

UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR  
15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For Quarter Ended May 31, 2003 Commission File Number 000-30789  
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ENTEGRIS, INC.  
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(Exact name of registrant as specified in charter)

Minnesota	41-1941551
-----	-----
(State or other jurisdiction of incorporation)	(IRS Employer ID No.)

3500 Lyman Boulevard, Chaska, Minnesota 55318  
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(Address of Principal Executive Offices)

Registrant's Telephone Number (952) 556-3131  
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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 ☐  
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Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). YES ☒ NO ☐  
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APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the close of the latest practicable date.

Class	Outstanding at June 30, 2003
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Common Stock, \$0.01 Par Value	72,037,915

ENTEGRIS, INC., INC. AND SUBSIDIARIES  
FORM 10-Q  
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Item 1. Financial Statements

ENTEGRIS, INC. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
(Dollars in thousands)  
(Unaudited)

	May 31, 2003	August 31, 2002
	-----	-----
ASSETS		
Current assets		
Cash and cash equivalents	\$ 76,196	\$ 74,830
Short-term investments	23,279	44,624
Trade accounts receivable, net of allowance for doubtful accounts	48,229	35,371
Trade accounts receivable due from affiliates	2,964	4,219
Inventories	45,026	38,859
Deferred tax assets and refundable income taxes	12,646	16,039
Other current assets	2,986	2,793
	-----	-----
Total current assets	211,326	216,735
	-----	-----
Property, plant and equipment, net	98,799	102,104
Other assets		
Investments	8,673	7,883
Intangible assets, net of amortization	32,462	30,295
Goodwill	63,805	31,309
Other	2,151	1,934
	-----	-----
Total assets	\$ 417,216	\$ 390,260
	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Current maturities of long-term debt	\$ 2,021	\$ 2,144
Short-term borrowings	23,227	9,421
Accounts payable	10,089	7,977
Accrued liabilities	24,218	20,079
Income taxes payable	3,176	-
	-----	-----
Total current liabilities	62,731	39,621
	-----	-----
Long-term debt, less current maturities	10,974	12,691
Deferred tax liabilities	16,327	15,802
Minority interest in subsidiaries	-	32
Commitments and contingencies		
Shareholders' equity		
Common stock, \$0.01 par value; 200,000,000 authorized; issued and outstanding shares: 71,890,578 and 71,160,539, respectively	719	712
Additional paid-in capital	135,447	132,676
Retained earnings	189,895	190,932
Accumulated other comprehensive income (loss)	1,123	(2,206)
	-----	-----
Total shareholders' equity	327,184	322,114
	-----	-----
Total liabilities and shareholders' equity	\$ 417,216	\$ 390,260
	=====	=====

See accompanying notes to consolidated financial statements.

ENTEGRIS, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF OPERATIONS  
(Dollars in thousands, except per share data)  
(Unaudited)

	Three Months Ended		Nine Months Ended	
	May 31, 2003	June 1, 2002	May 31, 2003	June 1, 2002
Sales to non-affiliates	\$ 65,642	\$ 50,470	\$ 163,681	\$ 136,485
Sales to affiliates	4,354	9,239	14,167	19,778
Net sales	69,996	59,709	177,848	156,263
Cost of sales	39,524	31,582	102,943	96,003
Gross profit	30,472	28,127	74,905	60,260
Selling, general and administrative expenses	20,264	19,299	59,019	54,495
Nonrecurring charges (reversals)	-	(1,640)	1,812	2,361
Engineering, research and development expenses	4,683	4,228	12,989	12,744
Operating income (loss)	5,525	6,240	1,085	(9,340)
Interest income, net	(25)	(239)	(345)	(1,055)
Other expense (income), net	349	268	5,144	(1,471)
Income (loss) before income taxes and other items below	5,201	6,211	(3,714)	(6,814)
Income tax expense (benefit)	1,234	998	(2,808)	(3,951)
Equity in net loss of affiliate	10	-	132	-
Minority interest in subsidiaries' net loss	-	(13)	-	(787)
Net income (loss)	\$ 3,957	\$ 5,226	\$ (1,038)	\$ (2,076)
Earnings (loss) per common share:				
Basic	\$ 0.06	\$ 0.07	\$ (0.01)	\$ (0.03)
Diluted	\$ 0.05	\$ 0.07	\$ (0.01)	\$ (0.03)
Weighted shares outstanding:				
Basic	71,762	70,646	71,440	70,121
Diluted	75,640	75,590	71,440	70,121

ENTEGRIS, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
(Dollars in thousands)  
(Unaudited)

	Nine months ended	
	May 31, 2003	June 1, 2002
<hr/>		
OPERATING ACTIVITIES		
Net loss	\$ (1,038)	\$ (2,076)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	20,408	20,795
Impairment of property and equipment	572	1,960
Impairment of investment in Metron Technology N.V.	4,452	-
Provision for doubtful accounts	70	84
Provision for deferred income taxes	(2,262)	137
Equity in net loss of affiliates	132	-
Loss on sale of property and equipment	52	601
Minority interest in subsidiaries' net loss	-	(787)
Changes in operating assets and liabilities, net of effect of acquisitions:		
Trade accounts receivable	(11,604)	1,383
Trade accounts receivable due from affiliates	1,255	2,383
Inventories	(2,353)	7,990
Accounts payable and accrued liabilities	4,154	(18,383)
Other current assets	(182)	2,457
Accrued income taxes and refundable income taxes	7,730	(745)
Other	188	(651)
	<hr/>	<hr/>
Net cash provided by operating activities	21,574	15,148
	<hr/>	<hr/>
INVESTING ACTIVITIES		
Acquisition of property and equipment	(9,359)	(17,002)
Acquisition of businesses, net of cash acquired	(44,299)	(6,883)
Purchases of intangible assets	(981)	(514)
Proceeds from sales of property and equipment	36	1,427
Purchases of short-term investments	(22,809)	(63,216)
Maturities of short-term investments	44,154	62,760
Other	(1,571)	(451)
	<hr/>	<hr/>
Net cash used in investing activities	(34,829)	(23,879)
	<hr/>	<hr/>
FINANCING ACTIVITIES		
Principal payments on short-term borrowings and long-term debt	(3,581)	(4,719)
Proceeds from short-term borrowings and long-term debt	15,315	5,055
Issuance of common stock	2,778	4,546
	<hr/>	<hr/>
Net cash provided by financing activities	14,512	4,882
	<hr/>	<hr/>
Effect of exchange rate changes on cash and cash equivalents	109	(164)
	<hr/>	<hr/>
Increase (decrease) in cash and cash equivalents	1,366	(4,013)
Cash and cash equivalents at beginning of period	74,830	74,451
	<hr/>	<hr/>
Cash and cash equivalents at end of period	\$ 76,196	\$ 70,438
	=====	=====

See accompanying notes to consolidated financial statements.

ENTEGRIS, INC. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(Dollars in thousands)

1. Summary of Significant Accounting Policies

In the opinion of the Company, the accompanying unaudited consolidated financial statements contain all adjustments necessary to present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position as of May 31, 2003 and August 31, 2002, the results of operations for the three months and nine months ended May 31, 2003 and June 1, 2002 and cash flows for the nine months ended May 31, 2003 and June 1, 2002. Certain prior year amounts have been reclassified to conform to the current period presentation.

The financial statements and notes are presented as permitted by Form 10-Q and do not contain certain information included in the Company's annual consolidated financial statements and notes. The information included in this Form 10-Q should be read in conjunction with Management's Discussion and Analysis and financial statements and notes thereto included in the Company's Form 10-K for the year ended August 31, 2002. The results of operations for the three months and nine months ended May 31, 2003 are not necessarily indicative of the results to be expected for the full year.

The Company's fiscal year is a 52- or 53-week period ending on the last Saturday of August. The fiscal year ending August 30, 2003 comprises 52 weeks. In fiscal 2003, the Company's interim quarters end on November 30, 2002, March 1, 2003 and May 31, 2003. The previous fiscal year ended on August 31, 2002 and comprised 53 weeks. Fiscal years are identified in this report according to the calendar year in which they end. For example, the fiscal year ended August 30, 2003 is referred to as "fiscal 2003".

**Stock-Based Compensation** The Company has two stock-based employee compensation plans. The Company accounts for these plans under the recognition and measurement principles of APB Opinion No. 25, Accounting for Stock Issued to Employees, and related interpretations. The exercise price of the Company's employee stock options generally equals the market price of the underlying stock on the date of grant for all options granted, and thus, under APB 25, no compensation expense is recognized.

The following table illustrates the effect on net income and earnings per share if the Company had applied the fair value recognition provisions of FASB Statement No. 123, Accounting for Stock-Based Compensation, to stock-based employee compensation.

	Three Months Ended		Nine Months Ended	
	May 31, 2003	June 1, 2002	May 31, 2003	June 1, 2002
Net income (loss), as reported	\$ 3,957	\$ 5,226	\$ (1,038)	\$ (2,076)
Stock compensation expense - fair value based method	(1,672)	(1,357)	(4,826)	(3,764)
Pro forma net income (loss)	\$ 2,285	\$ 3,869	\$ (5,864)	\$ (5,840)
Basic net earnings (loss) per share, as reported	\$ 0.06	\$ 0.07	\$ (0.01)	\$ (0.03)
Pro forma basic net earnings (loss) per share	\$ 0.03	\$ 0.05	\$ (0.08)	\$ (0.08)
Diluted net earnings (loss) per share, as reported	\$ 0.05	\$ 0.07	\$ (0.01)	\$ (0.03)
Pro forma diluted net earnings (loss) per share	\$ 0.03	\$ 0.05	\$ (0.08)	\$ (0.08)

For employee stock options granted during the first nine months of fiscal 2003, the Company determined pro forma compensation expense under the provisions of SFAS No. 123 using the Black-Scholes pricing model and the following assumptions: 1) an expected dividend yield of -0%, 2) an expected stock price volatility of 77%, 3) a risk-free interest rate of 3.75% and 4) an expected

**Revenue Recognition** The Company sells its products throughout the world primarily to companies in the microelectronics industry. The Company's practice is to recognize revenue and the related cost of sales upon shipment of materials integrity products. For certain precision cleaning equipment sales, which constituted less than 3% of sales, with installation and customer acceptance provisions, revenue

is recognized upon fulfillment of such provisions.

life of 8 years. The weighted average fair value of options granted during the first nine months of fiscal 2003 with all exercise prices equal to the market price at the date of grant was \$4.95.

## 2. Earnings (loss) per share

The following table presents a reconciliation of the denominators used in the computation of basic and diluted earnings (loss) per share.

	Three Months Ended		Nine Months Ended	
	May 31, 2003	June 1, 2002	May 31, 2003	June 1, 2002
Basic weighted common shares outstanding	71,762,000	70,646,000	71,440,000	70,121,000
Weighted common shares assumed upon exercise of stock options	3,878,000	4,944,000	-	-
Diluted weighted common shares and common shares equivalent outstanding	75,640,000	75,590,000	71,440,000	70,121,000

The effect of the inclusion of stock options for the nine-month periods ended May 31, 2003 and June 1, 2002 is anti-dilutive.

## 3. Inventories

Inventories consist of the following (in thousands):

	May 31, 2003	August 31, 2002
Raw materials	\$10,184	\$13,015
Work-in process	2,600	2,163
Finished goods	31,660	23,216
Supplies	582	465
Total inventories	\$45,026	\$38,859

## 4. Comprehensive Income (Loss)

For the three months and nine months ended May 31, 2003 and June 1, 2002 net income (loss), items of other comprehensive income (loss) and comprehensive income (loss) are as follows (in thousands):

	Three months ended		Nine months ended	
	May 31, 2003	June 1, 2002	May 31, 2003	June 1, 2002
Net income (loss)	\$ 3,957	\$ 5,226	\$(1,038)	\$(2,076)
Items of other comprehensive income (loss)				
Foreign currency translation gain (loss)	551	833	1,201	(628)
Net change in unrealized gain (loss) on marketable securities	1,102	(27)	215	1,762
Reclassification adjustment for impairment loss on marketable securities included in earnings	-	-	1,913	-
Comprehensive income (loss)	\$ 5,610	\$ 6,032	\$ 2,291	\$ (942)



5. Nonrecurring Charge

During the first quarter of fiscal 2003, the Company recorded a pre-tax charge of \$1.8 million related to the relocation of its Upland, California operations and certain workforce reductions. The charge included \$0.9 million in termination costs related to a workforce reduction of approximately 75 employees, \$0.4 million for estimated losses for asset impairment and \$0.5 million for future lease commitments on the Upland facility. As expected, the Company closed the Upland plant in the second quarter, with the majority of the facility's equipment sold, disposed of, or moved to Chaska, Minnesota by the end of February 2003. As of May 31, 2003, future cash outlays of \$0.7 million remained outstanding in connection with the aforementioned charge, and are primarily related to severance payments of \$0.3 million, which run through May 2004, and lease commitments of \$0.4 million, which run through July 2005.

6. Impairment of Investment in Metron Technology N.V.

The Company's Results of Operations for the nine months ended May 31, 2003 include other expense of \$5.1 million. In the first quarter of fiscal 2003, the Company recorded an impairment loss of \$4.5 million, or \$3.3 million after tax, related to the write-down of the Company's equity investment in Metron Technology N.V. common stock. The Company, a founding shareholder of Metron, owns about 1.6 million shares of Metron common stock. Prior to the impairment charge, the Company's investment in Metron Technology N.V. common stock had a carrying value of \$7.6 million. At November 30, 2002, the fair value of the investment was \$3.1 million, based on a price of \$2.00 per share, the closing price of Metron at the end of the first quarter. The decline in fair value was determined to be other-than-temporary at that time. Accordingly, an impairment loss of \$4.5 million was recorded in the first quarter of fiscal 2003 and the investment in Metron common stock written down to a new carrying value of \$3.1 million. At May 31, 2003, the Company's investment in Metron Technology N.V. common stock had a fair value of \$3.8 million.

7. Recently Issued Accounting Pronouncements

In November 2002, the FASB issued FASB Interpretation No. 45 ("FIN 45"), Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others. FIN 45 requires that a liability be recorded in the guarantor's balance sheet upon issuance of a guarantee. In addition, FIN 45 requires disclosures about the guarantees that an entity has issued, including a rollforward of the Company's product warranty liabilities. The Company will apply the recognition provisions of FIN 45 prospectively to guarantees issued after December 31, 2002. The Company adopted the disclosure requirements of FIN 45 beginning in the second quarter of the Company's fiscal year 2003.

In December 2002, the FASB issued SFAS No. 148, "Accounting for Stock-Based Compensation, transition and Disclosure." SFAS No. 148 provides alternative methods of transition for a voluntary change to the fair value based method of accounting for stock-based employee compensation. SFAS No. 148 also requires that disclosures of the pro forma effect of using the fair value method of accounting for stock-based employee compensation be displayed more prominently and in a tabular format. Additionally, SFAS No. 148 requires disclosure of the pro forma effect in interim financial statements. The transition and annual disclosure requirements of SFAS No. 148 are effective for the Company's fiscal 2003. The interim disclosure requirements were adopted for the Company's third quarter of fiscal 2003.

## 8. Warranty Guarantees

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 nine-month periods ended May 31, 2003 and June 1, 2002 (in thousands):

	Nine Months Ended	
	May 31, 2003	June 1, 2002
Balance at beginning of fiscal year	\$700	\$1,314
Accrual for warranties issued during the period	644	455
Settlements during the period	(611)	(769)
Balance at end of period	\$733	\$1,000

## 9. Acquisitions

During the second quarter of fiscal 2003, Entegris completed two cash acquisitions totaling \$44.3 million. In January 2003, the Company acquired substantially all of the assets of Electrol Specialties Company (ESC) in a cash transaction. ESC, an Illinois-based company, provides stainless steel system designed and fabricated Clean-In-Place (CIP) technology to customers in the biopharmaceutical industry. Intangible assets of approximately \$2.4 million were recorded in connection with the transaction. Entegris retained ESC's existing management team and employees, and continues to manufacture CIP products at ESC's leased facility in Illinois.

In February 2003, Entegris acquired the wafer and reticle carrier (WRC) product lines of Asyst Technologies, Inc., a California-based provider of integrated automation systems that maximize semiconductor manufacturing productivity. Under terms of the purchase agreement, Entegris paid \$38.75 million for all assets associated with Asyst's WRC product lines and intellectual property. Entegris hired key Asyst employees involved with these product lines. Intangible assets of approximately \$34.1 million were recorded in connection with the transaction. Entegris completed the move of the production of the purchased WRC product line to its Chaska, Minnesota facilities in the third quarter of fiscal 2003. The Company is in the process of completing its analysis of a recently completed third-party valuation of the tangible and intangible assets acquired in the WRC product line acquisition. Related thereto, during the quarter ended May 31, 2003, the Company adjusted its preliminary purchase allocation to reflect the third-party valuation of the tangible and intangible assets. Identifiable intangible assets and goodwill totaled \$34.1 million, or \$0.3 million over the amount originally estimated.

Each of the above transactions was accounted for by the purchase method. Accordingly, the Company's consolidated financial statements include the net assets and results of operations from the dates of acquisition.

The following table provides Company results as if the acquisitions occurred at the beginning of fiscal 2003.

(In thousands, except per share data)	Three months ended May 31, 2003		Nine months ended May 31, 2003	
	As reported	Pro forma	As reported	Pro forma
Net sales	\$69,996	\$69,996	\$177,848	\$ 194,948
Net income	3,957	3,957	(1,038)	1,017
Basic earnings (loss) per share	0.06	0.06	(0.01)	0.01
Diluted earnings (loss) per share	0.05	0.05	(0.01)	0.01

## 10. Intangible Assets and Goodwill

As of May 31, 2003, goodwill amounted to \$63.8 million, which included fiscal 2003 changes of \$32.3 million addition associated with the purchase price allocation of the wafer and reticle product lines of Asyst Technologies, and a \$0.2 million addition related to prior year acquisitions. Other intangible assets, which include patents and other identifiable intangible assets, net of amortization, of \$32.5 million as of May 31, 2003, are being amortized over useful lives ranging from 3 to 17 years and are as follows (in thousands):

	As of May 31, 2003	
Amortized intangible assets:	Gross carrying amount	Accumulated amortization
Patents	\$18,301	\$4,904
Unpatented technology	9,844	1,941
Employment and noncompete agreements	5,837	1,401
Other	7,965	1,239
	\$41,947	\$9,485

Aggregate amortization expense for the third quarter and first nine months of fiscal 2003 amounted to \$1.2 million and \$3.3 million, respectively. Estimated amortization expense for the fiscal years 2003 to 2007 is \$4.6 million, \$5.1 million, \$4.8 million, \$4.6 million and \$4.3 million, respectively.

## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

### Overview

Entegris, Inc. is a leading provider of materials integrity management products and services that protect and transport the critical materials used in key technology-driven industries. Entegris primarily derives its revenue from the sale of products to the semiconductor and data storage industries. Cost of sales includes polymers and purchased components, manufacturing personnel, supplies and fixed costs related to depreciation and operation of facilities and equipment. 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 and Europe.

The Company's fiscal year is a 52- or 53-week period ending on the last Saturday of August. The current fiscal year will end on August 30, 2003 and includes 52 weeks. The previous fiscal year ended on August 31, 2002 and comprised 53 weeks. Fiscal years are identified in this report according to the calendar year in which they end. For example, the fiscal year ended August 30, 2003 is referred to as "fiscal 2003".

### 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 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 and income taxes. 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 significantly by estimates, assumptions and judgments used in the preparation of the Company's consolidated financial statements are discussed below.

**Allowance for Doubtful Accounts and Other Accounts Receivable-Related Valuation Accounts** The Company maintains an allowance for doubtful accounts as well as reserves for sales returns and allowances, and warranty claims. 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 we 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 analyzes the age of receivable balances, historical bad debts write-off experience, industry and geographic concentrations of customers, general customer creditworthiness and current economic trends when determining its allowance for doubtful accounts. At May 31, 2003, the Company's allowance for doubtful accounts was \$2.0 million, up \$0.2 million from \$1.8 million at August 31, 2002.

A reserve for sales returns and allowances is established based on historical trends and current trends in product returns. The Company's reserve for sales returns and allowances was \$1.0 million at May 31, 2003 compared to \$1.2 million at August 31, 2002.

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. Claims could be materially different from actual results for a variety of reasons, including a change in the Company's warranty policy in response to industry trends, competition or other external forces, manufacturing changes that could impact product quality, or as yet unrecognized defects in products sold. The Company's accrual for estimated future warranty costs was \$0.7 million at May 31, 2003, unchanged from \$0.7 million at August 31, 2002.

**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 loss trends, expected product lives, sales levels by product and projections of future sales demand. Inventories that are considered obsolete are written off. In addition, reserves are established for inventory quantities in excess of forecasted demand. Inventory reserves were \$5.4 million at May 31, 2003, down from \$5.8 million at August 31, 2002.

The Company's inventories comprise materials and products subject to technological obsolescence and which are sold in a highly competitive industry. If future demand or market conditions are less favorable than current analyses, additional inventory write-downs or reserves 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 discounted 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 asset are less than the asset's carrying value. The fair value of the asset then becomes the asset's new carrying value, which we depreciate over the remaining estimated useful life of the asset.

The Company assesses the impairment of intangible assets and related goodwill at least annually, or whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors considered important which could 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.

The Company's marketable equity securities are periodically reviewed to determine if declines in fair value below cost basis are other-than-temporary, requiring an impairment loss to be recorded and the investment written down to a new cost basis. At May 31, 2003, the Company's investment in Metron Technology N.V. common stock had a carrying value of \$3.1 million with a fair value of \$3.8 million.

**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 that are reviewed for recoverability and valued accordingly. Management evaluates the realizability of the deferred tax assets 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 the Company would not be able to realize all or part of its deferred tax assets. At May 31, 2003, the Company carried a valuation allowance of \$1.1 million against its net deferred tax assets with respect to certain foreign net operating loss carryforwards. In the event it was determined that the Company would not be able to realize all or part of its remaining net deferred tax assets in the future, an adjustment to increase the deferred tax asset valuation allowance would be charged to income in the period such determination would be made.

Three and Nine Months Ended May 31, 2003 Compared to Three and Nine Months Ended June 1, 2002

The following table compares quarterly results with year-ago results, as a percent of sales, for each caption.

	Three Months Ended		Nine Months Ended	
	May 31, 2003	June 1, 2002	May 31, 2003	June 1, 2002
Net sales	100.0%	100.0%	100.0%	100.0%
Cost of sales	56.5	52.9	57.9	61.4
Gross profit	43.5	47.1	42.1	38.6
Selling, general and administrative expenses	29.0	32.3	33.2	34.9
Nonrecurring charges (reversals)	-	(2.7)	1.0	1.5
Engineering, research and development expenses	6.7	7.1	7.3	8.2
Operating income (loss)	7.9	10.5	0.6	(6.0)
Interest income, net	-	(0.4)	(0.2)	(0.7)
Other expense (income), net	0.5	0.4	2.9	(0.9)
Income (loss) before income taxes and other items below	7.4	10.4	(2.1)	(4.4)
Income tax expense (benefit)	1.8	1.7	(1.6)	(2.5)
Equity in net loss of affiliate	-	-	0.1	-
Minority interest in subsidiaries' net loss	-	-	-	(0.5)
Net income (loss)	5.7%	8.8%	(0.6)%	(1.3)%
Effective tax rate	23.7%	16.1%	(75.6)%	(58.0)%

Net sales Net sales increased 17% to \$70.0 million in the third quarter of fiscal 2003, compared to \$59.7 million in the third quarter of fiscal 2002. For the third quarter, the Company estimates that about 60% of total sales was for unit-driven products and 40% for products associated with capital spending, a similar breakdown to the fiscal year's first two quarters. Sequentially, third quarter sales were 29% higher than sales of \$54.1 million reported for the second quarter of fiscal 2003. About 40% of the increase related to sales from the wafer and reticle carrier product line acquired in the second quarter. Net sales for the first nine months of fiscal 2003 were \$177.8 million, up 14% from \$156.3 million in the comparable year-ago period.

The semiconductor market generated about 76% of the Company's overall sales for the quarter, with sales up about 7% over the prior year. Sequentially, net sales for semiconductor market products increased 30% from the previous quarter. As anticipated, the Company had increased sales from the wafer and reticle carrier product line, which was acquired in the second quarter. This factor accounted for about one-half of the sequential increase in semiconductor market sales. However sales for the Company's entire microenvironment product offering, which includes 300mm FOUPs, increased. Sales for wafer shippers also were up significantly from last quarter, particularly in Japan where many customers held orders last quarter while Entegris completed the transition to direct sales in Japan. In addition, the Company began to ship its new Wafershield<sup>TM</sup> wafer shippers in volume. Sales for fluid handling products were about flat with from the previous quarter.

The Company's data storage products accounted for about 13% of net sales, up 48% from the third quarter a year ago. Sequentially, data storage product sales were 20% higher than in the second quarter. These sales levels have not been achieved since the second quarter of fiscal 2001.

The Company believes that most of the form-factor and process changes in the industry that resulted in increased sales have played out. Therefore, the Company would expect sales levels for data storage products to return to a more normalized level in the fourth quarter.

Third quarter service business revenue, which accounted for about 8% of Entegris' overall sales rose 47% compared to the year-ago quarter and 44% compared to the second quarter. This increase is primarily due to sales of equipment used to clean wafer and disk carrier's, and shipping products. In addition, on- and off-site service sales also improved.

About 3 percent of overall sales for the quarter were generated in the life science market. Sales increased by 40 percent from the second quarter primarily due to the inclusion of the clean-in-place acquisition for the entire quarter.

On a geographic basis, Entegris' total sales in North America were 40%, in Asia Pacific 28%, in Europe 18% and in Japan 14%. Year-over-year third quarter sales comparisons saw solid sales gains in Europe, Japan and Asia Pacific offset partly by slightly lower sales in North America. Sequentially, third quarter sales improved in all regions, particularly in Europe, which recorded strong sales of microenvironment products.

Overall, semiconductor industry conditions remain difficult. There also continues to be considerable risks related to geopolitical conditions and the world economy. Accordingly, the Company's projection for next quarter is subject to uncertainty. The Company estimates that sales for its fourth quarter will be similar to third quarter levels.

Gross profit Gross profit in the third quarter of fiscal 2003 improved 8% to \$30.5 million, compared to \$28.1 million reported in the third quarter of fiscal 2002. For the first nine months of fiscal 2003, gross profit was \$74.9 million, up 24% from \$60.3 million recorded in the first nine months of fiscal 2002. As a percentage of net sales, gross margins for the third quarter and first nine months of the fiscal year were 43.5% and 42.1%, respectively, compared to 47.1% and 38.6%, respectively, in the comparable periods a year ago.

Year-over-year gross margin and gross profit gains were reported by both domestic and international operations. The improvements in fiscal 2003 figures were primarily the result of the increased sales levels noted above, which resulted in higher production levels. In addition, the Company benefited from cost reduction and manufacturing efficiency actions associated with facility consolidations initiated over the past two years. The Company also invested in automation and the creation of manufacturing centers focused on the production of products with similar requirements in order to maximize the utilization of the Company's facilities.

With the strong increase in sales from quarter to quarter, the Company typically would have expected a higher gross margin for the quarter. However, the quarter included transition costs of approximately \$0.7 million related to the integration of the wafer and reticle carrier product line acquisition. Also negatively influencing margins were the stronger sales in services and life sciences, two of the Company's new markets. While products and concepts are in the development stage, the Company anticipates margins for such products and services to be below those of the semiconductor and data storage market. Gross margins for the company may therefore be somewhat more volatile, depending on sales mix, as the markets for new products and services develop.

As discussed above, management anticipates fourth quarter sales levels to remain similar with those reported in the third quarter. With the absence of most of the transition costs recorded in the third quarter related to integrations, the Company expects gross margins to improve slightly next quarter.

Selling, general and administrative expenses Selling, general and administrative (SG&A) expenses increased 5% to \$20.3 million in the third quarter of fiscal 2003 from \$19.3 in the third quarter of fiscal 2002. SG&A expenses for the third quarter were up 2% from the second quarter of fiscal 2003. On a year-to-year basis, SG&A expenses rose by 8% to \$59.0 million compared to \$54.5 million a year earlier. On a year-to-date basis, SG&A costs, as a percent of net sales, decreased to 33.2% from 34.9% a year ago. This decline reflects the higher SG&A costs being more than offset by the Company's increase in net sales.

The year-to-year increase in SG&A expenses is primarily due to the higher sales commissions and incentive compensation accruals. In addition, fiscal 2003's second and third quarters include amortization and other additional costs associated with the Company's two recent acquisitions, and the transition to a direct sales model in Japan for certain products previously sold under a distribution relationship.

Looking forward, the Company expects that SG&A expenses will generally increase as sales and profitability improve, and higher sales commissions, profit sharing and charitable donation accruals are recorded.

Nonrecurring charges (reversals) The Company recorded no nonrecurring charges in the third quarter of fiscal 2003, compared to a \$1.6 million pre-tax benefit in the third quarter of fiscal 2002 associated with the reversal of earlier accruals related to the plant closures of some of our facilities. Approximately \$1.0 million of the reversal was associated with the favorable settlement of future lease commitments, which the Company had previously accrued in full.

During the first quarter of fiscal 2003, the Company recorded a pre-tax charge of \$1.8 million related to the relocation of its Upland, California operations and certain workforce reductions. The charge included \$0.9 million in termination costs related to a workforce reduction of approximately 75 employees, \$0.4 million for estimated losses for asset impairment and \$0.5 million for future lease commitments on the Upland facility. As expected, the Company closed the Upland plant in the second quarter, with the majority of the facility's equipment sold, disposed of, or moved to Chaska, Minnesota by the end of February 2003. As of May 31, 2003, future cash outlays of \$0.7 million remained outstanding in connection with the aforementioned charge, and are primarily related to severance payments of \$0.3 million, which run through May 2004, and lease commitments of \$0.4 million, which run through July 2005.

In the first quarter of 2002, the Company's results included a nonrecurring charge of \$4.0 million in connection with the closures of the Company's Chanhassen, Minnesota and one of its Chaska, Minnesota plants. The charge included \$1.5 million in termination costs related to a workforce reduction of 230 employees and \$2.3 million for estimated losses for asset impairment. As of May 31, 2003, future cash outlays of \$0.1 million remained outstanding in connection with the aforementioned charge.

Engineering, research and development expenses (ER&D) ER&D expenses increased 11% to \$4.7 million, or 6.7% of net sales, in the third quarter of fiscal 2003 as compared to \$4.2 million, or 7.1% of net sales, for the same period in fiscal 2002. ER&D expenses rose 2% to \$13.0 million, or 7.3% of net sales, in the first nine months of fiscal 2003 as compared to \$12.7 million, or 8.2% of net sales, a year-ago period, mainly reflecting higher net sales. The Company's ER&D activities continue to focus on the support of current product lines, and the development of new products and manufacturing technologies. Also, the Company's ER&D expenses will increase by approximately \$0.6 million over the last half of the year due to the addition of employees hired in connection with the Company's second-quarter acquisition of Asyst Technologies, Inc.'s WRC product lines.

Interest income, net Net interest income was \$25,000 in the third quarter of fiscal 2003 compared to \$0.2 million in the third quarter of fiscal 2002. Net interest income was \$0.3 million in the first nine months of fiscal 2003 compared to \$1.1 million for the same period in fiscal 2002. The changes mainly reflect the significantly lower rates of interest currently available on the Company's investments in short-term debt securities compared to the year-ago period.

Other expense (income), net Other expense was \$0.3 million in the third quarter of fiscal 2003, essentially unchanged from the year-ago quarter. Other expense was \$5.1 million in the first nine months of fiscal 2003 compared to other income of \$1.5 million in the comparable period a year ago.



Other expense in the first quarter of fiscal 2003 included an impairment loss of \$4.5 million, or \$3.3 million after tax, related to the write-down of the Company's equity investment in Metron Technology N.V. common stock. The Company, a founding shareholder of Metron, owns about 1.6 million shares of Metron common stock. Prior to the impairment charge, the Company's investment in Metron Technology N.V. common stock had a carrying value of \$7.6 million. At November 30, 2002, the fair value of the investment was \$3.1 million, based on a price of \$2.00 per share, the closing price of Metron at the end of the first quarter. The decline in fair value was determined to be other-than-temporary. Accordingly, an impairment loss of \$4.5 million was recorded and the investment in Metron common stock written down to a new carrying value of \$3.1 million. At May 31, 2003, the Company's investment in Metron Technology N.V. common stock had a fair value of \$3.8 million.

Other income for the first nine months of fiscal 2002 included \$1.3 million of foreign currency gains, with about \$0.7 million associated with the realization of translation gains from the Company's liquidated Korean entity.

**Income tax expense (benefit)** The Company recorded income tax expense of \$1.2 million for the third quarter of fiscal 2003 compared to income tax expense of \$1.0 million in the third quarter a year ago. For the first nine months of fiscal 2003, the Company booked an income tax benefit of \$2.8 million compared to an income tax benefit of \$4.0 million in the first nine months of fiscal 2002.

The effective year-to-date tax rate was (75.6%) in fiscal 2003, compared to (58.0%) for the first nine months of fiscal 2002. The difference between (75.6%) and the U.S. statutory tax rate of 35% is primarily due to lower taxes on foreign operations, the tax effect from the impairment loss recorded on the Company's investment in Metron stock, a tax benefit associated with export activities, and a tax credit associated with R&D activities. Tax calculations at fairly low profitability levels are complex and sensitive to estimates of annual levels of profitability. Therefore, it is possible that there will be volatility in the Company's effective tax rate during the remainder of the fiscal year.

**Equity in net loss of affiliates** The Company's equity in the net loss of affiliates was \$10,000 and \$0.1 million, respectively, in the third quarter and first nine months of fiscal 2003 and represents the Company's share of losses in entities accounted for under the equity method of accounting. No equity in the net earnings of affiliates was recorded in fiscal 2002 as the Company did not have entities under the equity method of accounting during that period.

**Minority interest** The Company recorded no minority interest for the three-month and nine-month periods ended May 31, 2003 as all of its consolidated subsidiaries are presently 100%-owned. For the third quarter and first nine months of fiscal 2002, the minority interest in subsidiaries' net loss was \$13,000 and \$0.8 million, respectively, reflecting net operating losses of the Company's formerly 51%-owned Japanese subsidiaries, which became 100%-owned in February 2002.

**Net income (loss)** The Company recorded net income of \$4.0 million, or \$0.05 per diluted share, in the third quarter of fiscal 2003, compared to net income of \$5.2 million, or \$0.07 per diluted share, in the year-ago period. For the first nine months of fiscal 2003, the Company recorded a net loss of \$1.0 million, or \$0.01 per diluted share, compared to a net loss of \$2.1 million, or \$0.03 per diluted share, in the comparable period a year earlier.

## Liquidity and Capital Resources

**Operating activities** Cash flow provided by operating activities totaled \$21.6 million in the first nine months of fiscal 2003, with \$4.3 million generated in the third quarter. The Company's year-to-date net loss of \$1.0 million was more than offset by noncash charges, including depreciation and amortization of \$20.4 million and the impairment loss of \$4.5 million on the Company's investment in Metron Technology. In addition, the Company's operating cash flows benefited from the collection of refundable income taxes of \$7.7 million and an increase in payables and accrued liabilities of \$4.2 million. Partially offsetting these items providing operating cash flow were increases in accounts receivable of \$10.3 million, mainly reflecting higher third quarter sales, and in inventory of \$2.4 million, which relates to the third quarter build-up of inventory in Japan as the Company transitioned to a direct sales model for products previously sold under a distribution relationship. Other changes to working capital accounts were relatively minor for the Company. Working capital at May 31, 2003 stood at \$148.6 million, including \$99.5 million in cash, cash equivalents and short-term investments.

**Investing activities.** Cash flow used in investing activities totaled \$34.8 million in the first nine months of fiscal 2003. Acquisition of property and equipment totaled \$9.4 million, primarily for additions of manufacturing, computer and laboratory equipment. The Company expects capital expenditures will be in the range of \$12 to \$15 million during fiscal 2003, consisting mainly of spending on manufacturing equipment, tooling and information systems.

During the second quarter of fiscal 2003, the company made two cash acquisitions totaling \$44.3 million. In January 2003, the Company purchased the assets of Electrol Specialties Company (ESC), a market leader in Clean-In-Place technology. In February 2003, the Company purchased the Wafer and Reticle Carrier product lines of Asyst Technologies, Inc. Each of the above transactions was accounted for by the purchase method. Accordingly, the Company's consolidated financial statements include the net assets and results of operations from the dates of acquisition. The Company is in the process of reviewing and finalizing valuations of the tangible and intangible assets acquired in these acquisitions.

The Company had maturities, net of purchases, of short-term investments of \$21.3 million during the first nine months of fiscal 2003. Short-term investments stood at \$23.3 million at May 31, 2003.

**Financing activities** Cash provided by financing activities totaled \$14.5 million during the first nine months of fiscal 2003. The company made payments of \$3.6 million on borrowings, while proceeds from short-term borrowings were \$15.3 million. The Company received \$2.8 million in proceeds in connection with common shares issued under the Company's stock option and stock purchase plans.

As of May 31, 2003, the Company's sources of available funds comprised \$99.5 million in cash, cash equivalents, short-term investments plus various credit facilities. Entegris has unsecured revolving commitments with two commercial banks with aggregate borrowing capacity of \$40 million, with \$12.0 million in borrowings outstanding at May 31, 2003 and lines of credit with seven international banks that provide for borrowings of currencies for the Company's overseas subsidiaries, equivalent to an aggregate of approximately \$11 million. Borrowings outstanding on these lines of credit were approximately \$8.4 million at May 31, 2003. In addition, the Company's overseas subsidiaries had other short-term borrowings under informal arrangements totaling \$2.9 million at May 31, 2003.

Under the unsecured revolving credit agreement, the Company is subject to, and is in compliance with, certain financial covenants including ratios requiring a fixed charge coverage of not less than 1.10 to 1.00 and a leverage ratio of not more than 2.25 to 1.00. In addition, the Company must maintain a calculated consolidated and domestic tangible net worth, which, as of May 31, 2003, are \$203 million and \$125 million, respectively, while also maintaining consolidated and domestic aggregate amounts of cash and short-term investments of not less than \$75 million and \$40 million, respectively.

On June 9, 2003, the Company announced that it had filed a shelf registration statement with the Securities and Exchange Commission. Up to 25,000,000 shares of the Company's common stock may be offered from time to time under the registration statement, including 15,500,000 newly issued shares by Entegris and 9,500,000 currently outstanding shares by certain shareholders of the Company. The common stock may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. The Company stated that it would use the net proceeds from any sale of new Entegris shares for general corporate purposes or to finance acquisitions. The Company would not receive any proceeds from any sale of shares by the selling shareholders.

At May 31, 2003, the Company's shareholders' equity stood at \$327.2 million compared to \$322.1 million at the beginning of the fiscal year. The Company's net loss of \$1.0 million for the nine months ended May 31, 2003 was more than offset by proceeds of \$2.8 million from the issuance of common shares under the



Company's stock option and stock purchase plans and increases in other comprehensive income totaling \$3.3 million.

The Company believes that its cash and cash equivalents, 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 additional funding, and from time to time the Company may need 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.

#### Recently Issued Accounting Pronouncements

In December 2002, the Emerging Issues Task Force issued EITF 00-21, "Revenue Arrangements with Multiple Deliverables." This issue addresses certain aspects of the accounting for arrangements under which a company will perform multiple revenue-generating activities. In some arrangements, the different revenue-generating activities (deliverables) are sufficiently separable, and there exists sufficient evidence of their fair values to separately account for some or all of the deliverables (that is, there are separate units of accounting). In other arrangements, some or all of the deliverables are not independently functional, or there is not sufficient evidence of their fair values to account for them separately. This issue addresses when and, if so, how an arrangement involving multiple deliverables should be divided into separate units of accounting. This issue does not change otherwise applicable revenue recognition criteria. This issue is applicable for the Company for revenue arrangements entered into in fiscal 2004. The Company does not expect the adoption of EITF 00-21 to have an impact on current revenue recognition.

**Cautionary Statements** This report contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements may include forward-looking statements which reflect the Company's current views with respect to future events and financial performance. The words "believe," "expect," "anticipate," "intends," "estimate," "forecast," "project," "should" and similar expressions are intended to identify "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. All forecasts and projections in this document are "forward-looking statements," and are based on management's current expectations of the Company's near-term results, based on current information available pertaining to the Company, including the risk factors identified in the Company's Annual Report on Form 10-K for the fiscal year ended August 31, 2002. Among these risks and uncertainties are general economic conditions, the volatile and cyclical nature of the semiconductor industry, the risks associated with political and global market instability, including the impact of war, the ability of the Company to develop and protect its intellectual property, the risks associated with the acceptance of new products and services and the successful integration of acquisitions. Other factors could also cause the Company's results to differ materially from those contained in its forward-looking statements.

#### Item 3. Quantitative and Qualitative Disclosures About Market Risk

Entegris's principal market risks are sensitivities to interest rates and foreign currency exchange rates. The Company's current exposure to interest rate fluctuations is not significant. Most of its long-term debt at May 31, 2003 carries fixed rates of interest. The Company's cash equivalents and short-term investments are debt instruments with maturities of 12 months or less. A 100 basis point change in interest rates would potentially increase or decrease net income by approximately \$0.5 million annually.

The Company uses derivative financial instruments to manage foreign currency exchange rate risk associated with the sale of products in currencies other than the U.S. dollar. At May 31, 2003, the company was party to forward contracts to deliver Japanese yen with notional value of approximately \$25 million. The cash flows and earnings of foreign-based operations are also subject to fluctuations in foreign exchange rates. A hypothetical 10% change in the foreign currency exchange rates would potentially increase or decrease net income by approximately \$1.0 million.

The Company's investment in Metron common stock is accounted for as an available-for-sale security. The company is exposed to fluctuations in the price of Metron stock. At May 31, 2003, the Company's

investment in Metron Technology N.V. common stock had a carrying value of \$3.1 million with a fair value of \$3.8 million. A 25% adverse change in Metron's per share price would result in an approximate \$1.0 million decrease in the fair value of the Company's investment as of May 31, 2003.

#### Item 4. Controls and Procedures

The Company's principal executive officer and principal financial officer have evaluated the effectiveness of the Company's "disclosure controls and procedures," as such term is defined in Rule 13a-14(c) of the Securities Exchange Act of 1934, as amended, within 90 days of the filing date of this Quarterly Report on Form 10-Q. Based upon their evaluation, the principal executive officer and principal financial officer concluded that the Company's disclosure controls and procedures are effective. There were no significant changes in the Company's internal controls or in other factors that could significantly affect these controls, since the date the controls were evaluated.

## PART II

### OTHER INFORMATION

#### Item 1. Legal Proceedings

In September 2002, Lucent Technologies, Inc. named the Company as a defendant along with Poly-Flour Engineering Inc., FSI International, Inc. and BOC Capital Group in an action filed in circuit court in Orange County, Florida for damages arising from a chemical spill at a customer's facility in January 2000. To date, Lucent has requested aggregate damages from all defendants in the range of \$52 million, and has specifically requested damages of \$12 million from Entegris. While the outcome of this matter cannot be predicted with any certainty, based on the information to date, the Company believes that it has valid defenses to the claims and, furthermore, has adequate insurance to cover any damages assessed against the Company and as such, does not believe that the matter will have a material adverse effect on its financial position, operating results or cash flows

#### Item 6. Exhibits and Reports on Form 8-K

##### (a) Exhibits:

- 99.1 Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 99.2 Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 99.3 Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 99.4 Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

##### (b) Reports on Form 8-K

A Current Report on Form 8-K/A was filed on April 25, 2003 to amend the Registrant's Current Report on Form 8-K, dated February 11, 2003 and filed with the Securities and Exchange Commission on February 26, 2003, relating to the purchase by the Registrant of wafer and reticle carrier ("WRC") product lines from Asyst Technologies, Inc. (Asyst). The Report amended the information provided under Item 7 - Financials Statements and Exhibits.

SIGNATURES

Pursuant to the requirements 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.

Date: July 15, 2003

/s/ James E. Dauwalter

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James E. Dauwalter  
President and Chief Executive  
Officer

Date: July 15, 2003

/s/ John D. Villas

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John D. Villas  
Chief Financial Officer

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO SECTION 906  
OF THE SARBANES-OXLEY ACT OF 2002  
(18 U.S.C. SECTION 1350)

In connection with the Quarterly Report of Entegris, Inc, a Minnesota corporation (the "Company"), on Form 10-Q for the quarter ended May 31, 2003 as filed with the Securities and Exchange Commission (the "Report"), I, James E. Dauwalter, President and Chief Executive Officer of the Company, certify, pursuant to (S) 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. (S) 1350), that to my knowledge:

(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 result of operations of the Company.

/s/ James E. Dauwalter

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James E. Dauwalter  
President and Chief Executive  
Officer

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO SECTION 906  
OF THE SARBANES-OXLEY ACT OF 2002  
(18 U.S.C. SECTION 1350)

In connection with the Quarterly Report of Entegris, Inc, a Minnesota corporation (the "Company"), on Form 10-Q for the quarter ended May 31, 2003 as filed with the Securities and Exchange Commission (the "Report"), I, John D. Villas, Chief Financial Officer of the Company, certify, pursuant to (S) 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. (S) 1350), that to my knowledge:

(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 result of operations of the Company.

/s/ John D. Villas

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John D. Villas  
Chief Financial Officer



CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002  
(18 U.S.C. SECTION 1350)

I, James E. Dauwalter, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Entegris, Inc.;

2. Based on my knowledge, this quarterly 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 quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly 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-14 and 15d-14) for the registrant and have:

(a) designed such disclosure controls and procedures 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 quarterly report is being prepared;

(b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

(c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

(a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officer and I have indicated in this quarterly report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: July 15, 2003

/s/ James E. Dauwalter

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James E. Dauwalter  
President and Chief Executive  
Officer (Principal Executive  
Officer)

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002  
(18 U.S.C. SECTION 1350)

I, John D. Villas, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Entegris, Inc.;

2. Based on my knowledge, this quarterly 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 quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly 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-14 and 15d-14) for the registrant and have:

(a) designed such disclosure controls and procedures 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 quarterly report is being prepared;

(b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

(c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

(a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officer and I have indicated in this quarterly report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: July 15, 2003

/s/ John D. Villas

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John D. Villas  
Chief Financial Officer (Principal  
Financial and Accounting Officer)