

GTAT Q2FY12 Earnings Call
Prepared Remarks
November 8, 2011

Safe Harbor (Ryan Blair, Investor Relations)

As we begin, I would like to remind everyone that certain statements made during this call may be forward-looking for purposes of the safe harbor provisions under The Private Securities Litigation Reform Act of 1995. We may discuss our expectations regarding future events. In particular, these may be forward-looking statements regarding estimated future financial results for fiscal 2012 and beyond, factors likely to affect financial results and other forward looking statements regarding market conditions and factors which may affect the performance of each of our business segments. In this connection, we direct your attention to the slide entitled Forward Looking Statements and the final slide in the presentation accompanying this call.

Important factors that could cause actual results to be different than our expectations are discussed in GT Advanced Technologies Inc.'s filings with the Securities and Exchange Commission, including the statements under the heading "Risk Factors" in the Company's quarterly report on Form 10-Q for the first quarter of fiscal 2012 filed on August 5, 2011. Statements made during this call should be evaluated in light of these important factors. GT Advanced Technologies Inc. is under no obligation to, and expressly disclaims any such obligation to, update or alter its forward-looking

statements, whether as a result of new information, future events, or otherwise.

A webcasted replay of today's presentation will be available for 90 days beginning today at 11am eastern and can be accessed on the IR section of www.gtat.com. An audio replay will also be available. Please refer to the company's website for details.

In addition following today's call we will be posting a copy of our prepared remarks to our website.

And finally, during the Q&A session we ask that you limit your questions to an initial question and one follow up.

With that, I will now turn the call over to Tom Gutierrez, president and CEO of GT Advanced Technologies.

CEO Commentary on Q2FY12 (Tom Gutierrez, President & CEO)

Good morning. With me today is Rick Gaynor, our chief financial officer.

Q2 performance came in well ahead of our previously provided outlook and we are pleased with our ability to execute in these challenging times.

Rick's comments on the financial results will be abbreviated today, and in future quarters, to allow us to spend more time discussing market conditions and GT's strategy.

In that regard, today we will address the market and macro-economic challenges some of our customers are facing and our view of what happens next in the industries we serve.

Rick will be covering all of the key financial developments in his remarks on the call. To ensure that we provide the same level of financial information we normally do, a comprehensive set of financial highlights has been posted to our website.

I will begin with some comments on our Q2 performance.

Revenue and EPS for the quarter came in ahead of our guidance and Street expectations. In today's market environment we think this is noteworthy and reflective of GT's strengths.

On a six-month basis, revenue, EPS and gross margins were significantly up over last year.

We ended the quarter with nearly \$500 million of cash, cash equivalents and restricted cash and continued to reduce our debt.

Our Q2 ending net cash position, which was over \$3.15 per share, improved even though we invested approximately \$61 million in cash during the quarter for the acquisition of Confluence Solar and paid down an additional \$4.7 million of debt.

And finally, we exited the quarter with a backlog of more than \$2 billion.

In our Polysilicon business, there were several noteworthy developments during the quarter....

OCI, one of the top polysilicon producers in the world, elected to upgrade to our latest gen 5 SDR reactor, as part of their Phase 4 capacity expansion, resulting in an incremental \$33 million booking. This latest generation reactor has now been field-proven to operate at levels significantly better than the specifications of any other machine in the merchant market.

In addition, we booked an engineering services contract with an incumbent polysilicon producer, a noteworthy milestone in that it marks the first time an incumbent has validated the performance and value of GT's technology.

Also, as announced after the end of the quarter, we booked a significant order with Saudi-Arabia based Polysilicon Technology Corporation for over \$47 million.

These orders bring our fiscal 12 year-to-date polysilicon bookings to over \$564 million, an indication of the strength of our position and the determination of our customers to build additional low cost high quality capacity and take share from those whose cost structures and limited access to capital do not allow them to follow.

In our PV segment, we completed the acquisition of Confluence Solar, which adds a cutting edge High Performance Continuous Czochralski technology, we refer to as HiCz™, to our PV offering.

We are now shipping samples of HiCz mono material from our newly acquired St. Louis operation and expect to ship \$1 to \$2 million of sample materials through the end of this fiscal year.

HiCz technology is unique in that it employs simultaneous feeding, growing and doping during the crystal growth process. The HiCz technology developed and used by Confluence delivers high growth rates and continuous recharge thus providing superior yields, higher throughput and uniform resistivity.

We plan to offer a HiCz tool to our customers, in late CY12 or early CY13, that is capable of producing high efficiency gallium doped materials, as well as a new class of n-type materials that will have a lower cost structure than traditional Cz technologies. These new classes of material should enable a faster transition to next generation higher efficiency solar cell technologies.

It is interesting to note that since completing the Confluence acquisition and announcing our HiCz initiative, we have had strong expressions of interest from several less obvious, well-financed western companies looking to make strategic entries into this business.

In our PV segment we also continue to evolve our DSS technology to ensure that our customers are not saddled with stranded assets in the near term and are able to improve their financial performance.

The most important initiative along these lines is the development and launch of our proprietary MonoCast™ technology. We have made significant progress in the development of a high-yield MonoCast solution and, as the MonoCast ingot image on this slide shows, we have been successful in growing very high-yield mono material in upgraded DSS systems in our R&D lab in New Hampshire.

During the quarter, we delivered a beta version of our MonoCast upgrade kit to Nexolon in Korea and entered the final stage of commercial development. By the end of the calendar year we expect to have completed sufficient work to validate the specs of our MonoCast product, which we anticipate will be the industry's highest yielding, most productive and most reliable cast mono solution.

Our proprietary MonoCast solution has generated high interest with several PV leaders in China and Taiwan who are sampling and evaluating materials, produced in our R&D lab in the U.S., in anticipation of placing upgrade or new product orders once we release the product for sale in the first quarter of CY12.

We expect that some of the undelivered DSS backlog currently on our books will be upgraded to the MonoCast configuration.

Our sapphire business continues to develop well...

Having completed the expansion of our own Salem factory in Q1, we began volume shipments of our Advanced Sapphire Furnace during the second quarter and as a result ended the quarter with over \$66 million of deferred sapphire equipment revenue on the balance sheet.

Since the end of the quarter, we have continued to ship ASF units at a steady pace and as of today we have delivered more than 140 systems.

I have visited nearly every one of our ASF customers over the last few months and have seen first hand the significant progress being made at their new facilities.

I was pleased to see that most of our customers have or are planning to vertically integrate and are making significant investments in wafering and polishing. We believe that this level of vertical integration will be good for the industry as it eliminates a potential bottleneck and should result in lower costs.

HTOT, our second largest ASF customer, recently had the grand opening of their state of the art facility in Guiyang, China where the first four installed ASF systems have produced very high-quality boules on their inaugural run. HTOT is making great progress in building their business and in fact has already signed agreements to supply LED and non-LED customers in China.

At Saifei, one of our first ASF customers, their first unit has been installed, started up and accepted and an additional 25 units are in the final stages of preparation for start up this coming month.

Our largest customer is Fuyuan, which is scheduled to take delivery of its first 30 ASF units this month. Fuyuan, is working closely with Saifei, an experienced manufacturer and partner, and is planning to complete construction of its facility in Shejiang and the installation of its initial 30 units before year-end.

In addition, OCI, which has taken delivery of all of the ASF units they have on order, has made good progress at completing their facility in Korea and are expected to start operation in late November. OCI has already been pre-qualified at two of the largest LED producers in the world, using materials manufactured in our Salem facility.

In total, seven of our eight sapphire equipment customers are planning to be in the installation and start-up mode by the end of this calendar year. The 8th customer has decided to relocate their factory to China, for cost reasons, making it likely that they will delay their installation of ASF units until next year.

Based on customer feedback, we now estimate that a minimum of 15% of the sapphire capacity that will be put in place by our customers will be utilized in emerging non-LED markets that have opened up as the price of sapphire has dropped. This is a significant factor in the overall consideration of market supply and demand dynamics, which I will address later.

Rick will now provide his Q2 financial update, after which I will address the broader Solar and Sapphire market environments as well as GT's prospects going forward.

Rick...

Q2FY12 Financial Review (Rick Gaynor, CFO)

Thanks Tom and good morning everyone.

I will start with a look at our Q2 revenue performance.

Revenue

Revenue in Q2 was \$217.7 million dollars. This compared to \$231.1 million last quarter and \$229.3 million in Q2 of last fiscal year.

This quarter's revenue included \$98 million dollars from our polysilicon business, \$111.2 million from PV and \$8.5 million from

sapphire. All of the sapphire revenue was for sapphire materials. Consistent with our long-stated strategy, we continue to allocate a significant portion of our sapphire production resources in Salem, Massachusetts to R&D and to the support of our ASF customers as they move into volume production. As expected, our newly acquired HiCz business did not contribute any revenue during the quarter.

Revenue for the first six months of FY12 was \$448.8 million, more than 23% growth over the \$364.5 million of revenue for the same period last fiscal year.

Gross Margin

Our gross margin for Q2 was 43.7% down from 49.1% in Q1 and up compared to 40.6% for the year-ago quarter. As a reminder, the first quarter of FY12 gross margin benefitted from a disproportionate amount of high margin final acceptance payments in the PV segment.

The gross margin for the first six months of FY12 was 46.5%, up significantly from 38.2% last fiscal year.

EPS Fully-Diluted

Fully-diluted EPS in Q2 was \$0.29 compared to \$0.41 in Q1 and \$0.28 for the year-ago quarter.

For the first six months of FY12, fully-diluted EPS was \$0.69 versus \$0.40 for the first six months of FY11, representing earnings per share growth of 73%.

Cash

Over the last year, we have made several targeted investments in the business. These included the use of approximately \$203 million dollars last November to repurchase 26.5 million shares from the Company's private equity investors which eliminated the large overhang of private equity share ownership. We invested \$61 million in cash for the acquisition of Confluence Solar and an additional \$8.8 million in earn-out payments for the Crystal Systems acquisition. Both of these acquisitions were important steps to add growth and diversity to the business. And we invested over \$45 million of capex to support the build-out of our sapphire factory in Salem, Massachusetts and our Merrimack, New Hampshire manufacturing and R&D facility. And, we paid down our debt from \$125 million to \$90.9 million over that period.

Despite these sizeable investments, we have grown our cash position significantly over the last year. We ended the second quarter of fiscal

2012 with \$494 million of cash and cash equivalents, restricted cash and short-term investments, up from \$473.4 million at the end of last quarter and \$294.2 million at the end of Q2 FY11.

Our Q2 net cash position, defined as cash, cash equivalents, restricted cash and short-term investments net of debt, grew to \$403 million at the end of Q2, up from \$377.8 million at the end of last quarter and \$294.2 million at the end of Q2 FY11.

Backlog Bridge

Moving on to our backlog, we entered the second quarter with a backlog of nearly \$2.3 billion dollars. During the quarter we added new orders of approximately \$65 million, recognized \$218 million in revenue and had adjustments to backlog totaling \$27 million yielding a quarter ending backlog of \$2.1 billion.

The \$27 million in adjustments to backlog were primarily related to two contracts that we terminated because the customers failed to meet their contractual requirements. This included a contract with a Russian-based polysilicon producer and a Chinese PV customer. The single cancellation that we had in the quarter was a small PV contract that resulted in an adjustment of approximately \$2.7 million.

Of the \$2.1 billion backlog, \$918.6 million is polysilicon, \$247.2 million is PV and \$955 million is sapphire.

The security of our backlog has improved with over 41% of the total \$2.1 billion now covered by a combination of \$460.8 million of deferred revenue, \$115.1 million in letters of credit and \$300.8 million in non-refundable customer deposits. This is up from 35% at the end of last quarter.

Looking at this by segment, over 67% of the polysilicon backlog, nearly 25% of the PV backlog and over 20% of the sapphire backlog is secured by a combination of deferred revenue, letters of credit and non-refundable customer deposits as shown here.

That concludes my review of the quarter's results. I will now turn the call back to Tom for a discussion on market dynamics.

Market Discussion (Tom Gutierrez, President & CEO)

Thanks, Rick.

There are conditions unfolding in our served industries that will challenge all participants...

The PV market downturn is much more severe and prolonged than most forecasted.

In addition, LED and Sapphire end-market growth has been slower than assumed and sapphire prices have continued to drop towards historical lows. We anticipated the price erosion, and in fact we intend to enable it, but it has happened faster than anyone expected.

Finally, access to cash and credit has tightened considerably in these markets and it is clear that worldwide macro economic issues have been adding to the “pain.”

I would like to address how these challenges impact GT and how we plan to respond to them...

In the solar market, most understand that current issues in the industry are driven by overcapacity, high pipeline inventories, dropping prices and reduced subsidies... subsidies that may in fact fade at a faster rate than expected and further compress margins in the supply chain.

It is our view that the current solar downturn is not typical of past cycles. It likely represents a key turning point for the industry... the juncture at which demand recovery cannot really take place, nor be sustained, without significant improvements in cost and technology that serve to improve margins as end-market prices continue to fall.

As shown on this chart, dollar per watt pricing has come down significantly over the last several years and is expected to continue to fall.

At the same time, subsidies have been declining and margins throughout the value chain have become severely compressed.

In response to these pressures, the industry has historically employed a variety of tactics to remove costs from the equation. This has included increased scale, vertical integration and migration of manufacturing to lower cost regions coupled with evolutionary technology advances throughout the value chain.

The decline of Polysilicon prices from >\$300/kg five years ago to the recently reported \$30/kg range has also helped. Wafer prices, however, have fallen even faster though and as a result the cost of polysilicon as a percentage of the average cost of a solar wafer has risen from approximately 30% to nearly 50%, as shown on this slide.

As we look over the next 1 to 2 years, reductions in cost per watt must come at a faster rate if the industry is to move back to higher profitability, improved liquidity and sustained growth in the face of evaporating subsidies.

Rationalization of the supply base and increased demand outside of Europe will help, but in our view technical advances in cell architecture to yield higher efficiency and lower polysilicon costs are essential if solar is to truly compete, without subsidies, with traditional sources of energy.

Industry analyst ISuppli supports this view and believes that the move to higher efficiency cells will represent a fundamental shift in strategy that could allow the PV industry to slow price erosion and suppliers to improve profitability. Accordingly, ISuppli projects that the high efficiency silicon cell market could more than double by 2015.

We agree with this perspective and GT intends to play a critical role in driving this transition by introducing innovative technology that will support the development of lower cost-per-watt high efficiency solutions.

Today, the market for crystalline silicon materials is split largely between multicrystalline products, manufactured using tools such as GT's DSS platform, and batch CZ monocrystalline products, for which we do not offer a tool.

As shown on this chart, batch CZ mono delivers higher efficiencies but has not presented enough of an advantage to overcome its high cost. As a result, multicrystalline technology today represents approx. 60% of the market.

To challenge batch CZ for higher efficiency applications, cast mono solutions are emerging; however the cast mono solutions being discussed by others today suffer from low yields and thus higher cost.

We expect that GT's recently developed MonoCasttm product will solve the cost and yield issues and reliably deliver high-efficiency mono materials at lower cost than traditional CZ methods. Our MonoCast solution will be available as an upgrade to the more than 3100 DSS units installed in the field – another factor that will differentiate us from competition.

We do believe that the market will demand even more advanced materials.

To that end, as I noted earlier today and as shown here, we plan to offer a HiCz tool that is capable of producing high efficiency Gallium-

doped mono materials at lower costs and improved efficiencies when compared to traditional Cz mono or cast mono technologies.

We expect that the use of advanced Gallium dopants will practically eliminate the light induced degradation effect at the module level.

The HiCz n-type, phosphorous-doped technology that we are developing, could help achieve cell efficiencies in the 22-24% range, a more than 4% improvement over today's batch CZ products.

We expect that our HiCz n-type product will drive a market transformation that can stimulate demand and improve our customers' margin structures while extending our technology lead and advancing our share in the marketplace. The products are in operation in our facility in St. Louis.

We believe that the PV market will ultimately transition into a MonoCast and HiCz market over the next several years with HiCz taking the bulk of that. A market transition that we expect to drive and an equipment market that we expect to lead.

As noted earlier, falling polysilicon prices are a positive in reducing cost per watt and driving the industry toward grid parity but they also put margin pressure on polysilicon producers.

The bottom chart on this slide shows our estimates of cost profiles for the leaders in the industry, as well as some of the smaller players.

In the near term as low cost suppliers jockey for market share and higher cost lower quality players struggle to survive, we believe that some in the industry will likely sell at or below cash cost levels.

Clearly those with higher cost structures and lower quality polysilicon will have a very difficult time surviving in today's market, even selling at cash cost.

Our polysilicon technology can enable merchant customers to produce high-quality polysilicon with 11 nines of purity at one of the lowest costs in the industry.

This chart shows that a polysilicon producer using our current SDR 400 reactor can achieve an all-in production cost of less than \$25/kg. Our Gen 5 reactor would improve this cost profile by a couple of dollars.

On a cash cost basis customers using our technology can produce polysilicon at less than \$18/kg. Based on our very direct knowledge of producers' capabilities in China, we believe that when Chinese polysilicon players talk about their cost structure they are frequently talking about cash costs, not all-in costs.

In a market with extreme pricing pressure such as this, we believe that the producers who remain committed to scale and best-in-class technology like GT offers will be best positioned to survive and take market share.

Given that many of our customers fit this profile, this explains why even in the face of rapidly falling prices, our polysilicon backlog remains largely intact. I would remind you that nearly 70% of our Polysilicon backlog is secured by a combination of deferred revenue, deposits and letters of credit and therefore is not subject to cancellation. Based on the quality of our current backlog we believe our polysilicon revenue in FY12, 13 & 14 is very secure.

Now moving onto our sapphire business... End market growth in the LED sector is much slower than expected as backlighting demand for LEDs has abated ahead of significant general illumination pick-up. In turn, Sapphire demand has been affected and prices for sapphire have fallen precipitously. This has led to some concern over the security of our sapphire backlog and I'd like to discuss that.

This chart shows three analysts' views on sapphire demand for the LED industry. There clearly is a wide range of perspectives on how the industry will grow over the next few years and these views are frequently changing as this nascent industry develops.

It is our view that over the long term there will be significant demand growth for sapphire and that the adoption of LEDs by the general illumination market will be the key driver of this demand curve.

However, significant cost reductions throughout the LED value chain are needed to drive this adoption.

Although the cost of sapphire is not a significant part of the cost of an LED device, by creating a merchant sapphire market and a supply of high quality, very low cost, large diameter sapphire, GT expects to enable lower costs downstream.

This slide presents our current view of sapphire supply and demand dynamics based on the mid-case demand scenario from IMS Research, as shown here by the solid green line.

The dotted green line above that represents our estimation of likely market demand for sapphire production capacity. Our demand curve incorporates a 20% factor to account for competitor behavior and actual factory utilization rates. This is a rather conservative assumption given the “winner-take-all” share-driven approach practiced by Asian players in growing markets.

As I noted earlier, we expect that upwards of 15% of the capacity our customers put in place will be dedicated to emerging non-LED markets.

Taking these factors into accounts, the orange supply line here

represents our current estimate of how much of our customers' capacity will likely be supplied into the LED market and when that capacity will come on line.

When we present this supply and demand picture, we are often asked how we take into account the capacity currently in the hands of other western incumbent suppliers of sapphire and how that will impact our customers' market opportunity. We believe that our customers will have sufficient market opportunities to support their current plans and there are several reasons for this.

First, as illustrated on this slide, sapphire prices have fallen dramatically over the last several quarters and we intend to drive that further. In addition, there is a significant import duty on sapphire imported into China. Along with the fact that Asian players live on thinner margins, we believe that these factors will put extreme margin pressure on western or non- Chinese sapphire producers.

In addition, the size of the sapphire market in China is expected to grow, as shown on this chart derived from IMS Research, and, as recently announced, China is focused on the phase out of

incandescent bulbs which will likely increase the size of the sapphire market in China... A market that will be very difficult for western or non Chinese players to be competitive in.

Combined with the opportunity for our customers to direct some of their supply into non-LED markets, we believe these factors will provide an advantage for these low-cost, high volume Asian players and result in ample business opportunity for them.

In fact, we believe that the development and growth of this new class of, well-financed and low cost sapphire producer in Asia, will likely marginalize all of the incumbents outside of that region; similar to what happened in the solar industry when Asian markets invested in solar cell and wafering at large scale.

Given these points, we do not see western, non Chinese sapphire producers as a threat to our position and in fact, based on current discussions, we expect to have continued opportunities for growth in our sapphire business FY13 and beyond.

Now I would now like to address the fear, uncertainty, and doubt being spread by our competition and the incumbents, suggesting that our ASF offering is something short of industry-leading in performance and quality.

Earlier this year we initiated extensive third party analysis and work with our customers, leading MOCVD players and other key players in the LED value chain to evaluate the quality and performance of our sapphire and that of other suppliers.

The results of this research have served as a powerful tool in countering the competitive rhetoric and rumors with facts. The positive evidence, some of which we have published, is now too strong to ignore as it relates to the quality of our offering.

This chart summarizes the results of a blind study we recently completed with a leading third-party LED wafer manufacturer where samples of sapphire from GT and three other prominent suppliers were analyzed to evaluate the impact of Sapphire material on LED wafering.

The study showed that there are statistically significant and quantifiable differences between the different sapphire growth technologies and demonstrated that GT's ASF sapphire material performed the best overall.

In particular, GT ASF material ranked first on wafering yields, which is an extremely important metric for LED wafer manufacturers as it directly impacts their profitability.

The results of this research have been published in a case study called “Yields Matter,” which is available in the “Resource” section of our website. In the coming months we intend to publish additional fact based research papers that will further support our case.

With that I will turn the call back to Rick to provide an update on our guidance.

Guidance Update (Rick Gaynor, CFO)

Thanks, Tom.

We are adjusting our revenue guidance range for fiscal 12 by approximately 5%, or \$50 million, to account for the significant push-outs of PV deliveries into FY13 that we now expect, offset in part by our expectations for higher ASF and Polysilicon equipment revenue in FY12. Our new revenue guidance range is now \$950M to \$1.05 billion.

While we believe we are maintaining our share in the PV market, we have now concluded based on market conditions that approximately \$120 million of PV revenue, or nearly 50% of the Q2 ending PV backlog will likely shift into FY13.

We now expect that sapphire revenue, including equipment and materials, will be approximately 34% of the year's revenue, up from our prior expectation of 28%.

And, we now expect polysilicon revenue in FY12 to be approximately 25% of revenue, up from prior guidance of 20%.

Most of the ASF and Poly upside is expected in the fourth quarter of the fiscal year.

We expect fully-diluted EPS in the range of \$1.45 to \$1.65 down from our previously provided range of \$1.50 to \$1.80 due to the revision of our revenue range.

We continue to expect FY12 Gross Margin to be in the range of 43% to 45%.

As we have demonstrated in prior industry downturns, our business model is flexible and adaptable to shifting market conditions largely due to our low fixed cost base. In view of the revenue guidance revision, we now expect operating expenses for the fiscal year to be in the range of \$140 to \$150 million down from \$145 to \$155 million. R&D is still expected to be in the range of \$45 to \$50 million.

Capital expenditures for the year are still expected to be in the range of \$50 to \$55 million, including the planned \$27 million investment in the recently acquired Confluence Solar business.

We now expect an increased proportion of fiscal year earnings in our lower tax jurisdictions resulting in a lower overall annual tax rate of 30%.

Based on the expected mix and timing dynamics for the balance of the fiscal year, we thought it was important to provide our current view on the third quarter. We expect that most of the year's PV push-outs will come out of Q3 while most of the sapphire and poly upside will fall into Q4. As such, our Q3 revenue will be the lowest of the fiscal year in the range of \$140M to \$155M.

Due to these revenue timing dynamics, we expect fully diluted EPS for the third quarter to be in the range of \$0.05 to \$0.10 and Q3 gross margin to be in the range of 36% to 38%, with the Q3 gross margin being impacted by low absorption rates.

To put our Q3 guidance in perspective, I would note that we continue to believe that we will have an excellent growth year with a very strong fourth quarter, perhaps the strongest quarter in company

history.

That concludes my guidance. I will now turn the call back to Tom to wrap up.

Conclusion (Tom Gutierrez, President & CEO)

Before opening it up for questions, I'd like to conclude with my thoughts on why GT is a compelling investment opportunity especially in these uncertain times.

We have achieved our leadership position through continuous innovation and by helping our customers lower costs. In growth industries like solar and LED, these are key qualities in the eyes of the customers looking to make sustained, long-term investments.

As this chart shows, we have a very different business model than other alternative energy companies.

We have a diversified model with multiple revenue streams from businesses that serve the Solar, LED and Industrial markets and we continue to focus on adding additional business lines to drive growth.

We have an exceptionally strong balance sheet and cash position. We continue to generate cash even during down-cycles like we are now seeing and we have minimal debt.

It is no secret that there has been significant margin compression throughout the alternative energy industry. GT stands among the few companies in its served markets expected to have year-over-year margin expansion and a double-digit net margin.

Furthermore, we have not sought nor do we receive federal subsidies or loan guarantees; we have a transparent business model; we have been growing our employment base in the US, while expanding our businesses and employment in Asia; we are delivering innovative new products; we are a significant US exporter and we have earned leading share in nearly every market we serve.

The message here is that we should not be confused with companies that do not share our strengths, particularly during difficult market conditions.

Despite this differentiation, we believe that our shares are undervalued. Given our strong cash flows and significant cash position, we continue to invest in growth and explore various means of enhancing returns for our long-term shareholders, including the possibility of a share buyback.

We are confident in the strength of our business model and competitive position in the markets that we serve and we expect to continue to play a significant role in reducing manufacturing costs in both the solar and LED industries.

We remain confident on the growth prospects for GT over the next several years. We expect to enter FY13 with a backlog that represents well over one year's full revenue. We are very excited about our new products, as we are our customers. And we continue to have a pipeline of orders that we expect will materialize over the coming months.

Operator we would now like to open the call up to questions....

FORWARD LOOKING STATEMENTS

This presentation contains information about management's future expectations, plans and prospects of our business that constitute forward-looking statements for purposes of the safe harbor provisions under The Private Securities Litigation Reform Act of 1995, including, but not limited to, the performance and output characteristics of HiCz™ and MonoCast™ growth equipment and the benefits achieved with these production methods, the amount of HiCz™ materials to be shipped through end of fiscal year, the timing for the commercial release of HiCz™ and MonoCast™ equipment (and the output of these products), performance of the MonoCast™ and HiCz™ equipment relative to other equipment solutions, timing of future orders for MonoCast™ equipment, expected upgrade of undelivered DSS backlog to MonoCast™ configuration, timing of installation and start-up of sapphire customer facilities, sapphire customer plans to integrate and invest in wafer and polishing (and benefits for the industry), the non-LED markets utilizing sapphire generated by ASF

customers (and the percentage), intention to enable price erosion in LED and sapphire end-market, expected decrease of government subsidies for solar and further compression of margins in solar supply chain, the impact of the current solar downturn (and potential to serve as turning point for industry and the implications for the market), future dollar per watt pricing for solar, the causes for the march to grid parity in next 1 to 2 years (including lower cost/watt, rationalization of supply and demand and growth outside Europe), future slowing of price erosion in PV industry (and the reasons therefore), potential doubling of high efficiency silicon cell market by 2015, GT's role in transition of PV industry, availability of upgrade to MonoCast™ of DSS units in the field, HiCz™ expected to drive market transformation and extend GT lead in PV market, impact of gallium dopants on degradation at module level, impact of phosphorous-doped technology on cell efficiencies, HiCz™ N-type product expected to drive market transformation (stimulate demand, improve margins while extending technology lead and advancing market share), transition of PV market to monocrystalline and HiCz market (and timing therefore and GT's role in driving transition), expected decrease in polysilicon prices (and selling prices by some in industry below cost), types of companies likely to survive in polysilicon market with pricing pressure, security of backlog, expected general illumination pick-up in LED market, expected sapphire demand through 2015 (and the drivers of this demand), GT expects to lower costs downstream in LED, falling sapphire prices will pressure incumbent suppliers, expected duty increases for sapphire imported into China (and timing thereof), future margin pressure on western

sapphire producers, potential future marginalization of incumbent sapphire producers outside Asia, sapphire wafer projection capacities (and China's percentage of total), ASF customers having market opportunities to support current plans, continued opportunities for growth in the sapphire business in FY13 and beyond, future growth of the business, potential for adding additional business lines to drive growth, continued cash generation of the business, expected year over year margin expansion and net margins, potential future plans for growth and enhancing returns for long-term shareholders, the Company's estimates for future periods (overall and by segment) with respect to revenue, revenue mix, gross margin, operating expenditures, R&D expenditures, capital expenditures, tax rate, earnings per share, backlog, size of backlog in full year FY12, the reasons for the updated guidance on revenue and EPS (and timing of future revenue), and backlog conversion or other financial information. These statements are based on management's current expectations or beliefs. These forward-looking statements are not a guarantee of performance and are subject to a number of uncertainties and other factors, many of which are outside the Company's control, which could cause actual events to differ materially from those expressed or implied by the statements. These factors may include the possibility that the Company is unable to recognize revenue on contracts in its order backlog. Although the Company's backlog is based on signed purchase orders or other written contractual commitments in effect as of the end of our second fiscal quarter, we cannot guarantee that our bookings or order backlog will result in actual revenue in the originally anticipated period

or at all, which could reduce our revenue, profitability and liquidity. Other factors that may cause actual events to differ materially from those expressed or implied by our forward-looking statements include the possibility that changes in government incentives may reduce demand for solar products, which would, in turn, reduce demand for our equipment, technological changes could render existing products or technologies obsolete, growth of competition in all business segments, the Company may be unable to protect its intellectual property rights, competition from other manufacturers may increase, exchange rate fluctuations and conditions in the credit markets and general economy may reduce demand for the Company's products and various other risks as outlined in GT Advanced Technologies Inc.'s filings with the Securities and Exchange Commission, including the statements under the heading "Risk Factors" in the Company's quarterly on Form 10-Q for the quarter ended July 2, 2011. Statements in this presentation should be evaluated in light of these important factors. GT Advanced Technologies Inc. is under no obligation to, and expressly disclaims any such obligation to, update or alter its forward-looking statements, whether as a result of new information, future events, or otherwise.