name:	______________________

Regarding the loan from the Bank of Tokyo-Mitsubishi UFJ, Ltd. ("the Bank") using the account under the account number of BC08619 (account no.) made based on the specialized Overdraft Account Agreement dated 2007/11/2, the Obligor and Joint Guarantor hereby agree to the following terms and conditions.

1. Applicable Interest Rate

An Annual rate of 1.56% is added to the Obligor's financing rate in the International Money Market 2 business days prior to the loan date. This rate shall be calculated on a daily basis, as one year consisting of 365 days.

2. Applicable Term of Interest Rate

The period starting from the loan date up to the final repayment date. (Same as the term of loan)

3. Early repayment before interest period maturity

The Obligor and Guarantor understand and acknowledge that early repayment or repayments not specified in the Agreement are not possible. However, if such irregular repayments are made for inevitable reasons with the Bank's consent, a Liquidation Fee as set forth in the following paragraph shall be paid immediately upon the Bank's demand, in addition to the interest accrued up to the date of early repayment.

4. Liquidation Fee

The Liquidation Fee shall be calculated using the following formula. However, if the amount found using the formula is a minus, there shall be no Liquidation Fee.

<The Formula> Amount of early repayment X (Market Interest Rate of Loan Amount *1– Market Interest Rate at the point of early repayment *2) X Remaining term at the time of early repayment (number of days) *3 / 365 days

*1: The Interest rate whereby the Bank procures funds from the market.
*2: An interest rate in which the Bank is able to re-invest in the market for the remaining term.
*3: The period commencing on the early repayment date until the next "interest rate review date" (the final repayment date, if there is no interest review)

5. Acceleration of Payment

In the case in which the Obligor must perform any obligations owed to the Bank because of acceleration of payment, a Liquidation Fee calculated using the method specified in the previous clause shall be paid immediately upon the Bank's demand.

Note: This translation is from the original document written in Japanese. The Japanese original shall be controlling.

Exhibit 10.3

TRUST AGREEMENT

Between

ENTEGRIS, INC.

And

FIDELITY MANAGEMENT TRUST COMPANY

ENTEGRIS, INC. 401(K) SAVINGS AND PROFIT SHARING PLAN

TRUST

Dated as of January 2, 2008

Fidelity Confidential

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TRUST AGREEMENT, dated as of the second day of January, 2008, between the **ENTEGRIS, INC.**, a Delaware corporation, having an office at 3500 Lyman Boulevard, Chaska, MN 55318 (the "Sponsor"), and **FIDELITY MANAGEMENT TRUST COMPANY**, a Massachusetts trust company, having an office at 82 Devonshire Street, Boston, Massachusetts 02109 (the "Trustee").

WITNESSETH:

WHEREAS, the Sponsor is the sponsor of the Entegris, Inc. 401(k) Savings and Profit Sharing Plan (the "Plan"); and

WHEREAS, the Sponsor wishes to establish a single trust to hold and invest assets of the Plan for the exclusive benefit of Participants, as defined herein, in the Plan and their beneficiaries; and

WHEREAS, the Trustee is willing to hold and invest the aforesaid Plan assets in trust among several investment options selected by the Named Fiduciary, as defined herein; and

WHEREAS, the Sponsor also wishes to have the Trustee perform certain ministerial recordkeeping and administrative functions under the Plan; and

WHEREAS, the Trustee is willing to perform recordkeeping and administrative services for the Plan if the services are ministerial in nature and are provided within a framework of plan provisions, guidelines and interpretations conveyed in writing to the Trustee by the Administrator (as defined herein).

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants and agreements set forth below, the Sponsor and the Trustee agree as follows:

Section1. Definitions.

The following terms as used in this Trust Agreement have the meaning indicated unless the context clearly requires otherwise:

(a) "ACH"

"ACH" shall mean Automated Clearing House.

(b) "Administrator"

"Administrator" shall mean Entegris, Inc., identified in the Plan document as the administrator of the Plan in accordance with section 3(16)(A) of ERISA.

(c) "Agreement"

"Agreement" shall mean this Trust Agreement, and the Schedules and Exhibits attached hereto, as the same may be amended and in effect from time to time.

(d) "BrokerageLink"

"BrokerageLink" shall mean the Participant directed brokerage option offered under the Plan.

(e) "BrokerageLink Core Account"

"BrokerageLink Core Account" shall mean the money market fund that serves as a settlement vehicle for the purchases and sales of securities via BrokerageLink. All contributions directed to BrokerageLink and all additional BrokerageLink investments are first deposited in the BrokerageLink Core Account.

(f) "Business Day"

"Business Day" shall mean each day the NYSE is open. The closing of a Business Day shall mean the NYSE's normal closing time of 4:00 p.m.(ET), however, in the event the NYSE closes before such time or alters its closing time, all references to the NYSE closing time shall mean the actual or altered closing time of the NYSE.

(g) "Code"

"Code" shall mean the Internal Revenue Code of 1986, as it has been or may be amended from time to time.

(h) "Confidential Information"

"Confidential Information" shall mean (individually and collectively) proprietary information of the parties to this Trust Agreement, including but not limited to, their inventions, know how, trade secrets, business affairs, prospect lists, product designs, product plans, business strategies, finances, fee structures, etc.

(i) “Declaration of Separate Fund”

“Declaration of Separate Fund” shall mean the declaration of separate fund for each fund of the Group Trust.

(j) “EDT”

“EDT” shall mean electronic data transfer.

(k) “Electronic Services”

“Electronic Services” shall mean communications and services made available via electronic media.

(l) “ERISA”

“ERISA” shall mean the Employee Retirement Income Security Act of 1974, as it has been or may be amended from time to time.

(m) “External Account Information”

“External Account Information” shall mean account information, including retirement savings account information, from third party websites or other websites maintained by Fidelity or its affiliates.

(n) “FBSLLC”

“FBSLLC” shall mean Fidelity Brokerage Services LLC.

(o) “Fidelity Mutual Fund”

“Fidelity Mutual Fund” shall mean any investment company advised by Fidelity Management & Research Company or any of its affiliates.

(p) “FIIOC”

“FIIOC” shall mean Fidelity Investments Institutional Operations Company, Inc.

(q) “Group Trust”

“Group Trust” shall mean a group trust for retirement plans which is established and maintained by the Trustee, Pyramis Global Advisers Trust Company (“PGATC”), or any of their affiliates pursuant to IRS Revenue Ruling 81-100 and subsequent IRS guidance.

(r) “In Good Order”

“In Good Order” shall mean in a state or condition acceptable to the Trustee in its sole discretion, which the Trustee determines is reasonably necessary for accurate execution of the intended transaction.

(s) “IRS”

“IRS” shall mean the Internal Revenue Service.

(t) “Losses”

“Losses” shall mean any and all loss, damage, penalty, liability, cost and expense, including without limitation, reasonable attorney’s fees and disbursements.

(u) “Mutual Fund”

“Mutual Fund” shall refer both to Fidelity Mutual Funds and Non-Fidelity Mutual Funds.

(v) “Named Fiduciary”

“Named Fiduciary” shall mean Entegris, Inc., a fiduciary who is named in the Plan, or who, pursuant to a procedure specified in the Plan, is identified as a fiduciary (i) by a person who is an employer or employee organization with respect to the Plan or (ii) by such an employer and such an employee organization acting jointly.

(w) “NAV”

“NAV” shall mean Net Asset Value.

(x) “NFSLLC”

“NFSLLC” shall mean National Financial Services LLC.

(y) “Non-Fidelity Mutual Fund”

“Non-Fidelity Mutual Fund” shall mean certain investment companies not advised by Fidelity Management & Research Company or any of its affiliates.

(z) “NYSE”

“NYSE” shall mean the New York Stock Exchange.

(aa) “Participant”

“Participant” shall mean, with respect to the Plan, any employee, former employee, or alternate payee with an account under the Plan, which has not yet been fully distributed and/or forfeited, and shall include the designated beneficiary(ies) with respect to the account of any deceased employee, or former employee until such account has been fully distributed and/or forfeited.

(bb) “Participant Recordkeeping Reconciliation Period”

“Participant Recordkeeping Reconciliation Period” shall mean the period beginning on the date of the initial transfer of assets to the Trust and ending on the date of the completion of the reconciliation of Participant records.

(cc) “Participation Agreement”

“Participation Agreement” shall mean the participation agreement for the Group Trust.

(dd) “PIN”

“PIN” shall mean personal identification number.

(ee) “Plan”

“Plan” shall mean the Entegris, Inc. 401(k) Savings and Profit Sharing Plan.

(ff) “Plan Administration Design & Discovery Document”

“Plan Administration Design & Discovery Document” shall mean the document which sets forth the administrative and recordkeeping duties and procedures to be followed by the Trustee in administering the Plan, as such document may be amended and in effect from time to time during the initial implementation of the Plan onto the Fidelity Participant Recordkeeping System (“FPRS”). This document is an interim document and shall be superseded by the approved Plan Administration Manual.

(gg) "Plan Administration Manual"

"Plan Administration Manual" shall mean the document which sets forth the administrative and recordkeeping duties and procedures to be followed by the Trustee in administering the Plan, as such document may be amended and in effect from time to time. This definition shall include the Plan Administration Design & Discovery Document from the implementation process until the full Plan Administration Manual can be generated and approved.

(hh) "Plan Sponsor Webstation"

"Plan Sponsor Webstation" shall mean the graphical windows based application that provides current Plan and Participant information including indicative data, account balances, activity and history.

(ii) "Reporting Date"

"Reporting Date" shall mean the last day of each fiscal quarter of the Plan and, if not on the last day of a fiscal quarter, the date as of which the Trustee resigns or is removed pursuant to Section 9 hereof or the date as of which this Agreement terminates pursuant to Section 11 hereof.

(jj) "SEC"

"SEC" shall mean the Securities and Exchange Commission.

(kk) "SPO"

"SPO" shall mean the Standard Plan Options which are the basic non-brokerage investment options available in the Plan. Schedule "C" lists all of the investment options available in the Plan, including the brokerage option (BrokerageLink) and the non-brokerage options (SPO).

(ll) "SPO Default Fund"

"SPO Default Fund" shall mean the SPO investment option into which the transferred assets will be placed when Participants transfer assets from BrokerageLink to the SPO.

(mm) "Sponsor"

"Sponsor" shall mean Entegris, Inc., a Delaware corporation, or any successor to all or substantially all of its businesses which, by agreement, operation of law or otherwise, assumes the responsibility of the Sponsor under this Agreement.

(nn) "Sponsor Stock"

"Sponsor Stock" shall mean the common stock of the Sponsor, or such other publicly traded stock of the Sponsor, or such other publicly-traded stock of the Sponsor's affiliates as meets the requirements of section 407(d)(5) of ERISA with respect to the Plan.

(oo) "Stock Fund"

"Stock Fund" shall mean the investment option consisting of Sponsor Stock.

(pp) "Trust"

"Trust" shall mean the Entegris, Inc. 401(k) Savings and Profit Sharing Plan Trust, being the trust established by the Sponsor and the Trustee pursuant to the provisions of this Agreement.

(qq) "Trustee"

"Trustee" shall mean Fidelity Management Trust Company, a Massachusetts trust company and any successor to all or substantially all of its trust business as described in Section 10(c). The term Trustee shall also include any successor trustee appointed pursuant to Section 10 to the extent such successor agrees to serve as Trustee under this Agreement.

(rr) "VRS"

"VRS" shall mean Voice Response System.

Section 2. Trust.

The Sponsor hereby establishes the Trust with the Trustee. The Trust shall consist of an initial contribution of money or other property acceptable to the Trustee in its sole discretion, made by the Sponsor or transferred from a previous trustee under the Plan, such additional sums of money or other property acceptable to the Trustee in its sole discretion, as shall from time to time be delivered to the Trustee under the Plan, all investments made therewith and proceeds thereof, and all earnings and profits thereon, less the payments that are made by the Trustee as provided herein. The Trustee hereby accepts the Trust on the terms and conditions set forth in this Agreement. In accepting this Trust, the Trustee shall be accountable for the assets received by it, subject to the terms and conditions of this Agreement.

Section 3. Exclusive Benefit and Reversion of Sponsor Contributions.

Except as provided under applicable law, no part of the Trust may be used for, or diverted to, purposes other than the exclusive benefit of the Participants in the Plan or their beneficiaries or the reasonable expenses of Plan administration. No assets of the Plan shall revert to the Sponsor, except as specifically permitted by the terms of the Plan.

Section 4. Disbursements.

The Trustee shall make disbursements as directed by the Participant or the Administrator, as applicable, in accordance with the provisions of the Plan Administration Manual. The Trustee shall have no responsibility to ascertain any direction’s compliance with the terms of the Plan (except to the extent the terms of the Plan have been communicated to the Trustee in writing) or of any applicable law or the direction’s effect for tax purposes or otherwise; nor shall the Trustee have any responsibility to see to the application of any disbursement. The Trustee shall not be required to make any disbursement in excess of the net realizable value of the assets of the Trust at the time of the disbursement.

Section 5. Investment of Trust.

(a) Selection of Investment Options.

The Trustee shall have no responsibility for the selection of investment options under the Trust and shall not render investment advice to any person in connection with the selection of such options.

(b) Available Investment Options.

The Named Fiduciary shall direct the Trustee as to the investment options in which the Trust shall be invested during the Participant Recordkeeping Reconciliation Period and the investment options in which Participants may invest following the Participant Recordkeeping Reconciliation Period. The Named Fiduciary may determine to offer as investment options only: (i) Mutual Funds, (ii) Sponsor Stock, (iii) notes evidencing loans to Participants in accordance with the terms of the Plan, (iv) BrokerageLink, (v) collective investment funds maintained by entities other than the Trustee for qualified plans.

The Trustee shall be considered a fiduciary with investment discretion only with respect to Plan assets that are invested in collective investment funds maintained by the Trustee for qualified plans.

The investment options initially selected by the Named Fiduciary are identified on Schedule "C" attached hereto. The Named Fiduciary shall have complete flexibility to select any investment option for the Plan without any proprietary fund requirement and the fees outlined in Schedule B will be the same whether several or no proprietary funds are used in the Plan. Investments may include mutual funds, collective or separate account options to the extent they can be recordkept on Fidelity's platform in accordance with Fidelity's standard operating procedures. Additional costs may apply if separate accounts or collective investment funds are used, which would be determined on a case-by-case basis. Upon transfer to the Trust, Plan assets will be invested in the investment option(s) as directed by the Sponsor. The Named Fiduciary may add additional investment options with the consent of the Trustee which shall not be unreasonably withheld to reflect administrative considerations and upon mutual amendment of this Agreement, and the Schedules thereto, to reflect such additions.

(c) Participant Direction.

As authorized under the Plan, each Participant shall direct the Trustee in which investment option(s) to invest the assets in the Participant's individual accounts. Such directions may be made by Participants by use of the telephone exchange system, the internet or in such other manner as may be agreed upon from time to time by the Sponsor and the Trustee, and shall be processed in accordance with fund exchange provisions set forth in the Plan Administration Manual. The Trustee shall not be liable for any loss or expense that arises from a Participant's exercise or non-exercise of rights under this Section 5 over the assets in the Participant's accounts. In the event that the Trustee fails to receive a proper direction from the Participant, the assets shall be invested in the investment option set forth for such purpose on Schedule "C", until the Trustee receives a proper direction.

(d) Mutual Funds.

On the effective date of this Agreement, in lieu of receiving a printed copy of the prospectus for each Fidelity Mutual Fund selected by the Named Fiduciary as a Plan investment option or short-term investment fund, the Named Fiduciary hereby consents to receiving such documents electronically. Named Fiduciary shall access each prospectus on the internet after receiving notice from the Trustee that a current version is available online at a website maintained by the Trustee or its affiliate. Trustee represents that on the effective date of this Agreement, a current version of each such prospectus is available at http://www.fidelity.com or such successor website as Trustee may notify Named Fiduciary of in writing from time to time. Named Fiduciary represents that it has accessed/will access each such prospectus at http://www.fidelity.com or such successor website as Trustee may notify Named Fiduciary of in writing from time to time as of the effective date of this Agreement. All transactions involving Non-Fidelity Mutual Funds shall be done in accordance with the Operational Guidelines attached hereto as Schedule "E". Trust investments in Mutual Funds shall be subject to the following limitations:

(i) **Execution of Purchases and Sales.**

Purchases and sales of Mutual Funds (other than for exchanges) shall be made on the date on which the Trustee receives from the Administrator In Good Order all information, documentation and wire transfer of funds (if applicable), necessary to accurately effect such transactions. Exchanges of Mutual Funds shall be processed in accordance with the fund exchange provisions set forth in the Plan Administration Manual.

(ii) **Voting.**

At the time of mailing of notice of each annual or special stockholders' meeting of any Mutual Fund, the Trustee shall send a copy of the notice and all proxy solicitation materials to each Participant who has shares of such Mutual Fund credited to the Participant's accounts, together with a voting direction form for return to the Trustee or its designee. The Participant shall have the right to direct the Trustee as to the manner in which the Trustee is to vote the shares credited to the Participant's accounts (both vested and unvested). The Trustee shall vote the shares as directed by the Participant. The Trustee shall not vote shares for which it has received no directions from the Participant.

During the Participant Recordkeeping Reconciliation Period, the Named Fiduciary shall have the right to direct the Trustee as to the manner in which the Trustee is to vote the shares of the Mutual Funds in the Trust, including Mutual Fund shares held in any short-term investment fund for liquidity reserve. Following the Participant Recordkeeping Reconciliation Period, the Named Fiduciary shall continue to have the right to direct the Trustee as to the manner in which the Trustee is to vote any Mutual Funds shares held in a short-term investment fund for liquidity reserve. The Trustee shall not vote any Mutual Fund shares for which it has received no directions from the Named Fiduciary.

With respect to all rights other than the right to vote, the Trustee shall follow the directions of the Participant and if no such directions are received, the directions of the Named Fiduciary. The Trustee shall have no further duty to solicit directions from Participants or the Named Fiduciary.

(e) Sponsor Stock.

Trust investments in Sponsor Stock shall be made via the Stock Fund. Dividends received on shares of Sponsor Stock shall be reinvested in additional shares of Sponsor Stock and allocated to Participants' accounts.

(i) **Acquisition Limit.**

Pursuant to the Plan, the Trust may be invested in Sponsor Stock to the extent necessary to comply with investment directions under this Agreement. The Sponsor shall be responsible for providing specific direction on any acquisition limits required by the Plan or applicable law.

(ii) **Fiduciary Duty.**

(A) The Trustee is not responsible for monitoring the suitability of the Trust acquiring and holding Sponsor Stock, under the fiduciary duty rules of section 404(a)(1) of ERISA (as modified by section 404(a)(2) of ERISA). The Trustee shall not be liable for any loss, or expense, which arises from the directions of the Named Fiduciary with respect to the acquisition and holding of Sponsor Stock, unless it is clear on their face that the actions to be taken under those directions would be prohibited by the foregoing fiduciary duty rules or would be contrary to the terms of this Agreement.

(B) Each Participant with an interest in Sponsor Stock (or, in the event of the Participant's death, his beneficiary) is, for purposes of this section 5(e)(ii), hereby designated as a "named fiduciary" (within the meaning of section 403(a)(1) of ERISA), with respect to shares of Sponsor Stock allocated to his or her account but not purchased at his or her direction, and such Participant (or beneficiary) shall have the right to direct the Trustee as to the manner in which the Trustee is to vote or tender such shares.

(iii) **Purchases and Sales of Sponsor Stock for Batch Activity.**

Unless otherwise directed by the Sponsor in writing pursuant to directions that the Trustee can administratively implement, the following provisions shall govern purchases and sales of Sponsor Stock for contributions, loan repayments, distributions, loans, withdrawals, or any other purchase or sale of Sponsor Stock related to a transaction that the Sponsor has directed the Trustee in writing to implement on a batch basis ("batch activity"). Participants may not make future contributions into the Sponsor Stock Fund, nor may they transfer funds or exchange into the Sponsor Stock Fund. Notwithstanding the foregoing, participants have the rights to request that the entire amount of their employee stock ownership plan accounts in the Plan be paid in Sponsor Stock.

(A) Open Market Purchases and Sales. Purchases and sales of Sponsor Stock shall be made on the open market in accordance with the Trustee's standard trading guidelines, as they may be amended from time to time, as necessary to honor batch activity. Such general rules shall not apply in the following circumstances:

(1) If the Trustee is unable to purchase or sell the total number of shares required to be purchased or sold on such day as a result of market conditions; or

(2) If the Trustee is prohibited by the SEC, the NYSE or principal exchange on which the Sponsor Stock is traded, or any other regulatory or judicial body from purchasing or selling any or all of the shares required to be purchased or sold on such day.

In the event of the occurrence of a circumstance described in (1) or (2) above, the Trustee shall purchase or sell such shares as soon thereafter as administratively feasible, and shall determine the price of such purchases or sales to be the average purchase or sales price of all such shares purchased or sold, respectively. The Trustee may follow written directions from the Named Fiduciary to deviate from the above purchase and sale procedures.

(B) Purchases and Sales from or to Sponsor. If directed by the Sponsor in writing prior to the trading date, the Trustee may purchase or sell Sponsor Stock from or to the Sponsor if the purchase or sale is for adequate consideration (within the meaning of section 3(18) of ERISA) and no commission is charged. If Sponsor contributions (employer) or contributions made by the Sponsor on behalf of the Participants (employee) under the Plan are to be invested in Sponsor Stock, the Sponsor may transfer Sponsor Stock in lieu of cash to the Trust.

(iv) **Sales of Sponsor Stock for Participant-Initiated Exchanges**

Unless otherwise directed by the Sponsor in writing pursuant to directions that the Trustee can administratively implement, the following provisions shall govern sales of Sponsor Stock for Participant-initiated exchanges.

(A) Sales of Sponsor Stock. Sales of Sponsor Stock associated with individual Participant-initiated exchanges out of the Stock Fund shall be made on the open market pursuant to order types selected by the Participant in accordance with the Trustee's procedures for "Real Time Trading." The Sponsor may instruct the Trustee to limit the order types available to Participants.

(1) Automated Order Entry. Sponsor Stock trades associated with Participant-initiated exchanges shall be sent to market as soon as administratively feasible during regular trading hours via an electronic order entry system, unless such trade is treated as a block trade. Such electronic order entry system shall be deemed an Electronic Service for purposes of Section 14 of this Agreement.

(2) Limitations on Trades; Cancellation of Exchange Requests. Trades rejected under rules of the applicable securities exchange will not be executed. The Trustee will not submit orders (or will cancel orders) for stock trades that violate the Trustee's procedures for "Real Time Trading". The Trustee shall not submit any trade order associated with a Participant-initiated exchange at any time when the Sponsor Stock Fund has been closed to such activity. Trades associated with Participant-initiated exchanges shall not be transacted at any time when the regular market is closed, or when the SEC, the NYSE or principal exchange on which the Sponsor Stock is traded, or any other regulatory or judicial body has prohibited sales of any or all of the shares requested to be traded pursuant to the Participant-initiated exchange. An exchange requested by the Participant shall be rejected or cancelled, as the case may be, to the extent any accompanying trade is not submitted, not executed or cancelled.

(B) Fractional Shares. Participants will be entitled to exchange out fractional shares in the Stock Fund only in connection with a request to exchange out the entire balance of their Stock Fund holdings (or the entire balance in a particular source, as applicable). Fractional shares will be transacted at the price determined by the stock trade order selected by the Participant.

(v) **Use of an Affiliated Broker.**

For all purchases and sales of Sponsor Stock on the open market, whether Participant-initiated or otherwise, the Named Fiduciary hereby directs the Trustee to use FBSLLC to provide brokerage services. Subject to the provisions of this agreement, FBSLLC shall execute such trades directly or through any of its affiliates. The provision of brokerage services shall be subject to the following:

(A) Any successor organization of FBSLLC, through reorganization, consolidation, merger or similar transactions, shall, upon consummation of such transaction, become the successor broker in accordance with the terms of this direction provision. FBSLLC may assign its rights and obligations under this agreement to any affiliate, provided that the assignee is bound by the terms hereof, including the provisions concerning remuneration.

(B) The Trustee and FBSLLC shall continue to rely on this direction provision until notified to the contrary. The Named Fiduciary reserves the right to terminate this direction upon written notice to FBSLLC (or its successors or assigns) and the Trustee, in accordance with Section 11 of this Agreement.

(C) The Plan Sponsor acknowledges that FBSLLC (and its successors and assigns) may rely upon this Trust Agreement in establishing an account in the name of the Trustee for the Plan or its Participants, and in allowing each Participant to exercise limited trading authorization over such account, to the extent of his or her individual account balance in the Sponsor Stock Fund subject to Participant direction.

(vi) **Securities Law Reports.**

The Named Fiduciary shall be responsible for filing all reports required under Federal or state securities laws with respect to the Trust's ownership of Sponsor Stock, including, without limitation, any reports required under section 13 or 16 of the Securities Exchange Act of 1934, and shall immediately notify the Trustee in writing of any requirement to stop purchases or sales of Sponsor Stock pending the filing of any report. The Trustee shall provide to the Named Fiduciary such information on the Trust's ownership of Sponsor Stock as the Named Fiduciary may reasonably request in order to comply with Federal or state securities laws.

(vii) **Voting and Tender Offers.**

Notwithstanding any other provision of this Agreement the provisions of this Section shall govern the voting and tendering of Sponsor Stock. The Sponsor shall pay for all printing, mailing, tabulation and other costs associated with the voting and tendering of Sponsor Stock. The Trustee, after consultation with the Sponsor, shall prepare the necessary documents associated with the voting and tendering of Sponsor Stock.

(A) Voting.

(1) When the issuer of Sponsor Stock prepares for any annual or special meeting, the Sponsor shall notify the Trustee at least thirty (30) days in advance of the intended record date and shall cause a copy of all proxy solicitation materials to be sent to the Trustee. If requested by the Trustee the Sponsor shall certify to the Trustee that the aforementioned materials represents the same information distributed to shareholders of Sponsor Stock. Based on these materials, the Trustee shall prepare a voting instruction form and shall provide a copy of all proxy solicitation materials to be sent to each Participant with an interest in Sponsor Stock held in the Trust, together with the foregoing voting instruction form to be returned to the Trustee or its designee. The form shall show the number of full and fractional shares of Sponsor Stock credited to the Participant's accounts.

(2) Each Participant with an interest in the Sponsor Stock held in the Trust shall have the right to direct the Trustee as to the manner in which the Trustee is to vote (including not to vote) that number of shares of Sponsor Stock credited to the Participant's accounts (both vested and unvested). Directions from a Participant to the Trustee concerning the voting of Sponsor Stock shall be communicated in writing, or by such other means as agreed upon by the Trustee and the Sponsor. These directions shall be held in confidence by the Trustee and shall not be divulged to the Sponsor, or any officer or employee thereof, or any other person except to the extent that the consequences of such directions are reflected in reports regularly communicated to any such person in the ordinary course of the performance of the Trustee's services hereunder. Upon its receipt of the directions, the Trustee shall vote the shares of Sponsor Stock as directed by the Participant. Except as otherwise required by law, the Trustee shall not vote shares of Sponsor Stock credited to a Participant's account for which it has received no directions from the Participant.

(3) Except as otherwise required by law, the Trustee shall vote that number of shares of Sponsor Stock not credited to Participants' accounts in the same proportion on each issue as it votes those shares credited to Participants' accounts for which it received voting directions from Participants.

(B) Tender Offers.

(1) Upon commencement of a tender offer for any securities held in the Trust that are Sponsor Stock, the Sponsor shall timely notify the Trustee in advance of the intended tender date and shall cause a copy of all materials to be sent to the Trustee. The Sponsor shall certify to the Trustee that the aforementioned materials represent the same information distributed to shareholders of Sponsor Stock. Based on these materials and after consultation with the Sponsor, the Trustee shall prepare a tender instruction form and shall provide a copy of all tender materials to be sent to each Participant with an interest in the Stock Fund, together with the foregoing tender instruction form, to be returned to the Trustee or its designee. The tender instruction form shall show the number of full and fractional shares of Sponsor Stock credited to the Participants account (both vested and unvested).

(2) Each Participant with an interest in the Stock Fund shall have the right to direct the Trustee to tender or not to tender some or all of the shares of Sponsor Stock credited to the Participant's accounts (both vested and unvested). Directions from a Participant to the Trustee concerning the tender of Sponsor Stock shall be communicated in writing, or such other means as is agreed upon by the Trustee and the Sponsor. These directions shall be held in confidence by the Trustee and shall not be divulged to the Sponsor, or any officer or employee thereof, or any other person except to the extent that the consequences of such directions are reflected in reports regularly communicated to any such persons in the ordinary course of the performance of the Trustee's services hereunder. The Trustee shall tender or not tender shares of Sponsor Stock as directed by the Participant. Except as otherwise required by law, the Trustee shall not tender shares of Sponsor Stock credited to a Participant's accounts for which it has received no directions from the Participant.

(3) Except as otherwise required by law, the Trustee shall tender that number of shares of Sponsor Stock not credited to Participants' accounts in the same proportion as the total number of shares of Sponsor Stock credited to Participants' accounts for which it received instructions from Participants.

(4) A Participant who has directed the Trustee to tender some or all of the shares of Sponsor Stock credited to the Participant's accounts may, at any time prior to the tender offer withdrawal date, direct the Trustee to withdraw some or all of the

tendered shares, and the Trustee shall withdraw the directed number of shares from the tender offer prior to the tender offer withdrawal deadline. Prior to the withdrawal deadline, if any shares of Sponsor Stock not credited to Participants' accounts have been tendered, the Trustee shall redetermine the number of shares of Sponsor Stock that would be tendered under Section 5(e)(vii)(B)(3) if the date of the foregoing withdrawal were the date of determination, and withdraw from the tender offer the number of shares of Sponsor Stock not credited to Participants' accounts necessary to reduce the amount of tendered Sponsor Stock not credited to Participants' accounts to the amount so redetermined. A Participant shall not be limited as to the number of directions to tender or withdraw that the Participant may give to the Trustee.

(5) A direction by a Participant to the Trustee to tender shares of Sponsor Stock credited to the Participant's accounts shall not be considered a written election under the Plan by the Participant to withdraw, or have distributed, any or all of his withdrawable shares. The Trustee shall credit to each account of the Participant from which the tendered shares were taken the proceeds received by the Trustee in exchange for the shares of Sponsor Stock tendered from that account. Pending receipt of directions (through the Administrator) from the Participant or the Named Fiduciary, as provided in the Plan, as to which of the remaining investment options the proceeds should be invested in, the Trustee shall invest the proceeds in the investment option described in Schedule "C".

(viii) **General.**

With respect to all shareholder rights other than the right to vote, the right to tender, and the right to withdraw shares previously tendered, in the case of Sponsor Stock, the Trustee shall follow the procedures set forth in subsection (A), above.

(ix) **Conversion.**

All provisions in this Section 5(e) shall also apply to any securities received as a result of a conversion of Sponsor Stock.

(x) **Nasdaq Subscriber Agreement.**

The Sponsor represents that it has returned a properly executed "Nasdaq Subscriber Agreement" to the Trustee. The Nasdaq Subscriber Agreement is required by Nasdaq and allows Participants to receive information originating from Nasdaq on a "real-time" basis, through devices controlled by the Trustee or its affiliates.

(f) Participant Loans.

Loans shall be processed and administered in accordance with the Plan Administration Manual. The Administrator shall act as the Trustee's agent with regard to Loans and as such shall (i) separately account for repayments of such loans and clearly identify such assets as Plan assets; and (ii) collect and remit all principal and interest payments to the Trustee. To the extent that the Participant is required to submit loan documentation to the Administrator for approval prior to the issuance of a loan, the Administrator shall also be responsible for (i) holding physical custody of and keeping safe the notes and other loan documents; and (ii) canceling and surrendering the notes and other loan documentation when a loan has been paid in full.

To facilitate recordkeeping, the Trustee may destroy the original of any proceeds check (including the promissory note) made in connection with a loan to a Participant under the Plan, provided that the Trustee or its agent first creates a duplicate by a photographic or optical scanning or other process yielding a reasonable facsimile of the proceeds check (including the promissory note) and the Participant's signature thereon, which duplicate may be reduced or enlarged in size from the actual size of the original.

(g) BrokerageLink.

The Sponsor hereby directs the Trustee to use FBSLLC to purchase or sell individual securities for Participant BrokerageLink accounts ("Participant Accounts") in accordance with investment directions provided by Participants. The Sponsor directs the Trustee to establish a Participant Account with FBSLLC in the name of the Trustee for each Participant electing to utilize the BrokerageLink option. Each so electing Participant shall be granted limited trading authority over the Participant Account established for such Participant, and FBSLLC shall accept and act upon instructions from such Participants to buy, sell, exchange, convert, tender, trade and otherwise acquire and dispose of securities in the Participant Accounts. The provision of BrokerageLink shall be subject to the following:

(i) Each Participant who elects to utilize the BrokerageLink option must complete a BrokerageLink Participant Acknowledgement Form which incorporates the provisions of the BrokerageLink Account Terms and Conditions. Upon acceptance by FBSLLC of the BrokerageLink Participant Acknowledgement Form, FBSLLC will establish a Participant Account for the Participant. Participant activity in the Participant Account will be governed by the BrokerageLink Participant Acknowledgement Form and the BrokerageLink Account Terms and Conditions. In the event that a provision of either the BrokerageLink Account Terms and

Conditions or the BrokerageLink Participant Acknowledgement Form conflicts with the terms of this Agreement, the Plan or an applicable statute or regulation, the Agreement, the Plan or the applicable statute or regulation shall control.

(ii) Any successor organization of FBSLLC, through reorganization, consolidation, merger or similar transactions, shall, upon consummation of such transaction, become the successor broker in accordance with the terms of this authorization provision.

(iii) The Trustee and FBSLLC shall continue to rely on this direction provision until notified to the contrary. The Sponsor reserves the right to terminate this direction upon written notice to the Trustee, in accordance with Section 11 of this Agreement. Such notice shall be deemed a direction to terminate BrokerageLink as an investment option.

(iv) The types of securities which may not be purchased under BrokerageLink are listed on Schedule “F”. Administrative procedures governing investment in and withdrawals from BrokerageLink Participant Accounts are attached hereto as Schedule “G”.

(v) With respect to exchanges from the SPO into the Participant Account, the Named Fiduciary hereby directs the Trustee to submit for processing all instructions for purchases into the BrokerageLink Core Account resulting from such exchange requests on the next Business Day.

(vi) A Participant has the authority to designate an agent to have limited trading authority over assets in the Participant Account established for such Participant. Such agent as the Participant may designate shall have the same authority to trade in and otherwise transact business in the Participant Account, in the same manner and to the same extent as the Participant is otherwise empowered to do hereunder, and FBSLLC shall act upon instructions from the agent as if the instructions had come from the Participant. Designation of an agent by the participant is subject to acceptance by FBSLLC of a completed BrokerageLink Third Party Limited Trading Authorization Form, the terms of which shall govern the activity of the Participant and the authorized agent. In the event that a provision of the BrokerageLink Third Party Limited Trading Authorization Form conflicts with the terms of the BrokerageLink Participant Acknowledgement Form, the BrokerageLink Account Terms and Conditions, this Agreement, the Plan or an applicable statute or regulation, the terms of the BrokerageLink Participant Acknowledgement Form, the BrokerageLink Account Terms and Conditions, this Agreement, the Plan or the applicable statute or regulation shall control.

(vii) The Participant shall be solely responsible for receiving and responding to all trade confirmations, account statements, prospectuses, annual reports, proxies and other materials that would otherwise be distributed to the owner of the Participant Account. With respect to proxies for securities held in the Participant Account, FBSLLC shall send a copy of the meeting notice and all proxies and proxy solicitation materials, together with a voting direction form, to the Participant and the Participant shall have the authority to direct the exercise of all shareholder rights attributable to those securities. The Trustee shall not exercise such rights in the absence of direction from the Participant.

(viii) FBSLLC shall buy, sell, exchange, convert, tender, trade and otherwise acquire and dispose of securities in Participant Accounts, transfer funds to and from the BrokerageLink Core Account and the SPO Default Fund, collect any fees or other remuneration due FBSLLC or any of its affiliates, and make distributions directly to the Participant, in accordance with the administrative procedures set forth in Schedule “G”. No prior notice to or consent from the Participant is required. In the event of a transfer of the Plan to another service provider, the directions of the Sponsor in transferring Plan assets shall control. Such transfers may be effected without notice to or consent from the Participant.

(ix) FBSLLC may accept from the Participant, changes to indicative data including, but not limited to, postal address, email address, and phone number associated with the Participant Account established for the Participant.

(h) Participation in Collective Investment Funds Managed by PGATC.

The Sponsor hereby (A) acknowledges that it has received from the Trustee a copy of the Group Trust, the Participation Agreement and the Declaration of Separate Fund for each separate fund of the Group Trust selected by the Named Fiduciary, and (B) adopts as part of this Agreement the terms of the Group Trust, the Participation Agreement and the Declaration of Separate Fund for each such separate fund of the Group Trust.

(i) Outside Managed Collective Investment Fund.

All transactions involving the Stable Value Portfolio shall be done in accordance with separate Operating Procedures attached hereto as Schedule “H”**.** All transactions involving the State Street MidCap® Index SL – Class C, State Street Russell 2000® Index NL – Class C and State Street S&P 500® Flagship SL – Class C shall be done in accordance with separate Operating Procedures between the Trustee, or its affiliate, and State Street Global Advisors.

(j) Trustee Powers.

The Trustee shall have the following powers and authority:

(i) Subject to paragraphs (b) and (c) of this Section 5, to sell, exchange, convey, transfer, or otherwise dispose of any property held in the Trust, by private contract or at public auction. No person dealing with the Trustee shall be bound to see to the application of the purchase money or other property delivered to the Trustee or to inquire into the validity, expediency, or propriety of any such sale or other disposition.

(ii) To cause any securities or other property held as part of the Trust to be registered in the Trustee's own name, in the name of one or more of its nominees, or in the Trustee's account with the Depository Trust Company of New York and to hold any investments in bearer form, but the books and records of the Trustee shall at all times show that all such investments are part of the Trust.

(iii) To keep that portion of the Trust in cash or cash balances as the Named Fiduciary or Administrator may, from time to time, deem to be in the best interest of the Trust.

(iv) To make, execute, acknowledge, and deliver any and all documents of transfer or conveyance and to carry out the powers herein granted.

(v) To borrow funds from a bank not affiliated with the Trustee in order to provide sufficient liquidity to process Plan transactions in a timely fashion; provided that the cost of such borrowing shall be allocated in a reasonable fashion to the investment fund(s) in need of liquidity. The Sponsor acknowledges that it has received the disclosure on the Trustee's line of credit program and credit allocation policy and a copy of the text of Prohibited Transaction Exemption 2002-55 prior to executing this Agreement if applicable.

(vi) To settle, compromise, or submit to arbitration any claims, debts, or damages due to or arising from the Trust; to commence or defend suits or legal or administrative proceedings; to represent the Trust in all suits and legal and administrative hearings; and to pay all reasonable expenses arising from any such action, from the Trust if not paid by the Sponsor.

(vii) With reasonable notice to the Sponsor, to employ legal, accounting, clerical, and other assistance as may be required in carrying out the provisions of this Agreement and to pay their reasonable expenses and compensation from the Trust if not paid by the Sponsor.

(viii) To invest all or any part of the assets of the Trust in investment contracts and short term investments (including interest bearing accounts with the Trustee or money market mutual funds advised by affiliates of the Trustee) and in any collective investment trust or group trust, including any collective investment trust or group trust maintained by the Trustee, which then provides for the pooling of the assets of plans described in Section 401(a) and exempt from tax under Section 501(a) of the Code, or any comparable provisions of any future legislation that amends, supplements, or supersedes those sections, provided that such collective investment trust or group trust is exempt from tax under the Code or regulations or rulings issued by the Internal Revenue Service. The provisions of the document governing such collective investment trusts or group trusts, as it may be amended from time to time, shall govern any investment therein and are hereby made a part of this Trust Agreement.

(ix) To do all other acts, although not specifically mentioned herein, as the Trustee may deem necessary to carry out any of the foregoing powers and the purposes of the Trust.

Section 6. Recordkeeping and Administrative Services to Be Performed.

(a) General.

The Trustee shall perform those recordkeeping and administrative functions described in Schedule "A" attached hereto. These recordkeeping and administrative functions shall be performed within the framework of the Administrator's written directions regarding the Plan's provisions, guidelines and interpretations.

(b) Accounts.

The Trustee shall keep accurate accounts of all investments, receipts, disbursements, and other transactions hereunder, and shall report the value of the assets held in the Trust as of each Reporting Date. Within thirty (30) days following each Reporting Date or within sixty (60) days in the case of a Reporting Date caused by the resignation or removal of the Trustee, or the termination of this Agreement, the Trustee shall file with the Administrator a written account setting forth all investments, receipts, disbursements, and other transactions effected by the Trustee between the Reporting Date and the prior Reporting Date, and setting forth the value of the Trust as of the Reporting Date. Except as otherwise required under ERISA, upon the expiration of six (6) months from the date of filing such account, the Trustee shall have no liability or further accountability to the Administrator with respect to the propriety of its acts or transactions shown in such account (or any Participant-level report provided to a Participant), except with respect to such acts or transactions as to which a written objection shall have been filed with the Trustee within such six (6) month period.

(c) Inspection and Audit.

Upon the resignation or removal of the Trustee or the termination of this Agreement, the Trustee shall provide to the Sponsor, or to any person designated by the Sponsor, originals and a copy of electronic records, at no expense to the Sponsor, in the format regularly provided to the Sponsor, if requested within a reasonable time. The Trustee will provide a statement of each Participant's accounts as of the resignation, removal, or termination, and the Trustee shall provide to the Sponsor or the Plan's new recordkeeper such further records as may be reasonably requested, at the Sponsor's expense.

The Trustee will provide to auditors (including third-party auditors and Sponsor's internal audit staff) as Sponsor may designate in writing, access to any Trustee owned or managed facility at which the services are being performed, to appropriate Trustee management personnel, and to the data and records (and other documentation reasonably requested by the Sponsor) maintained by the Trustee with respect to the services solely for the purpose of examining (i) transactional books and records maintained by the Trustee in order to provide the services, (ii) documentation of service level performance, and (iii) invoices to the Sponsor. Any such audits will be conducted at the Sponsor's expense. The Sponsor and its auditors will first look to the most recent Type II Service Auditor's Report ("Type II SAR") before conducting further audits. Type II SAR's are reports issued by the Trustee's or its affiliate's independent public accounting firm in accordance with Statement on Auditing Standard No. 70 ("SAS 70"). If a matter is not covered in such Type II SAR, then the Sponsor will provide the Trustee with a proposed detailed scope and timeframe of the audit requested by the Sponsor in writing at least sixty (60) days prior to date of the audit. The Sponsor will provide the Trustee with not less than ninety (90) days prior written notice of an audit, excepting audit requests from governmental or regulatory agencies. The Sponsor and its auditors will conduct such audits in a manner that will result in a minimum of inconvenience and disruption to the Trustee's operations. Audits may be conducted only during normal business hours and no more frequently than annually unless otherwise required as a matter of law or for compliance with regulatory or contractual requirements. Any audit assistance provided by the Trustee in excess of the number of audit hours per annum referenced in the fee schedule shall be provided on a fee-for-service basis. The Sponsor and its auditors will not be entitled to review or audit (i) data or information of other customers or clients of the Trustee, (ii) any of Trustee's proprietary data, or (iii) any other Confidential Information of the Trustee that is not relevant for the purposes of the audit. The Sponsor and its auditors will not be entitled to logical access to the Trustee's networks and systems, nor unrestricted physical access to Trustee's facilities and personnel. Reviews of processes, controls, and support documentation will be facilitated with appropriate Trustee's personnel. The Trustee will use commercially reasonable efforts to cooperate in the audit, will make available on a timely basis the information reasonably required to conduct the audit and will assist the designated employees of the Sponsor or its auditors as reasonably necessary. The Sponsor will reimburse the Trustee for any costs incurred by the Trustee in connection with an audit conducted pursuant to this section. To the maximum extent possible, audits will be designed and conducted (in such manner and with such frequency) so as not to interfere with the provision of the services. The Sponsor will not use any competitors of the Trustee (or any significant subcontractor of Trustee under this Agreement) to conduct such audits. The auditors and other representatives of the Sponsor will execute and deliver such confidentiality and non-disclosure agreements and comply with such security and confidentiality requirements as the Trustee may reasonably request in connection with such audits.

(d) Notice of Plan Amendment.

The Trustee's provision of the recordkeeping and administrative services set forth in this Section 6 shall be conditioned on the Sponsor delivering to the Trustee a copy of any amendment to the Plan as soon as administratively feasible following the amendment's adoption and on the Administrator providing the Trustee, on a timely basis, with all the information the Trustee deems necessary for it to perform the recordkeeping and administrative services set forth herein, and such other information as the Trustee may reasonably request.

(e) Returns, Reports and Information.

Except as set forth on Schedule "A", the Administrator shall be responsible for the preparation and filing of all returns, reports, and information required of the Trust or Plan by law. The Trustee will maintain adequate records in accordance with this Agreement so that the Plan can be properly administered in accordance with the Sponsor's interpretation of Plan provisions and directions to the Trustee and applicable reporting (to the government) and disclosure (to Participant) obligations, as agreed to in the executed discovery document and final Plan Administration Manual, can be satisfied. The Trustee shall provide the Administrator with such information as the Administrator may reasonably request to make these filings. The Administrator shall also be responsible for making any disclosures to Participants required by law, except such disclosure as may be required under federal or state truth-in-lending laws with regard to Participant loans, which shall be provided by the Trustee or the Administrator, as applicable.

Section 7. Compensation and Expenses.

Sponsor shall pay to Trustee, within thirty (30) days of receipt of the Trustee's bill, the fees for services in accordance with Schedule "B". Fees for services are specifically outlined in Schedule "B" and are based on all of the assumptions identified therein. The Trustee shall maintain its fees for five (5) years. The fee guarantee is subject to the assumptions set forth in Schedule "B" and a material change in assumptions may result in a fee change during or after the fee guarantee period. In the event that the Plan characteristics referenced in the assumptions outlined in Schedule "B" change significantly by either falling below or exceeding current or projected levels, such fees may be subject to revision, upon mutual renegotiation. To reflect increased operating costs, Trustee may once each calendar year, but not prior to January 2, 2013**,** amend Schedule "B" without the Sponsor's consent upon ninety (90) days prior notice to the Sponsor.

All reasonable expenses of plan administration as shown on Schedule "B" attached hereto, as amended from time to time, shall be a charge against and paid from the appropriate Participants' accounts, except to the extent such amounts are paid by the Sponsor in a timely manner.

All expenses of the Trustee relating directly to the acquisition and disposition of investments constituting part of the Trust, all taxes of any kind whatsoever that may be levied or assessed under existing or future laws upon or in respect of the Trust or the income thereof, and any other reasonable expenses of Plan administration as determined and directed by the Administrator, shall be a charge against and paid from the appropriate Participants' accounts.

Section 8. Directions and Indemnification.

(a) Identity of Administrator and Named Fiduciary.

The Trustee shall be fully protected in relying on the fact that the Named Fiduciary and the Administrator under the Plan are the individuals or entities named as such above or such other individuals or persons as the Sponsor may notify the Trustee in writing.

(b) Directions from Administrator.

Whenever the Administrator provides a direction to the Trustee, the Trustee shall not be liable for any loss or expense arising from the direction (i) if the direction is contained in a writing provided by any individual whose name has been submitted (and not withdrawn) in writing to the Trustee by the Administrator, unless it is clear on the direction's face that the actions to be taken under the direction would be prohibited by the fiduciary duty rules of Section 404(a) of ERISA or would be contrary to the terms of this Agreement. The Trustee may rely without further duty of inquiry on the authority of any such individual to provide direction to the Trustee on behalf of the Administrator.

For purposes of this Section, such direction may also be made via EDT, facsimile or such other secure electronic means in accordance with procedures agreed to by the Administrator and the Trustee and, in any such case, the Trustee shall be fully protected in relying on such direction as if it were a direction made in writing by the Administrator.

(c) Directions from Named Fiduciary.

Whenever the Named Fiduciary or Sponsor provides a direction to the Trustee, the Trustee shall not be liable for any loss or expense arising from the direction (i) if the direction is contained in a writing provided by any individual whose name has been submitted (and not withdrawn) in writing to the Trustee by the Named Fiduciary, unless it is clear on the direction's face that the actions to be taken under the direction would be prohibited by the fiduciary duty rules of Section 404(a) of ERISA or would be contrary to the terms of this Agreement. The Trustee may rely without further duty of inquiry on the authority of any such individual to provide direction to the Trustee on behalf of the Named Fiduciary.

For purposes of this Section, such direction may also be made via EDT, facsimile, or such other secure electronic means in accordance with procedures agreed to by the Named Fiduciary and the Trustee and, in any such case, the Trustee shall be fully protected in relying on such direction as if it were a direction made in writing by the Named Fiduciary.

(d) Co-Fiduciary Liability.

In any other case, the Trustee shall not be liable for any loss or expense arising from any act or omission of another fiduciary under the Plan except as provided in section 405(a) of ERISA.

(e) Indemnification.

The Sponsor shall indemnify the Trustee against, and hold the Trustee harmless from, Losses, that may be incurred by, imposed upon, or asserted against the Trustee by reason of any claim, regulatory proceeding, or litigation arising from any act done or omitted to be done by any individual or person with respect to the Plan or Trust, excepting only any and all Losses arising solely from the Trustee's negligence, bad faith, violation of applicable laws to which the Trustee is subject as a provider of the services outlined in this Agreement or breach of the terms of this Agreement.

The Trustee shall indemnify the Sponsor against, and hold the Sponsor harmless from, any and all Losses that may be incurred by, imposed upon, or asserted against the Sponsor by reason of any claim, regulatory proceeding, or litigation arising from Trustee's negligence, bad faith, violation of applicable laws to which the Trustee is subject as a provider of the services outlined in this Agreement or breach of the terms of this Agreement.

Notwithstanding the foregoing, the Trustee shall also indemnify the Sponsor against and hold the Sponsor harmless from any and all such Losses that may be incurred by, imposed upon, or asserted against the Sponsor solely as a result of i) any defects in the investment methodology embodied in the target asset allocation or model portfolio provided through Portfolio Review, except to the extent that any such loss, damage, penalty, liability, cost or expense arises from information provided by the Participant, the Sponsor or third parties; or ii) any prohibited transactions resulting from the provision of Portfolio Review by the Trustee.

In addition to any other indemnification provided to Trustee by Sponsor under this Agreement, Sponsor shall indemnify Trustee against, and hold Trustee harmless from, any and all Losses that may be incurred by, imposed upon, or asserted against Trustee by reason of any claim, regulatory proceeding, or litigation arising from Sponsor's failure to provide, or delay in providing, information to Trustee necessary to effectuate the transfer of funds pursuant to the Auto-Debit service in Section 18(h) or any deficiency or lack of funds in any account from which Sponsor has directed Trustee to deduct payments under that section.

(f) Survival.

The provisions of this Section 8 shall survive the termination of this Agreement.

Section 9. Resignation or Removal of Trustee and Termination.

(a) Resignation and Removal.

The Trustee may resign at any time in accordance with the notice provisions set forth below. The Sponsor may remove the Trustee at any time in accordance with the notice provisions set forth below.

(b) Termination.

This Agreement may be terminated in full, or with respect to only a portion of the Plan (i.e., a "partial deconversion") at any time by the Sponsor upon prior written notice to the Trustee in accordance with the notice provisions set forth below.

(c) Notice Period.

In the event either party desires to terminate this Agreement or any Services hereunder, the party shall provide at least ninety (90) days prior written notice of the termination date to the other party; provided, however, that the receiving party may agree, in writing, to a shorter notice period.

(d) Transition Assistance.

In the event of termination of this Agreement, if requested by Sponsor, the Trustee shall assist the Sponsor in developing a plan for the orderly transition of the Plan data, cash and assets then constituting the Trust and services provided by the Trustee hereunder to the Sponsor or its designee. The Trustee shall provide such assistance for a period not extending beyond sixty (60) days from the termination date of this Agreement. In the event of termination of services, transition services will be provided by the Trustee at no additional charge, including but not limited to: wire of cash or re-registration of investments, including detailed breakdown of transferred amounts; test electronic census / account files and final electronic census / account files containing participant synoptic information and financial data broken down by source and investment option with hardcopy file layout specifications; phone conferences with the new vendor's transition team as required from the date of termination notification to the date of asset transfer; prior two years' Form 5500 (as appropriate); prior two years' compliance tests (as appropriate); a full year to date trust report (as appropriate); and other data / services normally provided in the course of a vendor transition. The Trustee shall provide to the Sponsor, or to any person designated by the Sponsor, at a mutually agreeable time, one file of the Plan data prepared and maintained by the Trustee in the ordinary course of business, in the Trustee's format. The Sponsor and the Plan will not be responsible for any termination charges, charges to support transition in the normal course of a recordkeeping transition, or conversion recapture charges regardless of when the Sponsor terminated this Agreement. The Trustee may provide other or additional transition assistance as mutually determined for additional fees, which shall be due and payable by the Sponsor prior to any termination of this Agreement.

(e) Failure to Appoint Successor.

If, by the termination date, the Sponsor has not notified the Trustee in writing as to the individual or entity to which the assets and cash are to be transferred and delivered, the Trustee may bring an appropriate action or proceeding for leave to deposit the assets and cash in a court of competent jurisdiction. The Trustee shall be reimbursed by the Sponsor for all costs and expenses of the action or proceeding including, without limitation, reasonable attorneys' fees and disbursements.

Section 10. Successor Trustee.

(a) Appointment.

If the office of Trustee becomes vacant for any reason, the Sponsor may in writing appoint a successor trustee under this Agreement. The successor trustee shall have all of the rights, powers, privileges, obligations, duties, liabilities, and immunities granted to the Trustee under this Agreement. The successor trustee and predecessor trustee shall not be liable for the acts or omissions of the other with respect to the Trust.

(b) Acceptance.

As of the date the successor trustee accepts its appointment under this Agreement, title to and possession of the Trust assets shall immediately vest in the successor trustee without any further action on the part of the predecessor trustee, except as may be required to evidence such transition. The predecessor trustee shall execute all instruments and do all acts that may be reasonably necessary and requested in writing by the Sponsor or the successor trustee to vest title to all Trust assets in the successor trustee or to deliver all Trust assets to the successor trustee.

(c) Corporate Action.

Any successor to the Trustee or successor trustee, either through sale or transfer of the business or trust department of the Trustee or successor trustee, or through reorganization, consolidation, or merger, or any similar transaction of either the Trustee or successor trustee, shall, upon consummation of the transaction, become the successor trustee under this Agreement.

Section 11. Resignation, Removal, and Termination Notices.

All notices of resignation, removal, or termination under this Agreement must be in writing and mailed to the party to which the notice is being given by certified or registered mail, return receipt requested, to the Sponsor c/o Administrative Committee, Entegris, Inc., 3500 Lyman Boulevard, Chaska, MN 55318, and to the Trustee c/o FESCo Business Compliance, Contracts Administration, 82 Devonshire Street, MM3H, Boston, Massachusetts 02109, or to such other addresses as the parties have notified each other of in the foregoing manner.

Section 12. Duration.

This Trust shall continue in effect without limit as to time, subject, however, to the provisions of this Agreement relating to amendment, modification, and termination thereof.

Section 13. Amendment or Modification.

This Agreement may be amended or modified at any time and from time to time only by an instrument executed by both the Sponsor and the Trustee. The individuals authorized to sign such instrument shall be those authorized by the Sponsor.

Section 14. Electronic Services.

(a) The Trustee may provide communications and Electronic Services via electronic media, including, but not limited to NetBenefits, eWorkplace and Fidelity Plan Sponsor WebStation. The Sponsor agrees to use such Electronic Services only in the course of reasonable administration of or participation in the Plan and to keep confidential and not alter, publish, copy, broadcast, retransmit, reproduce, frame-in, link to, commercially exploit or otherwise redisseminate the Electronic Services, any content associated therewith, or any portion thereof (including, without limitation, any trademarks and service marks associated therewith), without the written consent of the Trustee. Notwithstanding the foregoing, the Trustee acknowledges that certain Electronic Services may, by their nature, be intended for non-commercial, personal use by Participants or their beneficiaries, with respect to their participation in the Plan, or for their other retirement or employee benefit planning purposes, and certain content may be intended or permitted to be modified by the Sponsor in connection with the administration of the Plan. In such cases, the Trustee will notify the Sponsor of such fact, and any requirements or guidelines associated with such usage or modification no later than the time of initial delivery of such Electronic Services. To the extent permission is granted to make Electronic Services available to administrative personnel designated by the Sponsor, it shall be the responsibility of the Sponsor to keep the Trustee informed as to which of the Sponsor personnel are authorized to have such access. Except to the extent otherwise specifically agreed by the parties, the Trustee reserves the right, upon notice when reasonably feasible, to modify or discontinue Electronic Services, or any portion thereof, at any time.

(b) From time to time, upon mutual agreement of the Trustee and the Sponsor, the Trustee may deliver to the Sponsor certain software products ("Electronic Products") not covered by the terms and conditions stated herein for use in connection with the administration of or participation in the Plan. Terms and conditions of use for such Electronic Products shall be provided to the Sponsor, as applicable. The Trustee makes no warranties, express or implied, and specifically disclaims all warranties of merchantability, fitness for a particular purpose, or non-infringement. To the extent that such alternate terms and conditions are not furnished, the use of such Electronic Products shall be governed by the terms of this Agreement as applicable.

(c) Without limiting the responsibilities of the Trustee or the rights of the Sponsor stated elsewhere in this Agreement, Electronic Services shall be provided to the Sponsor without acceptance of legal liability related to or arising out of the electronic nature of the delivery or provision of such Services. To the extent that any Electronic Services utilize Internet services to transport data or communications, the Trustee will take, and the Sponsor agrees to follow, reasonable security precautions. However, the Trustee disclaims any liability for interception of any such data or communications. The Trustee reserves the right not to accept data or communications transmitted electronically or via electronic media by the Sponsor or a third party if it determines that the method of delivery does not provide adequate data security, or if it is not administratively feasible for the Trustee to use the data security provided. The Trustee shall not be responsible for, and makes no warranties regarding access, speed or availability of Internet or network services, or any other service required for electronic communication, nor does the Trustee make any warranties, express or implied, and specifically disclaims all warranties of merchantability, fitness for a particular purpose, or non-infringement. The Trustee shall not be responsible for any loss or damage related to or resulting from any changes or modifications to the Electronic Services made in violation of this Agreement.

(d) The Sponsor acknowledges that certain web sites through which the Electronic Services are accessed may be protected by passwords or require a login and the Sponsor agrees that neither the Sponsor nor, where applicable, Participants, will obtain or attempt to obtain unauthorized access to such Services or to any other protected materials or information, through any means not intentionally made available by the Trustee for the specific use of the Sponsor. To the extent that a PIN is necessary for access to the Electronic Services, the Sponsor and/or its Participants, as the case may be, are solely responsible for all activities that occur in connection with such PINs.

(e) The Trustee will provide to Participants the FullView[SM] service via NetBenefits, through which Participants may elect to consolidate and manage any retirement account information available through NetBenefits as well as External Account Information. To the extent not provided by the Trustee or its affiliates, the data aggregation service will be provided by Yodlee.com, Inc. or such other independent provider as the Trustee may select, pursuant to a contract that requires the provider to take appropriate steps to protect the privacy and confidentiality of information furnished by users of the service. The Sponsor acknowledges that Participants who elect to use FullView[SM] must provide passwords and PINs to the provider of data aggregation services. The Trustee will use External Account Information to furnish and support FullView[SM] or other services provided pursuant to this Agreement, and as otherwise directed by the Participant. The Trustee will not furnish External Account Information to any third party, except pursuant to subpoena or other applicable law. The Sponsor agrees that the information accumulated through FullView[SM] shall not be made available to the Sponsor, provided, however, that the Trustee shall provide to the Sponsor, upon request, aggregate usage data that contains no personally identifiable information.

Section 15. Assignment.

This Agreement, and any of its rights and obligations hereunder, may not be assigned by any party without the prior written consent of the other party(ies), and such consent may be withheld in any party's sole discretion. Notwithstanding the foregoing, Trustee may assign this Agreement in whole or in part, and any of its rights and obligations hereunder, to a subsidiary or affiliate of Trustee without consent of the Sponsor; provided that Trustee will be responsible for any such assigned obligation to such subsidiary or affiliate of Trustee to the same extent as if it had not assigned them. All provisions in this Agreement shall extend to and be binding upon the parties hereto and their respective successors and permitted assigns.

Section 16. Force Majeure.

No party shall be deemed in default of this Agreement to the extent that any delay or failure in performance of its obligation(s) results, without its fault or negligence, from any cause beyond its reasonable control, such as acts of God, acts of civil or military authority, acts of terrorism, whether actual or threatened, quarantines, embargoes, epidemics, war, riots, insurrections, fires, explosions, earthquakes, floods, unusually severe weather conditions, power outages or strikes. This clause shall not excuse any of the parties to the Agreement from any liability which results from failure to have in place reasonable disaster recovery and safeguarding plans adequate for protection of all data each of the parties to the Agreement are responsible for maintaining for the Plan.

Section 17. Confidentiality.

Both parties to this Agreement recognize that in the course of implementing and providing the services described herein, each party may disclose to the other Confidential Information. All such Confidential Information, individually and collectively, and other proprietary information disclosed by either party shall remain the sole property of the party disclosing the same, and the receiving party shall have no interest or rights with respect thereto if so designated by the disclosing party to the receiving party. Each party agrees to maintain all such Confidential Information in trust and confidence to the same extent that it protects its own proprietary information, and not to disclose such Confidential Information to any third party without the written consent of the other party. Each party further agrees to take all reasonable precautions to prevent any unauthorized disclosure of Confidential Information. In addition, each party agrees not to disclose or make public to anyone, in any manner, the existence or the terms of this Agreement, except as required by law, without the prior written consent of the other party. The Trustee will not use the Sponsor's name or identity in marketing materials without express prior approval from the Sponsor. Notwithstanding the foregoing, Trustee may use Sponsor's name in a general list of its customers, including any such list compiled for Fidelity Investment's annual report to shareholders, without obtaining Sponsor's prior consent.

Section 18. General.

(a) Performance by Trustee, its Agents or Affiliates.

The Sponsor acknowledges and authorizes that the services to be provided under this Agreement shall be provided by the Trustee, its agents or affiliates, including but not limited to FIIOC, FBSLLC, or the successor to any of them, and that certain of such services may be provided pursuant to one or more separate contractual agreements or relationships.

(b) Entire Agreement.

This Agreement, together with the Schedules referenced herein, contains all of the terms agreed upon between the parties with respect to the subject matter hereof. This Agreement supersedes any and all other agreements, written or oral, made by the parties with respect to the services.

(c) Waiver.

No waiver by either party of any failure or refusal to comply with an obligation hereunder shall be deemed a waiver of any other obligation hereunder or any subsequent failure or refusal to comply with any other obligation hereunder.

(d) Successors and Assigns.

The stipulations in this Agreement shall inure to the benefit of, and shall bind, the successors and assigns of the respective parties.

(e) Partial Invalidity.

If any term or provision of this Agreement or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

(f) Section Headings.

The headings of the various sections and subsections of this Agreement have been inserted only for the purposes of convenience and are not part of this Agreement and shall not be deemed in any manner to modify, explain, expand or restrict any of the provisions of this Agreement.

(g) Communications.

(i) Content

The Sponsor shall provide all information requested by the Trustee to help it prepare Participant communications necessary to allow the Trustee to meet its obligations under this Agreement. The Sponsor represents that Participant communications prepared by the Sponsor will include any information required by applicable regulations to afford Plan fiduciaries protection under ERISA §404(c). The Trustee shall have no responsibility or liability for any Losses resulting from the use of information provided by or from communications prepared by the Sponsor.

(ii) Delivery

In the event that the Sponsor retains any responsibility for delivering Participant communications to some or all Participants and beneficiaries, the Sponsor agrees to furnish the communications to such Participants in a timely manner as determined under applicable law (including ERISA §404(c) and the Sarbanes-Oxley Act requirements for “blackout” notices). The Sponsor also represents that such communications will be delivered to such Participants and beneficiaries in a manner permitted by applicable law, including electronic delivery that is consistent with applicable regulations regarding electronic transmission (for example, DOL Regulation §2520.104b-1). The Trustee and its affiliates shall have no responsibility or liability for any Losses resulting from the failure of the Sponsor to furnish any such communications in a manner which is timely and consistent with applicable law.

The provisions of this Agreement shall apply to all information provided and all Participant communications prepared and delivered by the Sponsor or the Trustee during the implementation period prior to the execution date of this Agreement and throughout the term set forth in this Agreement.

(h) Auto-Debit.

Notwithstanding anything herein to the contrary, Sponsor hereby directs Trustee to request and receive payments in connection with contributions, loan repayments, and other payments made to the Plan through the ACH via an electronic funds transfer from Sponsor's bank account as the Sponsor shall direct Trustee in writing. Sponsor agrees that it shall be solely responsible for assuring that Trustee is in receipt of the information necessary to effectuate the transfer of funds pursuant to this paragraph and that the bank account described under this paragraph or any subsequent directions to the Trustee contains sufficient funds to satisfy Trustee's ACH request. Funds received via an electronic funds transfer will be credited to Participant's accounts the day they are received by Trustee, if received prior to the close of the NYSE's business day.

(i) Survival.

The Trustee's and the Sponsor's respective obligations under this Agreement, which by their nature would continue beyond the termination of this Agreement, including but not limited to those contained in Sections titled "Inspection and Audit", "Indemnification", "Confidentiality", and "Use of Data", shall survive any termination of the Agreement.

Section 19. Use of Data.

In order to fulfill its obligations under this Agreement, the Trustee may receive personal data, including but not limited to, compensation, benefits, tax, marital/family status and other similar information, about Participants ("Personal Data"). The Trustee acknowledges that it is receiving Personal Data only in connection with the performance of the services and the Trustee will not use or disclose Personal Data without the permission of the Sponsor for any purpose other than as permitted in this Agreement and in fulfilling its obligations under this Agreement, unless disclosure is required or permitted under this Agreement or by applicable law. With respect to Personal Data it receives, the Trustee agrees to (i) safeguard Personal Data in accordance with its privacy policy, and (ii) exercise the same standard of care in safeguarding such Personal Data that it uses to protect the personal data of its own employees. Notwithstanding the foregoing, the Sponsor may monitor the Trustee's interactions with Participants and the Sponsor authorizes the Trustee to permit third-party prospects of the Trustee to monitor Participants' interactions for the purpose of evaluating Trustee's services.

Section 20. Governing Law.

(a) Massachusetts Law Controls.

This Agreement is being made in the Commonwealth of Massachusetts, and the Trust shall be administered as a Massachusetts trust. The validity, construction, effect, and administration of this Agreement shall be governed by and interpreted in accordance with the laws of the Commonwealth of Massachusetts, except to the extent those laws are superseded under section 514 of ERISA.

(b) Trust Agreement Controls.

The Trustee is not a party to the Plan, and in the event of any conflict between the provisions of the Plan and the provisions of this Agreement, the provisions of this Agreement shall control.

Section 21. Plan Qualification.

The Plan is intended to be qualified under section 401(a) of the Code and the Trust established hereunder is intended to be tax-exempt under section 501(a) of the Code. The Sponsor represents that to the extent Participants are able to instruct the investment of their account, the Plan is intended to constitute a plan described in section 404(c) of ERISA and Title 29 of the Code of Federal Regulations Section 2550.404c-1. A confirmation of the Plan's current qualified status is attached hereto as Schedule "D," and the Sponsor shall provide proof of the Plan's continued qualification upon request by the Trustee. Provided that the Trustee is not relieved of any responsibility pursuant to this Agreement, the Sponsor has the sole responsibility for ensuring the Plan's qualified status and full compliance with the applicable requirements of ERISA. The Sponsor hereby certifies that it has furnished to the Trustee a complete copy of the Plan and all amendments thereto in effect as of the date of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers as of the day and year first above written. By signing below, the undersigned represent that they are authorized to execute this Agreement on behalf of the respective parties. Each party may rely without duty of inquiry on the foregoing representation.

ENTEGRIS, INC.

By: /s/ Peter W. Walcott
Authorized Signatory
Name: Peter W. Walcott
Title: Senior Vice President
Date: December 29, 2007

FIDELITY MANAGEMENT TRUST COMPANY

By: ______________________
FMTC Authorized Signatory
Name: ______________________
Date: ______________________

SCHEDULES

SCHEDULE “A” – *Administrative Services*

<u>Administration</u>

* Establishment and maintenance of Participant account and election percentages.
* Maintenance of the Plan investment options set forth on Schedule “C.”
* Maintenance of the money classifications set forth in the Plan Administration Manual.
* The Trustee will provide the recordkeeping and administrative services set forth on this Schedule “A” or as otherwise agreed to in writing (or by means of a secure electronic medium) between Sponsor and Trustee. The Trustee may unilaterally add or enhance services, provided there is no impact on the fees set forth in Schedule “B.”
* The Trustee shall be responsible for withholding and remitting federal and state income taxes in connection with distributions for the Plan and filing all information returns incident to those distributions.
* The agreed-upon performance standards for these services are as set forth on Schedule “B-2 b.”

A) Transition from Prior Recordkeeper to the Trustee

1. The Trustee agrees that the Sponsor will not have to amend or modify the qualified Plan provisions to accommodate Fidelity’s platform, based upon a review of the summary information provided by Defined Contribution Advisors during the RFI and RFP processes. While the Trustee does not anticipate any provisions that can not be accommodated, a determination can not be made until a full discovery document is completed on the Plan documents and an in-depth review of the provisions is completed with the Sponsor, both of which occurs during the implementation process.

2. The Trustee will agree to custody investments currently included in the Self Directed Brokerage account, assist with potential liquidation of mutual funds that can not be transferred, or transition into acceptable share classes.

3. As part of the conversion process, the Trustee will ensure all mutual fund assets will remain fully invested through transition, including:

a. Coordination of a same-day trade with the prior vendor; or

b. Re-registering all existing options to the Trustee’s platform, coordinating a same-day trade from old to new option on the Trustee’s platform for those existing options that will not be retained.

4. The Trustee will allow re-registration of any options subject to short-term trading fees, freezing the options to new contributions until such time as the short-term trading fee expires and monies can be transferred to a new option.

5. The Trustee will coordinate a weekend conversion to minimize the blackout period.

B) Participant Services

1. Participant service representatives are available each Business Day at the times set forth in the Plan Administration Manual via toll free telephone service for Participant inquiries and transactions.
2. Through the automated voice response system and on-line account access via the world wide web, Participants have virtually 24 hour account inquiry capabilities. Through on-line account access via the world wide web, Participants also have virtually 24 hour transaction capabilities.
3. For security purposes, all calls are recorded. In addition, several levels of security are available including the verification of a PIN or such other personal identifier as may be agreed to from time to time by the Sponsor and the Trustee.
4. The following services are available via the telephone or such other electronic means as may be agreed upon from time to time by the Sponsor and the Trustee:
   - Process Participant enrollments, in accordance with the procedures set forth in the Plan Administration Manual.
   - Provide Plan investment option information.
   - Provide and maintain information and explanations about Plan provisions.
   - Respond to requests for literature.
   - Allow Participants to change their contribution election percentage(s) and establish/change catch-up contributions, if applicable. Provide updates via EDT for the Sponsor to apply to its payrolls accordingly.
   - Maintain and process changes to Participants' contribution allocations for all money sources.
   - Process exchanges (transfers) between investment options on a daily basis, in accordance with the procedures set forth in the Plan Administration Manual.
   - Process in-service withdrawals, hardship withdrawals, and full distributions as directed by the Sponsor, in accordance with the procedures set forth in the Plan Administration Manual.
   - Consult with Participants on various loan scenarios and process loan requests (including loans for the purchase of a primary residence, if applicable) as directed by the Sponsor, in accordance with procedures set forth in the Plan Administration Manual.

C) Plan Accounting

1. Process consolidated payroll contributions according to the Sponsor's payroll frequency via EDT, consolidated magnetic tape or diskette. The data format will be provided by Trustee.

2. Maintain and update employee data necessary to support Plan administration. The data will be submitted according to payroll frequency.
3. Provide daily Plan and Participant level accounting for all Plan investment options.
4. Provide daily Plan and Participant level accounting for all money classifications for the Plan.
5. Audit and reconcile the Plan and Participant accounts daily.
6. Reconcile and process Participant withdrawal requests and distributions as approved and directed by the Sponsor. All requests are paid based on the current market values of Participants' accounts, not advanced or estimated values. A distribution report will accompany each check.
7. Track individual Participant loans; process loan withdrawals; re-invest loan repayments; and prepare and deliver comprehensive reports to the Sponsor to assist in the administration of Participant loans.
8. Maintain and process changes to Participants' deferral percentage and prospective and existing investment mix elections.

D) Participant Reporting

1. Provide confirmation to Participants of all Participant initiated transactions either online or via the mail. Online confirms are generated upon submission of a transaction and mail confirms are available by mail within three to five calendar days of the transaction.
2. Provide Participant statements in accordance with the procedures set forth in the Plan Administration Manual.
3. Provide Participants with required Code Section 402(f) notification for distributions from the Plan. This notice advises Participants of the tax consequences of their Plan distributions.
4. Provide Participants with required Code Section 411(a)(11) notification for distributions from the Plan. This notice advises Participants of the normal and optional forms of payment of their Plan distributions. Provide appropriate Participants with Single Life or Joint and Survivor Annuity Notice and the Waiver of Single Life or Joint and Survivor Annuity form and all notices and forms required under Code Section 401(a)(11) and 417.

E) Plan Reporting

1. Prepare, reconcile and deliver a monthly Trial Balance Report presenting all money classes and investments. This report is based on the market value as of the last business day of the month. The report will be delivered not later than twenty (20) calendar days after the end of each month in the absence of unusual circumstances.

2. Fidelity will disclose an estimate of total cost of and all revenue received from mutual funds or other sources related to self-directed brokerage accounts at least annually. Entegris understands that Fidelity does not have a systematic manner to calculate these estimates, but will work with Entegris to develop an estimate based on a review of holdings and trades in a limited number of brokerage accounts.

F) Government Reporting

1. Process year-end tax reports for Participants – Forms 1099-R, as well as preparation of Form 5500 in accordance with the guidelines set forth on Schedule "I".

G) Communication & Education Services

1. Design, produce and distribute a customized comprehensive communications program for employees. The program may include multimedia informational materials, investment education and planning materials, access to Fidelity's homepage on the internet and STAGES magazine. Additional fees for such services may apply as mutually agreed upon between Sponsor and Trustee.
2. Provide Portfolio Review an internet-based educational service for Participants that generates target asset allocations and model portfolios customized to investment options in the Plan based upon methodology provided by Strategic Advisers, Inc., an affiliate of the Trustee.
3. Fidelity Investor Center representatives will be available for on-site seminars at no additional charge in local areas where available and based on Entegris, Inc./Participant support.
4. 15 days of education meetings will be available annually with additional employee meeting days available in accordance with fees outlined on Schedule "B".

H) Other

1. <u>Pre-Contract Discussions</u>: Information provided through the below listed sources, as modified by additional discovery performed by the parties during the implementation process, represents fairly and accurately the functionality of systems, delivery of services and anticipated pricing:
   a. DC Advisors RFI and RFP websites.
   b. Vendor interview materials / presentation.
   c. Vendor site visit materials / presentation.
   d. Entegris, Inc. Terms and Conditions document.
2. <u>Next Generation myPlan tool</u>: The next generation myPlan tool with one button investment advice implementation and/or deferral election will be provided to the Sponsor at no additional charge when it is available.
3. <u>Errors</u>: The Trustee will pay fees associated with the appropriate IRS correction program as reasonably determined by the Trustee to the extent that an error is solely attributable to the Trustee's negligence, bad faith, violation of applicable laws to which the Trustee is subject as a provider of the services outlined in this Agreement or breach of the terms of this Agreement and such error is a plan qualification error.

4. Non-Discrimination Testing: Perform non-discrimination limitation testing upon request. In order to obtain this service, the client shall be required to provide the information identified in the Fidelity Discrimination Testing Package Guidelines. Any fees and restrictions associated with this testing service shall be addressed in such guidelines. Non-discrimination testing will include the following: ADP/ACP testing, IRC Section 415(c) Annual Additions Limitation, 402(g) limit testing, 410(b) Ratio Percentage Test, Top Heavy Testing 416(c), Section 401(a)(17) Compensation Limits, and Section 414(v) Catch-Up Determination.

5. Plan Sponsor Webstation: The Fidelity Participant Recordkeeping System is available on-line to the Sponsor via the Plan Sponsor Webstation. PSW is a graphical, Windows-based application that provides current plan and Participant-level information, including indicative data, account balances, activity and history. The Sponsor agrees that PSW access will not be granted to third parties without the prior consent of the Trustee.

6. Change of Address by Telephone: The Trustee shall allow Participants as directed by the Sponsor and documented in the Plan Administration Manual, to make address changes via Fidelity's toll-free telephone service.

7. Roll-In Processing. The Trustee shall process the qualification of rollover contributions to the Trust. The procedures for qualifying a rollover are directed by the Sponsor and the Trustee shall accept or deny each rollover based upon the Plan's written criteria and any written guidelines provided by the Sponsor and documented in the Plan Administration Manual.

   Requests that do not meet the specified criteria will be returned to the Participant with further explanation as to why the request cannot be processed. If the Sponsor or the Trustee determine that a request is not a valid rollover, the full amount of the requested rollover will be distributed to the Participant.

8. Qualified Domestic Relations Order Processing: The Trustee will provide Qualified Domestic Relations Order support by supplying interested parties with plan and benefit information, suspending payments upon notification that a domestic relations order has been submitted, and executing all administrative action required by that order after it has been qualified by the Administrator.

ENTEGRIS, INC.		FIDELITY MANAGEMENT TRUST COMPANY	
By: /s/ Peter W. Walcott	December 29, 2007	By:	
Authorized Signatory	Date	FMTC Authorized Signatory	Date

SCHEDULE "B" – *Fee Schedule*

<u>PART A - FEES</u>

Annual Participant Fee:

An amount (but not less than zero) that represents the result of the following calculation, to be completed each year as of December 31st:

The balances in proprietary investment products held in the Plan on December 31st shall be multiplied by the crediting rates* stated below;

To the extent that the calculation results in an amount which exceeds 13 basis points of the total Plan assets, the excess shall result in Service Credits as set forth in Part B-I below. To the extent that the result is below 13 basis points, such amount below 13 basis points shall be due and payable to the Trustee as an annual recordkeeping fee billed and payable quarterly on a pro rata basis. Subject to the terms of Section B set forth below, Service Credits, amounts held in the Plan Level Reimbursement Account and Performance Payments may be used to partially or fully offset any applicable annual recordkeeping fee which is 13 basis points. Noting that Service Credits will be credited against the recordkeeping fee first. Performance Payments and Plan Level Reimbursement Account dollars will be used to offset at the direction of the Sponsor.

<u>For plan year 2008</u>, the above calculation will be completed based on total Plan assets as of January 2, 2008.

Loan Fee: Establishment fee of $50.00 per loan account; annual fee of $25.00 per loan account.

In-Service Withdrawals: $20.00 per withdrawal.

Return of Excess Contribution Fee: $25.00 per Participant, one-time charge per calculation and check generation.

Non-Fidelity Mutual Funds:	Fees paid directly to Fidelity Investments Institutional Operations Company, Inc. (FIIOC) or its affiliates by Non-Fidelity Mutual Fund vendors shall be posted and updated quarterly on Plan Sponsor Webstation at http://psw.fidelity.com or a successor site.
Signature Ready 5500:	The standard fee is waived; provided, however, if all required information is not received until after 5 1/2 months following the Plan's year-end, there will be a late processing charge of $1,000 per Plan affected. Any revisions requested by the Plan Sponsor after Fidelity has initially prepared and submitted the Form 5500 to the Plan Sponsor will be processed at a rate of $100 per hour.
DRO Qualification:	This service will commence only after Fidelity receives the Service Authorization Agreement executed by a legally authorized representative of the Sponsor. The "standard" Order review fees are as follows: $300 for the review of unaltered Orders generated via Fidelity's QDRO Center website, or $1,200 for the review of Orders not generated via Fidelity's QDRO Center website, or for Orders generated via Fidelity's QDRO Center website but then subsequently altered. A "standard" DRO is an order that references one defined contribution plan only. The fees for "complex" Orders are as follows: $900 for the review of unaltered Orders generated via Fidelity's QDRO Center website, or $1,800 for the review of Orders not generated via Fidelity's QDRO Center website, or for Orders generated via Fidelity's QDRO Center website but then subsequently altered. A "complex" Order is an Order that references a defined benefit plan or multiple plans (defined benefit and/or defined contribution, in any combination). Any revisions to these fees will be reflected in an updated Service Authorization Agreement for the DRO qualification service which will be provided by the Trustee to the Sponsor for execution.

Education Meetings:	Fifteen days of educational meetings are available annually with additional employee meeting days available at $1,400 per day. Note: no additional travel expenses will be charged beyond the $1,400 per day.
Annual Self Directed Brokerage Account Fee:	Fee waived.

- Other Fees: separate charges may apply for optional non-discrimination testing, extraordinary expenses resulting from large numbers of simultaneous manual transactions, from errors not caused by Fidelity, reports not contemplated in this Agreement, corporate actions, audit support in excess of thirty-five (35) hours per annum (for the relationship) or the provision of communications materials in hard copy which are also accessible to participants via electronic services in the event that the provision of such material in hard copy would result in an additional expense deemed to be material. The Administrator may withdraw reasonable administrative fees from the Trust by written direction to Fidelity.

***** Crediting rates are as follows:

-Actively-managed Fidelity equity mutual funds: 35 basis points

-Actively-managed Fidelity bond funds: 25 basis points.

<u>Stable Value Fees</u>:

- Expenses associated with the custody of assets underlying synthetic investment contracts will be borne by the portfolio.

<u>Stock Administration Fee</u>:

- Fee Waived.

Commissions:

FBSLLC shall be entitled to remuneration in the amount of no more than $0.029 commission on each share of Sponsor Stock. Any increase in such remuneration may be made only by written agreement between the Named Fiduciary and Trustee.

<u>Note</u>: These fees are based on the Plan characteristics, asset configuration, net cash flow, fund selection and number of Participants existing as of the date of this agreement. In the event that one or more of these factors changes significantly, fees may be subject to change after discussion and mutual agreement of the parties. Significant changes in the legal and regulatory environment would also prompt discussion and potential fee changes.

PART B – PAYMENT OF PLAN EXPENSES

Service Credits will be credited against the recordkeeping fee first. Performance Payments and Plan Level Reimbursement Account dollars will be used to offset at the direction of the Sponsor.

I. SERVICE CREDITS

Fidelity Employer Services Company ("FESCo") shall make available a Service Credit for the Plan in the amount that the calculation described in Part A "Annual Participant Fee" results in an excess of the stated fee, which may be used to offset the cost of Fidelity provided services only ("Service Credit").:

(a) The applicable amount shall be credited as a Service Credit, annually, on a book entry basis, to a non-interest bearing hypothetical account in respect of the Plan (the "Service Credit Account") maintained by FESCo. This amount may only be used to offset the cost of Fidelity-Provided Services as described in paragraph "b" below. Any unused Service Credit shall expire at the end of the twelve-month period from the quarter in which it was credited.

(b) Subject to the provisions of this "Service Credit" section, the Service Credit Account shall be debited and such Service Credits used, as follows:

(i) Fidelity-Provided Services. FESCo shall debit the Plan's Service Credit Account, and use such Service Credits to offset the cost of services provided by the Trustee or its affiliates ("Fidelity") to the Plan after January 2, 2008, on a calendar year basis that would otherwise be payable pursuant to this agreement or for additional Plan services provided by Fidelity that the Sponsor may from time to time choose to utilize.

(ii) A Service Credit cannot be used to offset, reimburse or pay: (1) expenses that are deducted from participants' accounts; (2) expenses that are accrued in the net asset value or mil rate of an investment option; or (3) investment management services. Fidelity reserves the right to modify the expense for which Service Credits could be used to offset.

(iii) No Payments. Nothing in this paragraph shall obligate FESCo to make payments to any entity under the terms hereof.

(c) The Service Credit Account established for the Plan hereunder shall not be transferable under any circumstances, and shall be extinguished upon termination of recordkeeping services by the Trustee or its affiliates to the Plan, regardless of whether such Service Credit Account has a hypothetical balance at such time. The book entry value of such account shall not be payable in cash to any Plan, the Sponsor, the Named Fiduciary or any other entity.

(d) Unless otherwise notified by the Sponsor, Fidelity shall automatically apply Service Credits, to the extent available, to defray the costs of Fidelity-Provided Services at the time the costs would be invoiced. The Sponsor shall be solely responsible for the determination of whether it is permissible under ERISA for Service Credits to be applied to a given Fidelity-Provided

Plan Service and shall notify Fidelity if Service Credits should not be used to offset the costs of said service. Any charges for Fidelity-Provided Services not offset by Service Credits shall be due and payable by Sponsor pursuant to ordinary invoice terms and the terms of this Agreement.

(e) FESCo shall maintain the Service Credit Account balance and report any such balance back to the Sponsor upon request.

II. PLAN LEVEL ADMINISTRATIVE REVENUE ACCOUNT:

Effective as soon as administratively feasible after January 2, 2008, FIIOC shall establish a Plan Level Administrative Revenue Account (the "PLR Account") for the Plan. Thereafter, FIIOC shall deposit into the PLR Account, amounts equal to 100% of the amount received by FIIOC (or its affiliates) from Non-Fidelity Mutual Fund vendors attributable to Plan assets invested in such Non-Fidelity Mutual Funds.

The following terms shall apply to amounts held in the PLR Account:

(a) Upon direction from the Plan Administrator, acting as Named Fiduciary, the Trustee shall debit the PLR Account and such amounts shall be used as follows:

(i) **Fidelity-Provided Services.** FIIOC shall debit the PLR Account, and use such amounts to offset or defray the cost of any Fidelity-Provided Services requested by the Plan Administrator, provided, however, that these amounts cannot be used to offset any fees for Fidelity Provided Investment Management Services.

(ii) **Reimbursement to Sponsor.** FIIOC shall debit the PLR Account, and shall use such amounts to reimburse the Sponsor for expenses paid by the Sponsor on behalf of the Plan or Trust during the prior 12 months provided that there shall be no reimbursement to the Sponsor for expenses paid or accrued prior to January 2, 2008. No portion of the PLR Account may be paid to the Sponsor if invoices for Fidelity-Provided Services with respect to the Plan or Trust are then outstanding and unpaid.

(iii) **Payments to Third Parties.** Upon direction from the Sponsor, FIIOC shall make payments to any entity other than the Sponsor under the terms described herein.

(iv) **No Allocation to Participant Accounts.** Amounts held in the PLR Account may not be allocated to Participant accounts.

(b) Utilization of the amounts held in the PLR account are subject to the PLR Account Procedures described below.

(c) PLR Account amounts cannot be used to offset, reimburse or pay: (i) expenses that are deducted from Participant accounts; or (ii) expenses that are accrued in the net asset value or mil rate of an investment option.

(d) The Named Fiduciary hereby directs that amounts held in the PLR Account shall be invested in the Stable Value Portfolio, with all interest being held for the benefit and account of the Plan.

(e) Upon termination of this Agreement, the balance in the PLR Account shall be transferred, in cash, to the successor trustee in accordance with the directions of the Plan Administrator. The Trustee and its affiliates shall have no rights to any amounts in the PLR Account except as specifically provided in this Agreement.

PLR Account Procedures. The following terms govern the use of amounts held in the PLR Account to defray or offset the cost of Fidelity-Provided Services requested by the Plan Administrator or to reimburse the Sponsor for reasonable Plan expenses. FIIOC reserves the right to amend the procedures herein at any time.

(a) The plan administrator must provide the Trustee with a Letter of Direction containing instructions for reimbursement, payment or offset and shall include a certification from the Plan Administrator, as Named Fiduciary, that:

(1) the Plan authorizes payment of such expenses;

(2) such expenses are reasonable and necessary expenses of the Plan or Trust within the meaning of ERISA, and, for a reimbursement of payment request, are also direct expenses of the Sponsor with respect to the Plan or Trust;

(3) the services for which payment of offset is requested were rendered to the Plan after January 2, 2008, and/or were paid or incurred by the Sponsor on behalf of the Plan within the prior 12 months; and

(4) for reimbursement requests, the receipt of any reimbursement by the Sponsor, does not violate, to the knowledge of the Sponsor, any applicable law with respect to the Plan (including, without limitation, the prohibited transaction provisions of ERISA or the Code); and

(5) with respect to requested reimbursements to the Sponsor, the Sponsor has: (a) paid these expenses on behalf of the Plan and (b) would, in the absence of this PLR agreement, seek reimbursement from the Plan. Neither FIIOC nor the Trustee shall have any responsibility to make or verify any certification provided by the Plan Administrator under this paragraph. A model Letter of Direction is attached as Schedule “B-1”.

(b) FIIOC will make payments to the Sponsor from the PLR Account to the extent that amounts are available in the account at the time direction is received by the Trustee. As of the date of this Agreement, the location is Fidelity Investments, Brian Moss, 100 Magellan Way, Mail Zone KE1H Convington, KY 41015, Attention: Relationship Manager.

(c) If the administrator has directed the use of the PLR Account to offset the costs of Fidelity-Provided Services, FIIOC will apply the amounts, to the extent available, to defray such costs at the time the costs would otherwise be invoiced. Any charges for Fidelity-Provided Services not offset by such amounts will be due and payable pursuant to ordinary invoice and contract terms.

(d) If the submitted expenses exceed the available balance in the PLR Account (after costs of Fidelity-Provided Services have been offset, if applicable), FIIOC will pay amounts in the order submitted to FIIOC in their entirety, until the account balance is exhausted, and will pay a portion of the next-submitted amount, up to the available balance in the PLR Account. In the event that the amount in this Plan account is insufficient to pay all expenses submitted, FIIOC will notify the Named Fiduciary within 10 business days. FIIOC will not thereafter use any amounts from the PLR Account (including any later-accrued revenue) to pay or defray such amounts, without specific direction from the Plan Administrator.

(e) FIIOC is not responsible for any late charges, interest, or penalties that may accrue owing to untimely submission to FIIOC of bills and documentation in good order. Further, FIIOC shall not be responsible for meeting the terms of any invoices submitted for payment directly to the vendor. FIIOC will use amounts from the PLR Account to defray such late charges, interest of penalties only if expressly directed to do so by the Plan Administrator.

III. PERFORMANCE PAYMENTS

FIIOC, an affiliate of the Trustee, shall make payments in the event that the Trustee fails to meet the Performance Standards set forth in Schedule “B-2” (“Performance Payments”) under the following terms:

(a) Performance Payments shall be first used to offset any cost of services provided by the Trustee to the Plan that would otherwise be payable pursuant to this Agreement, as it may be amended from time to time (“Fidelity Fees”) and that are initially billed at the time that the Performance Payments are assessed. Outstanding due and payable Fidelity Fees will not be offset when Performance Payments are assessed; however, the Trustee reserves the right to offset Fidelity Fees with amounts from the Performance Account as defined below.

(b) If no Fidelity Fees are to be initially billed at the time that Performance Payments are assessed, then the Performance Payments shall be credited to a suspense account in the Plan to be used to defray reasonable plan expenses (the “Performance Account”) that shall be maintained by FIIOC. Amounts credited to the Performance Account shall be invested in the Stable Value Portfolio.

(c) Subject to the provisions of this section, and upon receipt of proper directions consistent with paragraph “d” hereof from the Sponsor, acting as Named Fiduciary, amounts held in the Performance Account shall be used, as follows:

(i) Fidelity Fees: The Sponsor may direct FIIOC to debit the Plan’s Performance Account for the payment of outstanding amounts owed to the Trustee for services provided.

(ii) Payment to Sponsor. The Sponsor may direct FIIOC to debit the Plan’s Performance Account and use amounts to reimburse the Sponsor for expenses paid by the Sponsor on behalf of the Plan.

(iii) Payments to Third Parties. Upon direction from the Sponsor, FIIOC shall make payments to any entity other than the Sponsor under the terms described herein.

(iv) No Allocation to Participant Accounts. Amounts held in the Performance Account may not be allocated to participant accounts.

(d) The Sponsor shall provide direction to FIIOC when it wishes to use amounts held in the Performance Payment for the payment of Plan expenses. If the direction is for reimbursement to the Sponsor, this direction shall include the representation by the Sponsor, as named fiduciary, that (1) such expenses are reasonable, necessary and direct expenses of such Plan within the meaning of ERISA, (2) the Plan authorizes the payment of such expenses from the Plan, and (3) that the Sponsor has paid these expenses on behalf of the Plan. Neither FIIOC nor the Trustee shall have any responsibility to make or verify any certification provided by the Sponsor under this paragraph. The parties acknowledge that reasonable, necessary and direct expenses of the Plan shall not include any operating expenses paid by mutual fund shareholders generally that are reflected in the net asset values of such mutual fund shares held by the Plan. A model letter for Sponsor use when providing such direction is attached to this Agreement in Schedule "B-2 a".

(e) Any debits or payments pursuant to paragraph "c" shall be limited to the amount of the Performance Account for the Plan at the time the direction is submitted to FIIOC, and shall be subject to the Performance Payment Procedures attached to this Agreement as Schedule "B-2."

(f) A Performance Payment cannot be used to offset, reimburse or pay: (i) expenses that have been deducted from Participant accounts; (ii) expenses that are accrued in the net asset value or mil rate of an investment option, (iii) or Fidelity provided investment management services.

Performance Standards The performance standards, which measure performance levels for the delivery of certain Services by the Trustee to the Sponsor are appended to and made part of this agreement as Schedule "B-2 b". The performance shall be measured on a quarterly basis. The Trustee and the Sponsor shall: (i) review and discuss performance; (ii) problem solve any issues that have arisen in the delivery of the Services; and (iii) discuss any proposed improvements in delivery of the Services.

ENTEGRIS, INC.		**FIDELITY MANAGEMENT TRUST COMPANY**		
By: /s/ Peter W. Walcott	December 29, 2007	By:		
Authorized Signatory	Date		FMTC Authorized Signatory	Date

Schedule “B-1”

Model Letter of Direction

[Date]

Fidelity Investments Institutional Operations Company, Inc.

Attn: Brian Moss
100 Magellan Way
Mail Zone KE1H
Convington, KY 41015

Re: Entegris, Inc. 401(k) Savings and Profit Sharing Plan

Dear Mr. Moss:

This letter is sent to you in accordance with the “Plan Level Administrative Revenue Account” provisions of the Trust Agreement currently in effect.

Please apply [**INSERT AMOUNT**] from the Plan Level Administrative Revenue Account in the Plan to outstanding due and payable Fidelity fees.

OR

Please provide the Sponsor reimbursement in the amount of **[INSERT AMOUNT**] from the Plan Level Administrative Revenue Account held in the Plan for expenses paid on behalf of the Plan during the prior 12 months. By signing below, the Sponsor represents in its capacity as or on behalf of the Sponsor that (1) such expenses are reasonable, necessary and direct expenses of such Plan within the meaning of ERISA, and absent the Plan Level Administrative Revenue Account, such expenses would be paid from Plan assets (2) these expenses were paid on behalf of the Plan during the prior 12 months, (3) the Plan authorizes the payment of such expenses from the Plan, (4) the receipt of such payment does not violate, to the knowledge of the Sponsor, any applicable state or federal law (including, without limitation, the prohibited transaction provisions of ERISA or the Internal Revenue Code) and (5) that the Sponsor has paid these expenses on behalf of the Plan.

OR

Please pay the enclosed invoice in the amount of (**INSERT AMOUNT)** from the Plan Level Administrative Revenue Account held in the Plan. By signing below, the Sponsor represents in its capacity as or on behalf of the Sponsor that (1) such expenses are reasonable, necessary and direct expenses of such Plan within the meaning of ERISA, and absent the Plan Level Administrative Revenue Account, such expenses would be paid from Plan assets (2) the Plan authorizes the payment of such expenses from the Plan.

Sponsor/ Named Fiduciary

By: ____
Title:
Date:

Schedule "B-2"

Performance Payments Procedures

The following terms govern the use of Performance Payments to defray the cost of services provided by the Trustee or its affiliate or to reimburse the Sponsor for the payment of other plan expenses: FIIOC reserves right to amend this Schedule "B-2" at any time, upon notice to the Sponsor.

- If the Sponsor has directed FIIOC to use amounts to offset the costs of Trustee-provided services that are due and payable, the Trustee will apply such amounts, to the extent available, at the time such direction is received. Any charges for Trustee-provided services not offset by amounts will remain due and payable pursuant to ordinary invoice and contract terms.
- If the Sponsor has directed FIIOC to reimburse amounts from the Performance Account, the Trustee will reimburse the amount directed to the extent available. If the submitted expenses exceed the balance in the Performance Account, FIIOC will reimburse the Sponsor the balance of the Performance Account. If additional amounts are credited to the Performance Account, the excess expenses will not be reimbursed to the Sponsor without additional direction from the Sponsor to do so.
- FIIOC will use amounts held in the Performance Account at the time written direction is received and in good order. Such direction shall be provided to the Plan's relationship or client service manager consistent with established procedures. FIIOC will promptly notify the Sponsor if the direction is not in good order, but it shall be the responsibility of the Sponsor to correct and resubmit the required documentation
- FIIOC is not responsible for any late charges, interest or penalties that may accrue owing to untimely submission to FIIOC of directions in good order. FIIOC will use amounts held in the Performance Account to defray such late charges, interest or penalties only if expressly directed to do so.

Schedule “B-2 a”

MODEL LETTER OF DIRECTION

(Used to provide direction pursuant to Section (d) of the Performance Payments section of Schedule “B”)

[Date]

Fidelity Investments Institutional Operations Company, Inc.
Attn: Brian Moss
100 Magellan Way
Mail Zone KE1H
Convington, KY 41015

Re: Entegris, Inc. 401(k) Savings and Profit Sharing Plan

Dear Mr. Moss:

This letter is sent to you in accordance with the “Performance Payments” provision of the trust, recordkeeping and/ or service agreement currently in effect.

Please apply [INSERT AMOUNT} from the Performance Account in the Plan to outstanding due and payable Fidelity fees.

OR

Please provide the Sponsor reimbursement in the amount of [INSERT AMOUNT] from the Performance Account held in the Plan for expenses paid on behalf of the Plan. By signing below, the Sponsor represents in its capacity as or on behalf of the Named Fiduciary that (1) such expenses are reasonable, necessary and direct expenses of such Plan within the meaning of ERISA, (2) the Plan authorizes the payment of such expenses from the Plan, and (3) that the Sponsor has paid these expenses on behalf of the Plan.

Sponsor/ Named Fiduciary

By: ______________________________________

Title:

Date:

SCHEDULE "B-2 b" – Performance Standards

The following performance standards shall apply to the Plan.

Two or more performance measures must be missed in any given quarter in order for any fee reductions to apply.

Performance payment obligations hereunder shall not commence until the qtr-end following six months after the effective date included herein.

The total amount of any fee offsets with respect to failures to meet performance standards during a calendar year shall not exceed $12,000 in aggregate.

Measure	**Description**	**Performance reporting standard**	**Maximum Fee Offset**
Customer Support Services Level	85% of calls will be answered within twenty (20) seconds	Quarterly by segment	$250 Quarterly, $1,000 Annually
VRS Channel Availability	Available 99% of the time exclusive of reserved maintenance window and scheduled application date activities	Quarterly by segment	$250 Quarterly, $1,000 Annually
Fidelity NetBenefits® Channel Availability	Available 99% of the time exclusive of reserved maintenance window and scheduled application update activities	Quarterly by segment	$250 Quarterly, $1,000 Annually
Fidelity Plan Sponsor WebStation® Channel Availability	Available 99% of the time exclusive of reserved maintenance window and scheduled application update activities	Quarterly by segment	$250 Quarterly, $1,000 Annually
Participant Research Items Resolved Within 5 Business Days (excluding check copies, QDROs, and death benefits)	95% work items resolved within five (5) business days after receipt of necessary information from client or third parties.	Quarterly by client	$250 Quarterly, $1,000 Annually
Participant Research Items Resolved Within 10 Business Days (excluding check copies, QDROs, and death benefits)	99% work items resolved within ten (10) business days after receipt of necessary information from client or third parties.	Quarterly by client	$250 Quarterly, $1,000 Annually
Participant Quarterly Statements Available On Line	Available 99% of the time exclusive of reserved maintenance window and scheduled application update activities.	Quarterly by client	$250 Quarterly, $1,000 Annually

Measure	Description	Performance reporting standard	Maximum Fee Offset
Participant Annual Statements Hardcopy	95% of statements mailed by the 20th calendar day of the month following the reporting period	Annually by client	$1,000 Annually
Service/Investment Review Conducted on Agreed Upon Schedule	Negotiable date schedule Goal = Neg (rpt out only if we don't meet standard)	Quarterly by client	$1,000 Annually
Relationship Plan Updated Annually	Negotiable date schedule Goal = Neg (rpt out only if we don't meet standard)	Annually by client	$1,000 Annually
Communication Plan Updated Annually	Negotiable date schedule Goal = Neg (rpt out only if we don't meet standard)	Annually by client	$1,000 Annually
Standard Monthly Reporting Package	Available on-line 24 hours after reconciliation Goal = Y/N	Quarterly by client	$250 Quarterly, $1,000 Annually

SCHEDULE "C" – *Investment Options*

In accordance with Section 5(b), the Named Fiduciary hereby directs the Trustee that Participants' individual accounts may be invested in the following investment options:

- Fidelity BrokerageLink®
- Spartan® International Index Fund – Investor Class
- American Funds® EuroPacific Growth Fund® - Class A (frozen to new contributions and exchanges in)
- American Funds® EuroPacific Growth Fund® - Class R4
- American Funds® Growth Fund of America® - Class R4
- American Funds® The Growth Fund of America® - Class A (frozen to new contributions and exchanges in)
- Columbia Mid Cap Value Fund – Class Z
- Dodge & Cox Stock Fund
- Entegris, Inc. Stock (frozen to new contributions and exchanges in)
- Pyramis Index Lifecycle 2000 Commingled Pool
- Pyramis Index Lifecycle 2005 Commingled Pool
- Pyramis Index Lifecycle 2010 Commingled Pool
- Pyramis Index Lifecycle 2015 Commingled Pool
- Pyramis Index Lifecycle 2020 Commingled Pool
- Pyramis Index Lifecycle 2025 Commingled Pool
- Pyramis Index Lifecycle 2030 Commingled Pool
- Pyramis Index Lifecycle 2035 Commingled Pool
- Pyramis Index Lifecycle 2040 Commingled Pool
- Pyramis Index Lifecycle 2045 Commingled Pool
- Pyramis Index Lifecycle 2050 Commingled Pool
- Stable Value Portfolio
- State Street MidCap® Index SL – Class C
- State Street Russell 2000® Index NL – Class C
- State Street S&P 500® Flagship SL – Class C
- T Rowe Price Mid-Cap Growth
- T. Rowe Price Balanced Fund (frozen to new contributions and exchanges in)
- T. Rowe Price Small-Cap Stock (frozen to new contributions and exchanges in)
- Van Kampen Small Cap Growth Fund – Class I Shares

- Vanguard Total Bond Market Index Fund – Institutional Shares
- Wasatch Small Cap Growth Fund
- Westcore Small-Cap Value Fund

The Named Fiduciary hereby directs that for Plan assets allocated to a Participant's account, the investment option referred to in Section 5(c) shall be the Pyramis Active Lifecycle Commingled Pool determined according to a methodology selected by the Named Fiduciary and communicated to the Trustee in writing. In the case of unallocated Plan assets, the termination or reallocation of an investment option, or Plan assets described in Section 5(e)(vii)(B)(5), the Plan's default investment shall be the Stable Value Portfolio.

ENTEGRIS, INC.

By: /s/ Peter W. Walcott	December 29, 2007
Authorized Signatory	Date

SCHEDULE "D" – ***Statement of Qualified Status***

[Law Firm Letterhead]

****Note: This Schedule is not necessary if the Plan's IRS determination letter is not more than two (2) years old.**

Mr. Jeff Epstein
FESCo Business Compliance
Contracts Administration
82 Devonshire Street, MM3H
Boston, MA 02109

Entegris, Inc. 401(k) Savings and Profit Sharing Plan

Dear Mr. Epstein***:***

In accordance with your request, this letter sets forth our opinion with respect to the qualified status under section 401(a) of the Internal Revenue Code of 1986 (including amendments made by the Employee Retirement Income Security Act of 1974) (the "Code"), of the Entegris, Inc. 401(k) Savings and Profit Sharing Plan, as amended to the date of this letter (the "Plan").

The material facts regarding the Plan as we understand them are as follows. The most recent favorable determination letter as to the Plan's qualified status under section 401(a) of the Code was issued by the **[location of Key District]** District Director of the Internal Revenue Service and was dated **[date]** (copy enclosed). The version of the Plan submitted by Entegris, Inc. (the "Company") for the District Director's review in connection with this determination letter did not contain amendments made effective as of **[date]**. These amendments, among other matters**, [brief description of amendments]**. **[Subsequent amendments were made on [date] to amend the provisions dealing with [brief description of amendments].]**

The Company has informed us that it intends to submit the Plan to the **[location of Key District]** District Director of the Internal Revenue Service and to request from him a favorable determination letter as to the Plan's qualified status under section 401(a) of the Code. The Company may have to make some modifications to the Plan at the request of the Internal Revenue Service in order to obtain this favorable determination letter, but we do not expect any of these modifications to be material. The Company has informed us that it will make these modifications.

Based on the foregoing statements of the Company and our review of the provisions of the Plan, it is our opinion that the Internal Revenue Service will issue a favorable determination letter as to the qualified status of the Plan, as modified at the request of the Internal Revenue Service, under section 401(a) of the Code, subject to the customary condition that continued qualification of the Plan, as modified, will depend on its effect in operation.

[Furthermore, in that the assets are in part invested in common stock issued by the Company or an affiliate, it is our opinion that the Plan is an "eligible individual account plan" (as defined under Section 407(d)(3) of ERISA) and that the shares of common stock of the Company held and to be purchased under the Plan are "qualifying employer securities" (as defined under Section 407(d)(5) of ERISA). Finally, it is our opinion that interests in the Plan are not required to be registered under the Securities Act of 1933, as amended, or, if such registration is required, that such interests are effectively registered under said Act.]

Sincerely,

[name of law firm]

By: [signature]

[name of partner]

SCHEDULE "E" – ***Operational Guidelines for Non-Fidelity Mutual Funds***

Pricing

By 7:00 p.m. Eastern Time ("ET") each Business Day, the Non-Fidelity Mutual Fund Vendor (Fund Vendor) will transmit the following information ("Price Information") to FIIOC: (1) the NAV for each Fund prior to the close of trading on the New York Stock Exchange ("Close of Trading"), (2) the change in each Fund's NAV from the Close of Trading on the prior Business Day, (3) in the case of an income fund or funds, the daily accrual for interest rate factor ("mil rate"), and (4) on ex dividend date, if applicable, dividend and capital gain information. FIIOC must receive Price Information each Business Day. If on any Business Day the Fund Vendor does not provide such Price Information to FIIOC, FIIOC shall pend all associated transaction activity in the Plan until the relevant Price Information is made available by Fund Vendor.

Trade Activity and Wire Transfers

Each Business Day following Trade Date ("Trade Date plus One"), FIIOC or National Financial Services Corporation LLC ("NFS"), an affiliate of FIIOC, will provide, via facsimile, to the Fund Vendor a consolidated report of net purchase or net redemption activity that occurred in each of the Funds at the Close of Trading on the prior Business Day. The report will reflect the dollar amount of assets and shares to be invested or withdrawn for each Fund. FIIOC or NFS will transmit this report to the Fund Vendor each Business Day, regardless of processing activity. In the event that data contained in the facsimile transmission represents estimated trade activity, FIIOC or NFS shall provide a final facsimile to the Fund Vendor. Any resulting adjustments shall be processed by the Fund Vendor at the net asset value for the prior Business Day.

The Fund Vendor shall send via regular mail to FIIOC or NFS transaction confirms for all daily activity in each of the Funds. The Fund Vendor shall also send via regular mail to FIIOC or NFS, by no later than the fifth Business Day following calendar month close, a monthly statement for each Fund. FIIOC and NFS agree to notify the Fund Vendor of any balance discrepancies within twenty (20) Business Days of receipt of the monthly statement.

For purposes of wire transfers, FIIOC or NFS shall transmit a daily wire for aggregate purchase activity and the Fund Vendor shall transmit a daily wire for aggregate redemption activity, in each case including all activity across all Funds occurring on the same day.

Prospectus Delivery

FIIOC shall be responsible for the timely delivery of Fund prospectuses and periodic Fund reports ("Required Materials") to Participants, and shall retain the services of a third-party vendor to handle such mailings. The Fund Vendor shall be responsible for all materials and production costs, and hereby agrees to provide the Required Materials to the third-party vendor selected by FIIOC. The Fund Vendor shall bear the costs of mailing annual Fund reports to Participants. FIIOC shall bear the costs of mailing prospectuses to Participants.

Proxies

The Fund Vendor shall be responsible for all costs associated with the production of proxy materials. FIIOC shall retain the services of a third-party vendor to handle proxy solicitation mailings and vote tabulation. Expenses associated with such services shall be billed directly to the Fund Vendor by the third-party vendor.

Participant Communications

The Fund Vendor shall provide internally-prepared fund descriptive information approved by the Funds’ legal counsel for use by FIIOC in its written Participant communication materials. FIIOC shall utilize historical performance data obtained from third-party vendors (currently Morningstar, Inc., FACTSET Research Systems and Lipper Analytical Services) in telephone conversations with Participants and in quarterly Participant statements. The Sponsor hereby consents to FIIOC’s use of such materials and acknowledges that FIIOC is not responsible for the accuracy of such third-party information. FIIOC shall seek the approval of the Fund Vendor prior to retaining any other third-party vendor to render such data or materials under this Agreement.

Compensation

FIIOC shall be entitled to fees as set forth in a separate agreement with the Fund Vendor.

SCHEDULE "F" – ***Securities That May Not Be Purchased Under the BrokerageLink Option***

Any Security identified by the Sponsor that may result in a prohibited transaction

Any Securities or Securities Options issued by the Sponsor

Fidelity Mutual Funds and Non-Fidelity Mutual Funds offered through the Plan

Precious Metals

Tax-exempt Securities (including mutual funds, municipal bonds and unit investment trusts)

Physical Certificates

Limited Partnerships

Level 3, 4 and 5 Options (which require margin accounts)

Currencies

Currency Options

Currency Warrants

Commodities

Interest Rate Options

Financial Futures

Convertible Adjustable Preferred Stock

Such other Securities as directed by the Sponsor

SCHEDULE "G" – *BrokerageLink Administrative Procedures*

This schedule sets forth the actions that Fidelity will take to rectify various situations that might arise in Participant Accounts. By signing this schedule, the Sponsor acknowledges that the terms of this schedule shall serve as standing instructions to Fidelity to take the appropriate action in response to a given situation, as described below, to comply with the Agreement and to facilitate customer service and operations processing.

Transfer of Assets out of BrokerageLink

In the following situations, Fidelity will initiate a liquidation and transfer of assets out of BrokerageLink, to the extent necessary to rectify the problem:

- Assets in BrokerageLink are from restricted sources. (A Plan may restrict assets from certain sources from being transferred to BrokerageLink.)
- Assets in BrokerageLink are from non-vested assets, if restricted. (A Plan may restrict non-vested assets from being transferred to BrokerageLink.)
- Assets in BrokerageLink are from a deposit via an unauthorized channel. (Participants may transfer assets to BrokerageLink only through the SPO recordkeeping system (payroll deduction to the SPO or exchange from another SPO investment option). Assets transferred into BrokerageLink in any other way are considered to have been transferred via an unauthorized channel.)

Fidelity will look to the BrokerageLink Core Account first. If the BrokerageLink Core Account does not contain sufficient assets, Fidelity will place a sell trade order(s) in the Participant's Account. The securities that will be sold/liquidated will be selected on a last in - first out basis. Such liquidation will be limited to the number of shares necessary to correct the problem. Any trade related expenses (commissions or other fees) and realized gain or loss will be borne by the Participant Account, or if necessary, the SPO.

In the case of assets from restricted sources or from non-vested assets, those assets will be credited to the SPO Default Fund. In the case of assets deposited via an unauthorized channel, Fidelity will mail a check to the Participant.

Exchanges from BrokerageLink Option into Mutual Funds (Standard Plan Option)

Each Plan must designate one of the SPO investment options as the SPO Default Fund. Participants exchanging from the BrokerageLink option into other SPO investment options will have no choice as to where these assets are invested upon transfer from BrokerageLink. All assets exchanged from BrokerageLink to other SPO investment options are first credited to the SPO Default Fund. If a Participant wants to reallocate from the SPO Default Fund to other SPO investment options, he/she must contact Fidelity after the assets have been credited to the SPO Default Fund.

Participants must speak to a brokerage representative to exchange from BrokerageLink into the SPO, and may contact Fidelity on any Business Day to do so. The transfer will involve a redemption from the BrokerageLink Core Account. If the request is confirmed before the close of the market on a Business Day, the BrokerageLink Core Account redemption will receive that day's trade date, and the purchase into the SPO default fund will receive that day's trade date. Requests confirmed after the close of the market on a Business Day (or on any day other than a Business Day) will be processed on a next Business Day basis.

Most BrokerageLink trades require a three (3) Business Day settlement period. When placing the sell order in a Participant Account, the Participant may not request that upon settlement of the sell, assets be transferred from BrokerageLink to the SPO Default Fund. The Participant must call back after each settlement to transfer funds from the BrokerageLink Core Account into the SPO Default Fund.

Transfer of Assets into BrokerageLink

In the following situations, Fidelity will initiate a transfer of assets into BrokerageLink, to the extent necessary to rectify the problem:

- Assets withdrawn from BrokerageLink via an unauthorized channel. (Participants may transfer assets out of BrokerageLink only through the SPO recordkeeping system. Assets transferred out of BrokerageLink in any other way are considered to have been transferred via an unauthorized channel.)
- The BrokerageLink Core Account has a negative balance, due to an unsecured debit or overdraft.

In the event of an unauthorized channel withdrawal, Fidelity will contact the Participant and request that the withdrawn assets be returned to Fidelity. Fidelity will then redeposit the assets into the BrokerageLink Core Account. In the event of an unsecured debit or overdraft, Fidelity will look to the SPO first. If the SPO does not contain sufficient assets, Fidelity will place a sell trade order(s) in the Participant Account. The securities that will be sold/liquidated will be selected on a last in - first out basis. Such liquidation will be limited to the number of shares necessary to correct the problem. Any trade related expenses (commissions or other fees) and realized gain or loss will be borne by the Participant Account.

Exchanges from Investment Options (Standard Plan Option) into BrokerageLink Option

If a request to exchange into BrokerageLink is confirmed before the close of the market (generally 4:00 p.m. ET) on any Business Day, the SPO investment option redemption will receive that day's trade date and the purchase into the BrokerageLink Core Account will receive the next Business Day's trade date. Requests confirmed after the close of the market on a Business Day will be processed on a next Business Day basis.

For exchanges initiated via any of the available channels, 100% of the exchanged amount will be available for trading the next Business Day. Although none of the exchanged amount will be available for trading until the next Business Day for exchanges initiated via NetBenefits, 90% of the assets will be immediately available to trade through a brokerage representative if the exchange is initiated via a Participant Services Representative.

Fees / Distributions / Adjustments

All Plan related fees that are paid by the Participant and all distributions (systematic withdrawal payments (SWP), deminimus, etc.) are debited from the Participant's SPO. If there are not enough assets in SPO to pay fees of any nature or make necessary distributions, then Fidelity will look to the Participant Account.

If there are sufficient assets in the BrokerageLink Core Account, then Fidelity will initiate the transfer to the SPO Default Fund to cover the fee or distribution. If the BrokerageLink Core Account does not contain sufficient assets, Fidelity will place a sell trade order(s) in the Participant Account. The securities that will be sold/liquidated will be selected on a last in - first out basis. Such liquidation will be limited to the amount/number of shares necessary to correct the problem, plus any additional amounts that may be necessary to cover market fluctuations. Any trade related expenses (commissions or other fees) and realized gain or loss will be borne by the Participant Account.

In the event that a removal of excess contributions is initiated in order to make an adjustment in response to non-discrimination testing (NDT) results, Fidelity will follow the procedure described above with regard to fees and distributions.

In the event of a deminimus distribution, all of the Participant's BrokerageLink holdings (individual securities plus any amounts in the BrokerageLink Core Account) will be liquidated and moved to the SPO, in order to facilitate the distribution.

Restricted or Ineligible Securities

The Plan has designated that certain securities or security types be restricted from being purchased. If Fidelity identifies a restricted security that has been purchased, then Fidelity will place a sell trade order in the Participant Account to remove that security. Any trade related expenses (commissions or other fees) and realized gain or loss will be borne by the Participant Account, or if necessary, the SPO. The proceeds from the liquidated securities will be credited to the BrokerageLink Core Account.

Qualified Domestic Relation Orders ("QDRO's")

The Sponsor will notify Fidelity of the pending DRO and direct Fidelity to restrict the affected Participant Account in accordance with procedures documented in the Plan Administration Manual. If the DRO is determined to be a QDRO, any and all liquidations and transfers of securities will be completed, upon Sponsor direction, in accordance with the procedures documented in the Plan Administration Manual.

Deaths

In the event of a Participant death, the Sponsor will advise Fidelity of the death and the Participant Account will be frozen to all activity and all Limited Trading Authorizations shall be terminated. Upon Sponsor direction, Fidelity will liquidate or transfer securities to the beneficiary's account in accordance with the procedures documented in the Plan Administration Manual.

ENTEGRIS, INC.

By:	/s/ Peter W. Walcott	Date	December 29, 2007
	Authorized Signatory		

SCHEDULE "H" – *Operating Procedures for the Stable Value Portfolio*

I. Description of Investment Option

The Stable Value Portfolio (the "Portfolio") will be comprised of units in the Colchester Street Trust: Money Market Portfolio: Class I ("STIF") units in the Wells Fargo Stable Return Fund ("Galliard Pool"), and the existing units in the T.Rowe Price Stable Value Fund purchased prior to the effective date of the Trust Agreement between Fidelity Management Trust Company (the "Trustee") and Entegris, Inc. (the "Sponsor").

II. Investment Option Transactions

All transactions for the Portfolio will be coordinated by the Trustee based on the procedures outlined in this document.

III. Valuation

The Trustee will value the Portfolio at a net asset value of $1 per share, on a daily basis and produce a blended mil rate to reflect the net income earned by the Portfolio.

Income will accrue in accordance with the actual crediting rate practices of each underlying asset in the Portfolio. Accrued interest will be posted to participant accounts at month end.

IV. Money Movement

All money transfers to and from the Portfolio will be made through the STIF. Plan level transactions representing cumulative participant level transactions will update nightly to the STIF portion to ensure next day settlement of all transactions.

V. STIF Management

The Sponsor will maintain approximately 3% of the Portfolio in STIF. The Trustee will monitor the cashflows and the balance of the STIF portion. If the STIF balance exceeds 3%, the Trustee will transfer the excess to the Wells Fargo Stable Return Fund. If the STIF balance falls below 3%, the Trustee will request money from the Wells Fargo Stable Return Fund and the T.Rowe Price Stable Value Fund on a pro rata basis to replenish the balance to 3%.

VI. Investment Contract Maturities

The proceeds from the liquidation of units in the T.Rowe Price Stable Value Fund will be transferred to the STIF portion of the Portfolio for subsequent reinvestment in accordance with Section V. The Trustee will provide wiring instructions to the appropriate party at T.Rowe Price.

VII. Reconciliation

The Fidelity Participant Recordkeeping System (“FPRS”) will be reconciled to the Managed Income Group Accounting System (“GUIDE”) on a daily and monthly basis. The units in the Wells Fargo Stable Return Fund and the T.Rowe Price Stable Value Fund will be reconciled to their respective balances on a monthly basis.

VIII. Fee Collection for Accounting Services

Accounting fees for the Portfolio have been waived.

IX. Changes to the Schedule

Other than as outlined in Section V herein, this Schedule may be amended or modified at any time and from time to time only by an instrument executed by both the Trustee and the Sponsor.

X. Discontinuance of Accounting Services

The Trustee will discontinue accounting services for the Portfolio upon the earlier of the date all participant balances in the Portfolio are exchanged or withdrawn, the termination of this agreement or the final liquidation of units in the Wells Fargo Stable Return Fund and the T.Rowe Price Stable Value Fund.

ENTEGRIS, INC.

By: /s/ Peter W. Walcott

December 29, 2007
Date

FIDELITY MANAGEMENT TRUST COMPANY

By: ______________________

SCHEDULE "I" – *Form 5500 Service*

Effective for the plan year ending December 31, 2008 and thereafter, the Trustee agrees to provide the Signature Ready Form 5500 Service (the "Service") and the Summary Annual Report ("SAR"), in accordance with the following:

The Sponsor hereby agrees to:

- Submit the following required information ("Required Information") annually:
  - Completed plan questionnaire ("Questionnaire");
  - Draft or final copy of the audited financial statements; and
  - Copy of the prior year Form 5500 filed with the Department of Labor (DOL) (applicable only if Fidelity did not prepare the plan's prior year Form 5500)
- Provide Fidelity with the Required Information, in the format requested by Fidelity, as soon as possible after the plan's year end – but in no event later than the last day of the 8th month following the plan's year-end (assuming a filing extension has been requested);
- Authorize Fidelity to prepare and execute IRS Form 5558 (Application for Extension) on behalf of the Plan Administrator and file Form 5558 with the IRS in order to obtain an extension of the filing deadline in the event that Fidelity has not received a completed plan Questionnaire within five and one-half (5 1/ 2) months after the plan's year end;
- Review, sign and mail the Form 5500 prepared by Fidelity to the DOL in a timely manner;
- Distribute the SAR to participants and beneficiaries in a timely manner; and
- Respond to and provide any other information requested by Fidelity, including soliciting any information from the prior recordkeeper, related to the Form 5500.

Fidelity hereby agrees to:

- Provide the Sponsor with the Questionnaire within one and one-half (1 1/2) months after the Plan's year-end;
- File Form 5558 to request an extension of time to file Form 5500 if requested by the Plan Sponsor or if the completed Questionnaire is not received from the Sponsor within five and one half (5 1/2) months after the Plan's year end, as specified above;
- Provide the Sponsor with the Form 5500 at least ten (10) days prior to the required filing date and SAR at least ten (10) days prior to the required mailing date, assuming the Plan Sponsor has submitted the Required Information and has met the filing deadlines as outlined in this agreement;
- Respond to inquiries from the DOL or IRS received by the Sponsor, related to any Form 5500 prepared by Fidelity.

The Plan Sponsor understands that the Form 5500 will be prepared based upon the information provided in the Questionnaire and acknowledges that Fidelity shall have no responsibility for verifying the authenticity or accuracy of the data submitted by the Sponsor on the Questionnaire.

In the event that Fidelity does not receive all Required Information within 8 months after the plan's year-end, Fidelity will not prepare the Form 5500 and the Sponsor shall be responsible for completing the Form 5500 for filing with the DOL. Fidelity will not be held responsible for any late fees or penalties for incomplete filings caused by it not receiving the Required Information within 8 months after the plan's year-end.

Fees related to this Service are set out on Schedule "B" to the Agreement to which this schedule is attached. Further, Signature-Ready 5500 service will continue until the Plan Sponsor provides Fidelity with written direction to the contrary.

ENTEGRIS, INC.

By:	/s/ Peter W. Walcott	December 29, 2007
	Authorized Signatory	Date

____
Name of Employee ("Employee")

ENTEGRIS, INC.
2007 Equity Incentive Award Agreement

In consideration of services rendered by Employee to Entegris, Inc. (the "Company") the undersigned Employee: **(i)** acknowledges that Employee has received an equity incentive award (the "Award") under the Entegris, Inc. 2001 Equity Incentive Plan or the Entegris, Inc. 1999 Long-Term Incentive and Stock Option Plan (in either case, the "Plan"), consisting of **[A]** restricted stock of the Company subject to the terms set forth under Article I below and **[B]** Performance Shares that may be issued to Employee upon the satisfaction of and subject to the terms and conditions specified in Article II below. The Employee further agrees with the Company that the Award is subject to the terms and conditions set forth below:

ARTICLE I – RESTRICTED STOCK AWARD

1.1. *Effective Date*. This Agreement shall take effect as of February 19, 2007, which is the date of grant of the Award.

1.2. *Shares Subject to Award*. The Award consists of ___________ shares of restricted stock (the "Restricted Stock") of the Common Stock, $0.01 par value, of the Company ("Stock"). The undersigned's rights to the Restricted Stock are subject to the restrictions described in this Agreement and in the Plan (which is incorporated herein by reference with the same effect as if set forth herein in full) in addition to such other restrictions, if any, as may be imposed by law.

1.3. *Meaning of Certain Terms*. The term "vest" as used herein with respect to any Restricted Stock means the lapsing of the restrictions described herein with respect to such Restricted Stock.

1.4. *Nontransferability of Shares*. The Restricted Stock acquired by the undersigned pursuant to this Agreement shall not be sold, transferred, pledged, assigned or otherwise encumbered or disposed of except as provided below and in the Plan.

1.5. *Forfeiture Risk*. If the undersigned ceases to be employed by the Company and/or its subsidiaries for any reason, including death, any then outstanding and unvested Restricted Stock acquired by the undersigned hereunder shall be automatically and immediately forfeited. The undersigned hereby: **(i)** appoints the Company as the attorney-in-fact of the undersigned to take such actions as may be necessary or appropriate to effectuate a transfer of the record ownership of any such Restricted Stock that are unvested and forfeited hereunder; **(ii)** agrees to deliver to the Company, as a precondition to the issuance of any certificate or certificates with respect to unvested Restricted Stock hereunder, one or more stock powers, endorsed in blank, with respect to such Restricted Stock; and **(iii)** agrees to sign such other powers and take such other actions as the Company may reasonably request to accomplish the transfer or forfeiture of any unvested Restricted Stock that are forfeited hereunder.

1.6. *Retention of Certificates*. Any certificates representing unvested Restricted Stock shall be held by the Company. If unvested Restricted Stock are held in book entry form, the undersigned agrees that the Company may give stop transfer instructions to the depository to ensure compliance with the provisions hereof.

1.7. *Vesting of Shares*. The Restricted Stock acquired hereunder shall vest in accordance with the provisions of this Article I, Paragraph 1.7 and applicable provisions of the Plan, as follows:

- 25% of the Restricted Stock vests on and after February 19, 2008;
- an additional 25% of the Restricted Stock vests on and after February 19, 2009;
- an additional 25% of the Restricted Stock vests on and after February 19, 2010; and
- the final 25% of the Restricted Stock vests on and after February 19, 2011.

Notwithstanding the foregoing, no Restricted Stock shall vest on any vesting date specified above unless: **(A)** the undersigned is then, and since the date of grant has continuously been, employed by the Company or its subsidiaries; and **(B)** the undersigned has fulfilled the obligations specified in Section 1.11 below.

1.8. *Legend*. Any certificates representing unvested Restricted Stock shall be held by the Company, and any such certificate shall contain a legend substantially in the following form:

THE TRANSFERABILITY OF THIS CERTIFICATE AND THE SHARES OF STOCK REPRESENTED HEREBY ARE SUBJECT TO THE TERMS AND CONDITIONS (INCLUDING FORFEITURE) OF THE ENTEGRIS, INC. 2001 EQUITY INCENTIVE PLAN; OR THE ENTEGRIS, INC. 1999 LONG TERM INCENTIVE AND STOCK OPTION PLAN, AS THE CASE MAY BE AND AN EQUITY INCENTIVE AWARD AGREEMENT ENTERED INTO BETWEEN THE REGISTERED OWNER AND ENTEGRIS, INC. COPIES OF SUCH PLAN AND AGREEMENT ARE ON FILE IN THE OFFICES OF ENTEGRIS, INC.

If any shares of Restricted Stock are held in book-entry form, the Company may take such steps as it deems necessary or appropriate to record and manifest the restrictions applicable to such Restricted Stock. As soon as practicable following the vesting of any such Restricted Stock the Company shall cause a certificate or certificates covering such Restricted Stock, without the aforesaid legend, to be issued and delivered to the undersigned. In the case of Restricted Stock held in book-entry form, as soon as practicable following the vesting of any such Restricted Stock, such Restricted Stock shall be freed of restrictions in such book-entry records.

1.9. *Dividends, etc*. The undersigned shall be entitled to (i) receive any and all dividends or other distributions paid with respect to those Restricted Stock of which Employee is the record owner on the record date for such dividend or other distribution, and (ii) vote any Restricted Stock of which Employee is the record owner on the record date for such vote; *provided, however*, that any property or right (other than cash) distributed with respect to a share of Stock (the “associated share”) acquired hereunder, including without limitation a distribution of Stock by reason of a stock dividend, stock split or otherwise, or a distribution of other securities with respect to an associated share, shall be subject to the restrictions of this Agreement in the same manner and for so long as the associated share remains subject to such restrictions, and shall be promptly forfeited if and when the associated share is so forfeited; *and further provided*, that the Administrator may require that any cash distribution with respect to the Restricted Stock other than a normal cash dividend be placed in escrow or otherwise made subject to such restrictions as the Administrator deems appropriate to carry out the intent of the Plan. References in this Agreement to the Restricted Stock shall refer, *mutatis mutandis*, to any such restricted amounts.

1.10. *Sale of Vested Shares*. The undersigned understands that Employee will be free to sell any Restricted Stock once it has vested, subject to **(i)** satisfaction of any applicable tax withholding requirements with respect to the vesting or transfer of such Restricted Stock; **(ii)** the completion of any administrative steps (for example, but without limitation, the transfer of certificates) that the Company may reasonably impose; and **(iii)** applicable requirements of federal and state securities laws.

1.11. *Certain Tax Matters*. The undersigned expressly acknowledges that the award or vesting of the Restricted Stock acquired hereunder, and the payment of dividends with respect to such Restricted Stock, may give rise to "wages" subject to withholding. The undersigned expressly acknowledges and agrees that Employee's rights hereunder are subject to Employee promptly paying to the Company in cash (or by such other means as may be acceptable to the Company in its discretion, including, if the Administrator so determines, by the delivery of previously acquired Stock or shares of Stock acquired hereunder in accordance with the Plan or by the withholding of amounts from any payment hereunder) all taxes required to be withheld in connection with such award, vesting or payment.

ARTICLE II – AWARD OF PERFORMANCE SHARES

2.1. *Effective Date; Duration*. This Award shall take effect as of February 19, 2007, and shall continue in effect until all Performance Shares awarded hereunder have either been earned and vested or have been forfeited in accordance with the terms hereof.

2.2. *Description of Performance Share Award*. The Award consists of an aggregate of __________ performance shares (the "Performance Shares") representing the right of the Employee to receive an award of that number of shares of the Company's Common Stock, $0.01 par value, ("Stock"), based upon and subject to the achievement of three (3) Company Performance Criteria established by the Administrator. The Performance Shares are divided into three (3) allotments as follows:

(i) Fifty percent (50%) of the shares of Stock shall be earned if and to the extent that the Company's ROIC target performance is achieved as provided in paragraph 2.4.1 below (the "ROIC Share Unit");

(ii) Twenty-Five percent (25%) of the shares of Stock shall be earned if and to the extent that the Company achieves a Revenue Performance ranking relative to the Revenue Performance achieved by the Peer Companies within a qualifying target range as provided in paragraph 2.4.2 below (the "Revenue Share Unit"); and

(iii) Twenty-Five percent (25%) of the shares of Stock shall be earned if and to the extent that the Company achieves an earnings per share (EPS) Performance ranking relative to the EPS Performance achieved by the Peer Companies within a qualifying target range as provided in paragraph 2.4.3 below (the "EPS Share Unit").

Employee's rights to receive shares of Stock under the Performance Share Award are subject to the provisions of this Article II, to reduction for applicable tax withholding and to the provisions of the Plan (which is incorporated herein by reference with the same effect as if set forth herein in full) in addition to such other restrictions, if any, as may be imposed by law.

2.3. *Meaning of Certain Terms*. As used in this Article II, the following terms shall have the meaning specified below:

(i) "Performance Share Unit" means an ROIC Share Unit, a Revenue Share Unit or an EPS Share Unit as described in paragraph 2.2 above.

(ii) "ROIC" means, for a fiscal year, net operating profit after applicable taxes divided by average net assets (i.e. total assets less non-interest bearing liabilities) as derived from the Company's audited financial statements for that fiscal year.

(iii) "Average ROIC Target" means the target average ROIC performance over the three year period of the ROIC Share Unit as established by the Administrator, being __%.

(iv) "Peer Companies" means the 20 companies operating in the Semiconductor business listed on Annex I to this Agreement.

(v) “Revenue Performance” means the growth or decrease in the Company’s Revenue Performance as derived from the Company’s audited financial statements for fiscal year 2007.

(vi) “EPS Performance” means the growth or decrease in the Company’s GAAP earnings per share as derived from the Company’s audited financial statements for fiscal year 2007.

2.4. *Calculation of Shares*. The calculation of the number of shares of Stock earned pursuant to the Award of Performance Shares shall be made as follows, but shall be subject to adjustment as specified in paragraph 2.7 below:

2.4.1. **ROIC Share Unit.** The shares of Stock earned with respect to the ROIC Share Unit will depend on the extent to which the Company achieves the Average ROIC Target established by the Administrator for the three year period including fiscal years 2007, 2008 and 2009. Depending on the Company’s average ROIC performance, Employee may earn from 0-200% of the number of shares of Stock covered by the ROIC Share Unit. Calculation of the number of shares of Stock earned with respect to an ROIC Share Unit will be made within 30 days following the release of the Company’s fiscal 2009 audited financial statements. The ROIC for each of fiscal years 2007, 2008 and 2009 shall be added together and divided by 3 to determine the average ROIC performance. The average ROIC performance shall be divided by the Average ROIC Target to obtain an ROIC performance percentage. The ROIC performance percentage shall be applied to the following table to yield an ROIC Share Unit Pay Out Multiplier.

Actual ROIC Performance Percentage versus Average ROIC Target	ROIC Share Unit Pay Out Multiplier
0-79%	0
80%	.40
90%	.70
100%	1.00
110%	1.30
120%	1.60
130%+	2.00

[The Pay Out Scale in the above table is linear. From 80% to 120%, each percent improvement is worth .03%. From 120% to 130%, each percent of improvement is worth .04%.]

The ROIC Share Unit Pay Out Multiplier yielded by the table above is applied to the ROIC Share Unit to yield the number of shares of Stock earned with respect to the ROIC Share Unit. Seventy-five percent (75%) of the shares of Stock earned with respect to the ROIC Share Unit will be issued to the undersigned in 2010. In particular, such shares of Stock will be issued no later than five (5) business days after completion of the calculation described above. The remaining 25% of such shares of Stock shall vest and be issued on the final vesting date specified in paragraph 1.7 above, provided that the undersigned is then, and since the date of grant has continuously been, employed by the Company or its subsidiaries.

2.4.2. **Revenue Share Unit.** The shares of Stock earned with respect to the Revenue Share Unit will depend on the Company's relative Revenue Performance ranking during fiscal 2007 as compared to the Peer Companies. Depending on the Company's relative ranking Employee may earn from 0-200% of the number of shares of Stock covered by the Revenue Share Unit as specified in the Relative Ranking Pay Out Table set forth in paragraph 2.4.4 below. Calculation of the number of shares of Stock earned with respect to a Revenue Share Unit will be made within 30 days following the release of the Company's fiscal 2007 audited financial statements. The number of shares of Stock earned will be determined by first applying the relative Revenue Performance ranking to the Relative Ranking Pay Out Table to yield the Revenue Performance Pay Out Multiplier. This Multiplier will then be applied against the number of shares covered by the Revenue Share Unit to arrive at the number of shares of Stock earned with respect to the Revenue Share Unit. Twenty-five percent (25%) of the shares of Stock earned with respect to the Revenue Share Unit will be issued to the undersigned in 2008. In particular, such shares of Stock will be issued no later than five (5) business days after completion of the calculation described above. One third of the remaining 75% of such shares shall vest and be issued on each of the final three vesting dates specified in paragraph 1.7 above, provided that the undersigned is then, and since the date of grant has continuously been, employed by the Company or its subsidiaries.

2.4.3. **EPS Share Unit.** The shares of Stock earned with respect to the EPS Share Unit will depend on the Company's relative EPS Performance ranking during fiscal 2007 as compared to the Peer Companies. Depending on the Company's relative ranking Employee may earn from 0-200% of the number of shares of Stock covered by the EPS Share Unit as specified in the Relative Ranking Pay Out Table set forth in paragraph 2.4.4 below. Calculation of the number of shares of Stock earned with respect to an EPS Share Unit will be made within 30 days following the release of the Company's fiscal 2007 audited financial statements. The number of shares of Stock earned will be determined by first applying the relative EPS Performance ranking to the Relative Ranking Pay Out Table to yield the EPS Performance Pay Out Multiplier. This Multiplier will then be applied against the number of shares covered by the EPS Share Unit to arrive at the number of shares of Stock earned with respect to the EPS Share Unit. Twenty-five percent (25%) of the shares of Stock earned with respect to the EPS Share Unit will be issued to the undersigned in 2008. In particular, such shares of Stock will be issued no later than five (5) business days after completion of the calculation described above. One third of the remaining 75% of such shares shall vest and be issued on each of the final three vesting dates specified in paragraph 1.7 above, provided that the undersigned is then, and since the date of grant has continuously been, employed by the Company or its subsidiaries.

2.4.4. **Relative Ranking Pay Out Table.** The shares of stock earned with respect to the Revenue Share Unit and the EPS Share Unit will depend on the Company's relative ranking with respect to Revenue Performance and EPS Performance against the Peer Companies in accordance with the following table:

Rank	Pay Out Multiplier
1	2.00
2	
3	1.70
4	
5	1.40
6	
7	1.20
8	
9	
10	1.0
11	
12	.80
13	
14	.60
15	
16	0
17	
18	
19	
20	0
21	

The determination as to whether shares of stock have been earned under the ROIC Share Unit, the Revenue Share Unit and the EPS Share Unit shall be calculated separately.

2.5. *Additional Conditions to the Award of Performance Shares*. Employee shall be entitled to receive shares of Stock that have been earned during a fiscal year only if the Employee is in the employ of the Company or any of its subsidiaries on the last day of the fiscal year in question, and otherwise meets the participation requirements specified in the Plan as determined by the Administrator which determination shall be final and binding as to all interested parties.

2.6. *Disability*. Notwithstanding paragraph 1.5 above, in the event of the undersigned's death or "disability" within the meaning of Treas. Regs. § 1.409A-3(i)(4) ("Disability") prior to the end of the performance period applicable to an award of Performance Share Units, a number of shares of Stock shall be issued to the undersigned or his or her designated beneficiary (or to the executor or administrator of the estate of the undersigned if no beneficiary designation is in effect at the time of the undersigned's death) to reflect the performance of the Company prior to the date of death or Disability. The number of shares of Stock so issued shall be determined by (a) dividing the number of days in the relevant performance period prior to the date of death or Disability by the total number of days in the performance period and (b) multiplying the result of (a) by 100% of the number shares of Stock covered by the relevant Performance Share Unit. Such issuance of shares shall be made within 90 days of the date of death or Disability.

2.7. *Basic Adjustments for Changes in Capital Structure*. The Administrator shall make adjustments from time to time in the number of Performance Shares specified in paragraph 2.2 above in such reasonable manner as the Administrator may determine to reflect any increase or decrease in the number of issued shares of Stock of the Company resulting from a subdivision or consolidation of shares or any other capital adjustment, the payment of stock dividends or other increases or decreases in such Stock effected without receipt of consideration by the Company.

2.8. *Discretionary Adjustments to Performance Metrics*. In determining and applying any financial performance metric used to calculate the number of shares earned under this Article II, the Administrator shall disregard the effect on the financial performance metric of:

(i) any material change in the Company's accounting practices or principles, the effect of which would be to distort the calculation of the financial performance metric;

(ii) any Peer Company that makes a material acquisition or disposition (resulting in an increase in revenue of the surviving corporation by >20%), the effect of which would be to distort the calculation of the financial performance metric;

(iii) any Covered Transaction (as defined below in paragraph 3.2); or

(iv) any extraordinary, unusual, and nonrecurring items (such as restructuring charges and discontinued operations) which are disclosed in the Company's published audited financial statements and which would distort the calculation of the financial performance metric.

The foregoing adjustments are intended to operate objectively and in a manner consistent with the continued qualification for the performance-based compensation exception under Section 162(m) of the Internal Revenue Code of 1986, as amended, of any award intended to qualify for that exception. Notwithstanding anything herein to the contrary, no adjustment shall be made under this paragraph 2.8 to an award intended to qualify for such exception, if in the determination of the Administrator such adjustment would cause such award to fail to qualify for such exception.

ARTICLE III – GENERAL PROVISIONS

3.1. *Definitions*. Except as otherwise expressly provided, all terms used herein shall have the same meaning as in the Plan. The term "Administrator" means the Management Development & Compensation Committee of the Company's Board of Directors.

3.2. *Mergers, etc*. In the event of any of **(i)** a consolidation or merger in which the Company is not the surviving corporation or which results in the acquisition of all or substantially all of the Company's then outstanding common stock by a single person or entity or by a group of persons and/or entities acting in concert, **(ii)** a sale or transfer of all or substantially all the Company's assets, or **(iii)** a dissolution or liquidation of the Company (a "Covered Transaction"), all outstanding Awards pursuant to Article I above shall vest immediately prior to the Covered Transaction and all shares of Stock remaining deliverable under each outstanding Award pursuant to Article II above will be accelerated and such shares will be delivered prior to the Covered Transaction on a basis that gives the undersigned a reasonable opportunity, as determined by the Administrator, following delivery of the shares, to participate as a stockholder in the Covered Transaction; provided, that to the extent such acceleration would cause an Award pursuant to Article II to fail to satisfy the requirements of Section 409A of the Internal Revenue Code of 1986, as amended, the Award shall not be accelerated and the Administrator in lieu thereof shall take such steps as are necessary to ensure that payment of the Award is made in a medium other than Stock and on terms that as nearly as possible replicate the prior terms of the Award. In connection with any Covered Transaction in which there is an acquiring or surviving entity, the Administrator may provide for substitute or replacement Awards from, or the assumption of Awards by, the acquiring or surviving entity or its affiliates, any such substitution, replacement or assumption to be on such terms as the Administrator determines, provided that no such replacement or substitution shall diminish in any way the acceleration of Awards provided for in this section.

3.3. *Retirement, etc*. If Employee ceases to be an employee due to: **(1)** retirement at Normal Retirement Age (as defined in the Entegris, Inc. 401(k) Savings and Profit Sharing Plan (2005 Restatement), as amended; or **(2)** retirement on or after age 62 and with ten years of Eligibility Service (also as defined in the Entegris, Inc. 401(k) Savings and Profit Sharing Plan (2005 Restatement), as amended) with the Company, Employee will be entitled to: **(i)** immediate Vesting of all unvested Restricted Stock awarded pursuant to Article I above and of all shares of Stock earned but unvested with respect to Performance Share Units in accordance with Article II above; and **(ii)**. a special award vesting period (the "Special Award Vesting Period") which will begin on Employee's Retirement Date and will end on the earlier of the 3rd anniversary of Employee's Retirement Date or the Award Expiration Date. During the Special Award Vesting Period, all shares of Stock will continue to be earned in accordance with the terms of the Award and shares of Stock will be issued to the same extent that they would have been issued had Employee remained employed by the Company or one of its subsidiaries.

3.4. *No Understandings as to Employment*. The undersigned Employee further expressly acknowledges that nothing in the Plan or any modification thereto, in the Award or in this Agreement shall constitute or be evidence of any understanding, express or implied, on the part of the Company to employ the Employee for any period or with respect to the terms of the undersigned's employment or to give rise to any right to remain in the service of the Company or of any subsidiary or affiliate of the Company, and the undersigned shall remain subject to discharge to the same extent as if the Plan had never been adopted or the Award had never been made.

3.5. *Amendment*. This Agreement may be amended only by an instrument in writing executed and delivered by the Employee and the Company.

____
(Signature of Employee)

Dated: __________, 200__

The foregoing Agreement is hereby accepted:

Entegris, Inc.

By ______________________________
Title ______________________________

Annex I – Peer Companies

Axcelis	AMD	Cabot
Cymer	Infineon	Photronics
Advanced Energy	TSMC	AMAT
MKS	ST Micro	UMC
Varian	Micron	Intel
ASML	Texas Instruments	Chartered
Novellus	ATMI	

Exhibit 21

Subsidiaries of Entegris, Inc.

Name of Subsidiary	Jurisdiction
Entegris Asia LLC	Delaware
Entegris Singapore Pte. Ltd.	Singapore
Entegris Pte. Ltd.	Singapore
Entegris Korea Ltd.	South Korea
Entegris Pacific Ltd.	Delaware
Entegris (Shanghai) Microelectronics Trading Company Ltd.	Peoples Republic of China
Mykrolis (Shanghai) Microelectronics Company Ltd.	Peoples Republic of China
Entegris International Holdings B.V.	The Netherlands
Entegris GmbH (1)	Germany
Entegris (UK) Ltd.	United Kingdom
Entegris Ireland Ltd.	Ireland
Mykrolis Ireland Ltd.	Ireland
Entegris SAS	France
Entegris Israel Ltd.	Israel
Entegris Materials Integrity India Private Limited	India
Entegris Cleaning Process (ECP) SAS	France
Nihon Entegris K.K.	Japan
Entegris Malaysia Sdn. Bhd.	Malaysia
Entegris Netherlands, Inc.	Minnesota
Entegris Precision Technology Corp.(2)	Taiwan

(1) Owned 90% by Entegris International Holdings B.V. and 10% by registrant

(2) Denotes a joint venture company of which registrant owns 50% of the voting equity

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders
Entegris, Inc.:

We consent to incorporation by reference in the registration statements on Form S-3 (No. 333-105962) and on Form S-8 (Nos. 333-127599 and 333-53382) of Entegris, Inc. of our report dated March 3, 2008, with respect to the consolidated balance sheets of Entegris, Inc. and subsidiaries as of December 31, 2007 and December 31, 2006, and the related consolidated statements of operations, shareholders' equity and comprehensive income (loss), and cash flows for the years ended December 31, 2007 and December 31, 2006, the four-month period ended December 31, 2005 and the year ended August 27, 2005, and the effectiveness of internal control over financial reporting as of December 31, 2007, which report appears in the December 31, 2007 annual report on Form 10-K of Entegris, Inc. Our report refers to the adoption of the provisions of Financial Accounting Standards Board Interpretation No. 48 "*Accounting for Uncertainty in Income Taxes an interpretation of FASB Statement No. 109*" as of January 1, 2007.

Our report dated March 3, 2008, on the effectiveness of internal control over financial reporting as of December 31, 2007, expresses our opinion that Entegris, Inc. did not maintain effective internal control over financial reporting as of December 31, 2007 because of the effect of a material weakness on the achievement of the objectives of the control criteria and contains an explanatory paragraph that states: A material weakness related to accounting for income taxes has been identified and included in management's assessment.

/s/ KPMG LLP

Minneapolis, Minnesota
March 3, 2008

Exhibit 24

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned Directors and Officers of **Entegris, Inc.** (the "Corporation"), do hereby constitute and appoint Gideon Argov, Jean-Marc Pandraud, Bertrand Loy, Gregory B. Graves and Peter W. Walcott and each of them individually, their true and lawful attorneys and agents to execute on behalf of the Corporation the Form 10-K Annual Report of the Corporation for the fiscal year ended December 31, 2007, together with all such amendments thereto on Form 10-K/A as well as such additional forms, documents and instruments related thereto which such attorneys and agents may deem to be necessary and desirable to enable the Corporation to comply with the requirements of the Securities Exchange Act of 1934, as amended, and any regulations, orders, or other requirements of the United States Securities and Exchange Commission thereunder in connection with the preparation and filing of said documents, including specifically, but without limitation of the foregoing, power and authority to sign the names of each of such Directors and Officers on his behalf, as such Director or Officer, as indicated below to the said Form 10-K Annual Report or documents filed or to be filed as a part of or in connection with such Form 10-K Annual Report; and each of the undersigned hereby ratifies and confirms all that said attorneys and agents shall do or cause to be done by virtue thereof.

SIGNATURE	TITLE	DATE
Gideon Argov	President, Chief Executive Officer and Director	February , 2008
/S/ JAMES DAUWALTER James Dauwalter	Chairman of the Board and Director	February 23, 2008
/S/ MICHAEL A. BRADLEY Michael A. Bradley	Director	February 25, 2008
/S/ MICHAEL P.C. CARNS Michael P.C. Carns	Director	February 10, 2008
/S/ DANIEL W. CHRISTMAN Daniel W. Christman	Director	February 22, 2008
/S/ GARY F. KLINGL Gary F. Klingl	Director	February 24, 2008
/S/ ROGER D. MCDANIEL Roger D. McDaniel	Director	February 22, 2008
/S/ PAUL L.H. OLSON Paul L.H. Olson	Director	February 22, 2008
/S/ BRIAN F. SULLIVAN Brian F. Sullivan	Director	February 27, 2008

EXHIBIT 31.1

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Gideon Argov, certify that:

1. I have reviewed this Annual Report on Form 10-K of Entegris, Inc.;
2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects, the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant’s internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) that occurred during the registrant’s most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting.
5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of registrant’s board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: February 29, 2008

/s/ Gideon Argov
Gideon Argov
Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Greg Graves, certify that:

1. I have reviewed this Annual Report on Form 10-K of Entegris, Inc.;

2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects, the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 29, 2008

/s/ Greg Graves

Greg Graves
Chief Financial Officer
(Principal Financial and Accounting Officer)

EXHIBIT 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report on Form 10-K (the “Report”) of Entegris, Inc, a Delaware corporation (the “Company”), for the fiscal year ended December 31, 2007 as filed with the Securities and Exchange Commission on the date hereof, I, Gideon Argov, President and Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 29, 2008

/s/ Gideon Argov
Gideon Argov
Chief Executive Officer

EXHIBIT 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report on Form 10-K (the "Report") of Entegris, Inc, a Delaware corporation (the "Company"), for the fiscal year ended December 31, 2007 as filed with the Securities and Exchange Commission on the date hereof, I, Greg Graves, Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 29, 2008

/s/ Greg Graves
Greg Graves
Chief Financial Officer