

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): **October 25, 2011**

Axcelis Technologies, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

000-30941
(Commission
File Number)

34-1818596
(IRS Employer
Identification No.)

108 Cherry Hill Drive, Beverly, Massachusetts
(Address of principal executive offices)

01915
(Zip Code)

Registrant's telephone number, including area code: **(978) 787-4000**

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02 Results of Operations and Financial Condition

On October 25, 2011, Axcelis Technologies, Inc. (the "Company") issued a press release regarding its financial results for the quarter ended September 30, 2011. The Company's press release is attached as Exhibit 99.1 to this Current Report on Form 8-K and incorporated by reference herein.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

99.1 Press Release dated October 25, 2011. Filed herewith.

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SIGNATURE

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 hereunto duly authorized.

Date: October 25, 2011

Axcelis Technologies, Inc.

By: /s/ JAY ZAGER
Jay Zager
Executive Vice President and Chief Financial Officer

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AXCELIS ANNOUNCES THIRD QUARTER 2011 RESULTS

BEVERLY, Mass — October 25, 2011 — Axcelis Technologies, Inc. (Nasdaq: ACLS) today announced financial results for the third quarter ended September 30, 2011. Revenue for the third quarter was \$72.5 million, compared with \$93.4 million in Q2, and \$75.1 million for the same period a year ago. Net income for the quarter was \$1.2 million, or \$0.01 per diluted share. Prior quarter net income was \$4.2 million or \$0.04 per diluted share, and in the prior year period, the company reported a net loss of \$6.3 million or \$0.06 cents per share. Cash and cash equivalents were \$44.4 million on September 30, 2011.

Commenting on the Company's performance, Chairman and CEO Mary Puma said, "During the quarter Axcelis improved gross margins, reduced operating expenses, and generated \$6.6M in cash, enhancing our financial position. We're operating very efficiently, despite the fact that it is a less than robust industry environment. Our investments in R&D have resulted in highly differentiated technology, driving enhanced yield and profitability for our customers, which will continue to expand our market position even during this period of soft demand."

Third Quarter 2011 Conference Call

The Company will host a conference call today at 5:00 pm ET to discuss the third quarter of 2011. The call will be available to interested listeners via an audio webcast that can be accessed through Axcelis' home page at www.axcelis.com, or by dialing 1.888.679.8035 (1.617.213.4848 outside North America). Participants calling into the conference call will be requested to provide the company name, Axcelis Technologies, and pass code: 50504209. Webcast replays will be available from 8 pm ET on October 25, 2011 until 11:59 pm on November 24, 2011.

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Safe Harbor Statement

This document contains forward-looking statements under the SEC safe harbor provisions. These statements, which include our guidance for future financial performance, are based on management's current expectations and should be viewed with caution. They are subject to various risks and uncertainties, many of which are outside the control of the Company, including the timing of orders and shipments, the conversion of orders to revenue in any particular quarter, or at all, our ability to implement successfully our profit plans, the continuing demand for semiconductor equipment, relative market growth, continuity of business relationships with and purchases by major customers, competitive pressure on sales and pricing, increases in material and other production costs that cannot be recouped in product pricing and global economic, political and financial conditions. These risks and other risk factors relating to Axcelis are described more fully in the most recent Form 10-K filed by Axcelis and in other documents filed from time to time with the Securities and Exchange Commission.

About Axcelis

Axcelis Technologies, Inc. (Nasdaq: ACLS), headquartered in Beverly, Massachusetts, provides innovative, high-productivity solutions for the semiconductor industry. Axcelis is dedicated to developing enabling process applications through the design, manufacture and complete life cycle support of ion implantation and cleaning systems. The company's Internet address is: www.axcelis.com.

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Axcelis Technologies, Inc. Consolidated Statements of Operations In thousands, except per share amounts (Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2011	2010	2011	2010
Revenue				
Product	\$ 64,350	\$ 66,162	\$ 235,287	\$ 157,133
Service	8,105	8,944	23,718	24,676
	<u>72,455</u>	<u>75,106</u>	<u>259,005</u>	<u>181,809</u>
Cost of revenue				
Product	40,055	47,848	149,833	111,858
Service	5,505	5,788	17,058	15,606
	<u>45,560</u>	<u>53,636</u>	<u>166,891</u>	<u>127,464</u>
Gross profit	26,895	21,470	92,114	54,345
Operating expenses				
Research and development	11,389	9,872	35,036	28,482

Sales and marketing	7,237	7,151	22,731	20,361
General and administrative	8,458	7,885	25,929	23,049
	<u>27,084</u>	<u>24,908</u>	<u>83,696</u>	<u>71,892</u>
Income (loss) from operations	(189)	(3,438)	8,418	(17,547)
Other income (expense)				
Interest income	7	15	24	69
Other, net	1,563	(1,996)	(45)	(2,061)
	<u>1,570</u>	<u>(1,981)</u>	<u>(21)</u>	<u>(1,992)</u>
Income (loss) before income taxes	1,381	(5,419)	8,397	(19,539)
Income taxes	230	854	1,207	2,364
Net income (loss)	<u>\$ 1,151</u>	<u>\$ (6,273)</u>	<u>\$ 7,190</u>	<u>\$ (21,903)</u>
Net income (loss) per share				
Basic	<u>\$ 0.01</u>	<u>\$ (0.06)</u>	<u>\$ 0.07</u>	<u>\$ (0.21)</u>
Diluted	<u>\$ 0.01</u>	<u>\$ (0.06)</u>	<u>\$ 0.07</u>	<u>\$ (0.21)</u>
Shares used in computing basic and diluted net income (loss) per share				
Basic weighted average common shares	<u>106,417</u>	<u>104,628</u>	<u>106,152</u>	<u>104,307</u>
Diluted weighted average common shares	<u>108,192</u>	<u>104,628</u>	<u>109,452</u>	<u>104,307</u>

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Axcelis Technologies, Inc.
Consolidated Balance Sheets
In thousands
(Unaudited)

	<u>September 30,</u> <u>2011</u>	<u>December 31,</u> <u>2010</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 44,413	\$ 45,743
Accounts receivable, net	39,881	57,888
Inventories, net	121,916	109,653
Prepaid expenses and other current assets	9,392	15,346
Total current assets	<u>215,602</u>	<u>228,630</u>
Property, plant and equipment, net	37,896	38,594
Long-term restricted cash	107	107
Other assets	19,064	13,541
	<u>\$ 272,669</u>	<u>\$ 280,872</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 17,703	\$ 36,709
Accrued compensation	13,191	10,597
Warranty	3,639	2,556
Income taxes	777	—
Deferred revenue	9,857	13,859
Other current liabilities	4,456	4,408
Total current liabilities	<u>49,623</u>	<u>68,129</u>
Long-term deferred revenue	2,087	2,417
Other long-term liabilities	<u>5,190</u>	<u>4,759</u>
Stockholders' equity		
Preferred stock	—	—
Common stock	107	106
Additional paid-in capital	498,012	493,967
Treasury stock	(1,218)	(1,218)
Accumulated deficit	(286,330)	(293,520)
Accumulated other comprehensive income	5,198	6,232
	<u>215,769</u>	<u>205,567</u>
	<u>\$ 272,669</u>	<u>\$ 280,872</u>

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Axcelis Technologies, Inc.
Consolidated Statements of Cash Flow
In thousands
(Unaudited)

	Nine months ended September 30,	
	2011	2010
Cash flows from operating activities:		
Net income (loss)	\$ 7,190	\$ (21,903)
Adjustments to reconcile net income (loss) to net cash used for operating activities:		
Depreciation and amortization	6,180	5,367
Taxes	75	—
Stock-based compensation expense	3,644	2,953
Provision for excess inventory	661	1,734
Changes in operating assets & liabilities:		
Accounts receivable	17,994	(21,890)
Inventories	(13,384)	9,282
Prepaid expenses and other current assets	5,910	(2,747)
Accounts payable & other current liabilities	(15,237)	20,386
Deferred revenue	(4,339)	5,852
Income taxes	798	201
Other assets and liabilities	(8,640)	2,357
Net cash provided by operating activities	<u>852</u>	<u>1,592</u>
Cash flows from investing activities:		
Expenditures for property, plant, and equipment	(1,950)	(761)
Decrease in restricted cash	—	3,421
Net cash provided by (used for) investing activities	<u>(1,950)</u>	<u>2,660</u>
Cash flows from financing activities:		
Financing fees and other expenses	(199)	(523)
Proceeds from exercise of stock options	272	104
Proceeds from Employee Stock Purchase Plan	275	206
Net cash provided by (used for) financing activities	<u>348</u>	<u>(213)</u>
Effect of exchange rate changes on cash	(580)	57
Net increase (decrease) in cash and cash equivalents	<u>(1,330)</u>	<u>4,096</u>
Cash and cash equivalents at beginning of period	45,743	45,020
Cash and cash equivalents at end of period	<u>\$ 44,413</u>	<u>\$ 49,116</u>