

**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): **April 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 1.01 Entry into a Material Definitive Agreement.

On April 25, 2011, Axcelis Technologies, Inc. and its wholly owned subsidiary, Axcelis Technologies CCS Corporation (collectively, "Axcelis" or the "Company"), agreed to further modify the terms of the Company's March 12, 2010 Amended and Restated Loan and Security Agreement (the "revolving credit facility") with Silicon Valley Bank ("SVB") by entering into a Second Amended and Restated Loan and Security Agreement (the "Amended Loan Agreement"). Under the Amended Loan Agreement, the Company has the ability to borrow up to an aggregate of \$30 million. The Amended Loan Agreement extends the maturity date of the Company's revolving credit facility to April 10, 2015. The Company's ability to borrow under the Amended Loan Agreement is limited to 80% of the then current amount of qualified accounts receivable in addition to a \$10 million non-formula sub-limit.

The Company expects to use this credit facility for working capital and for general corporate purposes. The Company did not draw on the credit facility at the effective date.

The obligations under the credit facility are guaranteed by High Temperature Engineering Corporation, Fusion Technology International, Inc., Axcelis Technologies (Israel), Inc. and Fusion Investments, Inc., each a direct or indirect domestic subsidiary of Axcelis, and are secured by (i) substantially all of the personal property of the Company and (ii) all of the capital stock of certain of the Company's domestic subsidiaries and up to 66% of the capital stock of certain of their foreign subsidiaries.

The principal amount outstanding under the credit facility will bear interest at a rate equal to the (i) the prime rate plus 1.00% or (ii) LIBOR plus 3.50%, as selected by the Company. Interest is payable monthly. In addition, the Company will incur a monthly fee on any unused portion of the credit facility equal to 0.375% per annum.

At maturity all outstanding principal and unpaid interest is immediately due and payable.

The credit facility limits Axcelis and its subsidiaries' ability to, among other things, dispose of assets, engage in a new line of business, have a material change in its executive management, have a change of control, acquire another business, incur additional indebtedness, incur liens, pay dividends and make other distributions, make investments, make payments on subordinated debt and engage in transactions with affiliates other than transactions in the ordinary course of business on terms no less favorable than would be obtained in an arms-length transaction.

In addition, under the credit facility, Axcelis must comply with the following financial covenants:

- (a) **Adjusted Quick Ratio.** At all times beginning May 1, 2011 and tested quarterly, Axcelis shall maintain, on a consolidated basis, a ratio of (x) certain liquid assets to (y) certain current liabilities minus deferred revenue of at least 1.4 to 1.0; and
- (b) **Adjusted Net Income.** As of the following quarter-ends, Axcelis shall report minimum trailing six month Adjusted Net Income (as defined in the agreement) as follows:

Six Month Period	Six month trailing Adjusted Net Income	
Ended 3/31/2011	\$	3,000,000
Ended 6/30/2011, 9/30/2011 and 12/31/2011	\$	5,000,000
Ended 3/31/2012 and thereafter	\$	7,500,000

2

The credit facility provides for events of default customary for credit facilities of this type, including, but not limited to, non-payment, breach of covenants, material adverse change to the business or impairment of the collateral, insolvency, or defaults on other debt. Upon an event of default and during its continuance, the interest rate will automatically increase 3.5% above the otherwise applicable interest rate.

In addition, upon an event of default, SVB may elect a number of remedies including, but not limited to, stopping the advance of money to the Company and declaring all obligations (including principal, interest and expenses) immediately due and payable, which shall occur automatically if Axcelis becomes insolvent.

Axcelis is subject to a \$300,000 early termination fee if it terminates the Amended Loan Agreement prior to the maturity date or SVB terminates the Amended Loan Agreement due to an event of default.

Item 2.02 Results of Operations and Financial Condition

On April 27, 2011, Axcelis Technologies, Inc. (the "Company") issued a press release regarding its financial results for the three months ended March 31, 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 2.03 Creation of a Direct Financial Obligation

See item 1.01 above.

Item 5.07. Submission of Matters to a Vote of Security Holders.

- (a) The Annual Meeting of Stockholders of Axcelis Technologies, Inc. was held at our offices at 108 Cherry Hill Drive, Beverly, Massachusetts on April 26, 2011 (the "Annual Meeting").
- (b) The Annual Meeting involved the election of directors and other matters. Out of 105,981,484 shares of Common Stock (as of the record date of March 1, 2011) entitled to vote at the meeting, 91,623,727 shares, or 86.45%, were present in person or by proxy. Below is the information required by Item 5.07(b):

1. At the Annual Meeting, each of the six nominees for re-election as directors received the number of votes set opposite the nominee's name, constituting a plurality of the votes cast, and therefore such nominee has been duly elected as a director of the Company:

Proposal to elect the following nominees as a director	Number of Votes		
	For	Withheld	Broker Non-Votes
1. Edward H. Braun	61,040,949	1,156,788	29,423,760
2. R. John Fletcher	60,406,445	1,791,080	29,423,760
3. Stephen R. Hardis	59,735,858	2,461,879	29,423,760
4. Patrick H. Nettles	60,313,157	1,884,580	29,423,760
5. H. Brian Thompson	49,278,282	12,919,455	29,423,760
6. Geoffrey Wild	61,040,982	1,156,755	29,423,760

3

2. The following sets forth the tally of the votes cast on the proposal to ratify the appointment by the Board of Directors of Ernst & Young LLP as independent auditors of the Company's financial statements for the year ending December 31, 2011. A majority of the votes cast were voted in favor of the proposal, and therefore the appointment of auditors has been ratified by the stockholders.

Proposal to ratify the appointment of Ernst & Young LLP as independent auditors for the Company's financial statements for the year ending December 31, 2010.	Number of Votes			Percentage of Total Voted For
	For	Against	Abstaining	
	89,445,215	2,056,740	121,772	97.75%

3. The following sets forth the tally of the votes cast on the proposal that the stockholders of the Company advise the Board of Directors that they approve the compensation paid to the Company's executive officers for fiscal 2010, as described under "Executive Compensation" in the proxy

statement for this meeting. A majority of the votes cast were voted in favor of the proposal, and therefore such advisory vote has passed.

	Number of Votes				Percentage of Total Voted For
	For	Against	Abstaining	Broker Non-Votes	
Proposal that the stockholders of the Company advise the Board of Directors that they approve the compensation paid to the Company's executive officers for fiscal 2010, as described under "Executive Compensation" in the proxy statement for this meeting.	57,637,187	4,362,043	200,737	29,423,760	92.96%

4. The following sets forth the tally of the votes cast on the proposal to advise the Board of Directors on the frequency with which the stockholders should vote to approve executive compensation. A plurality of the votes cast were voted in favor of annual votes.

	Number of Votes				Broker Non-Votes	Plurality Percentage
	1 Year	2 Years	3 Years	Abstaining		
Proposal that the stockholders of the Company advise the Board of Directors on the frequency with which the stockholders should vote to approve executive compensation.	55,478,368	350,850	6,125,998	232,115	29,423,760	89.54%

(d) In light of the above vote as to how frequently the Company will include a shareholder vote on the compensation of executives in its proxy materials, the Company has decided to do so on an annual basis until the next required vote on the frequency of shareholder votes on the compensation of executives.

4

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
99.1	Press Release dated April 27, 2011. Filed herewith.

5

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: April 27, 2011

Axcelis Technologies, Inc.

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

6



AXCELIS ANNOUNCES FINANCIAL RESULTS FOR FIRST QUARTER 2011

BEVERLY, Mass. — April 27, 2011—Axcelis Technologies, Inc. (Nasdaq: ACLS) today announced financial results for the first quarter ended March 31, 2011. Revenue for the first quarter was \$93.2 million, compared with \$93.4 million in Q4, and \$48.5 million for the same period a year ago. Net income for the quarter was \$1.8 million, or \$0.02 per diluted share. Prior quarter net income was \$4.3 million or \$0.04 per diluted share, of which \$2.1 million or \$0.02 per diluted share was attributable to a one-time tax benefit. In the prior year period, the company reported a net loss of \$11.1 million or \$0.11 cents per share. Cash and cash equivalents, including restricted cash, were \$44.9 million at March 31, 2011.

Commenting on the Company's performance, Chairman and CEO Mary Puma said, "Axcelis is off to a solid start in 2011. The momentum we built in 2010 with our Optima and Integra product lines is accelerating as customers continue to recognize the productivity and technological advantages our systems provide." She continued, "As expected, we gained market share in implant in 2010, particularly in high current and in high energy. Over the next year, we plan to continue to introduce highly differentiated technology, further expanding our customer base and gaining additional market share."

First Quarter 2011 Conference Call

The Company will host a conference call today at 5:00 pm ET to discuss results for the first 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 1-888-713-4205 (1-617-213-4862 outside North America). Participants calling into the conference call will be requested to provide the company name, Axcelis Technologies and pass code: 49696794.

Webcast replays will be available from 8 pm ET on April 27, 2011 until 11:59 pm on June 26, 2011.

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	
	March 31,	
	2011	2010
Revenue		
Product	\$ 86,603	\$ 40,278
Service	6,567	8,222
	<u>93,170</u>	<u>48,500</u>
Cost of revenue		
Product	56,873	30,320
Service	5,216	5,173
	<u>62,089</u>	<u>35,493</u>
Gross profit	31,081	13,007

Operating expenses		
Research and development	11,818	9,133
Sales and marketing	7,819	6,604
General and administrative	9,055	7,700
	<u>28,692</u>	<u>23,437</u>
Income (loss) from operations	2,389	(10,430)
Other income (expense)		
Interest income	6	29
Other, net	(450)	(407)
	<u>(444)</u>	<u>(378)</u>
Income (loss) before income taxes	1,945	(10,808)
Income taxes	133	293
Net Income (loss)	<u>\$ 1,812</u>	<u>\$ (11,101)</u>
Net income (loss) per share	\$ 0.02	\$ (0.11)
Basic	\$ 0.02	\$ (0.11)
Diluted		
Shares used in computing net income (loss) per share	105,936	104,116
Basic	110,791	104,116
Diluted		

3

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

	March 31, 2011	December 31, 2010
ASSETS		
Current assets		
Cash and cash equivalents	\$ 44,782	\$ 45,743
Accounts receivable, net	49,948	57,888
Inventories, net	123,356	109,653
Prepaid expenses and other current assets	11,026	15,346
Total current assets	<u>229,112</u>	<u>228,630</u>
Property, plant and equipment, net	38,315	38,594
Long-term restricted cash	113	107
Other assets	18,770	13,541
	<u>\$ 286,310</u>	<u>\$ 280,872</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 38,064	\$ 36,709
Accrued compensation	12,877	10,597
Warranty	3,060	2,556
Deferred revenue	10,880	13,859
Other current liabilities	3,855	4,408
Total current liabilities	<u>68,736</u>	<u>68,129</u>
Long-term deferred revenue	2,417	2,417
Other long-term liabilities	5,090	4,759
Stockholders' equity		
Preferred stock	—	—
Common stock	106	106
Additional paid-in capital	495,330	493,967
Treasury stock	(1,218)	(1,218)
Accumulated deficit	(291,708)	(293,520)
Accumulated other comprehensive income	7,557	6,232
	<u>210,067</u>	<u>205,567</u>
	<u>\$ 286,310</u>	<u>\$ 280,872</u>

4

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

	Three months ended March 31,	
	2011	2010
Cash flows from operating activities		
Net loss	\$ 1,812	\$ (11,101)
Adjustments to reconcile net loss to net cash used for operating activities		
Depreciation and amortization	1,882	1,937
Deferred taxes	33	167
Stock-based compensation expense	1,222	817
Provision for excess inventory	246	758
Changes in operating assets & liabilities:		
Accounts receivable	8,245	(15,425)
Inventories	(13,350)	8,252
Prepaid expenses and other current assets	4,404	(362)
Accounts payable & other current liabilities	3,168	4,922
Deferred revenue	(2,996)	526
Income taxes	3	(408)
Other assets and liabilities	(5,875)	54
Net cash used for operating activities	(1,206)	(9,863)
Cash flows from investing activities		
Expenditures for property, plant, and equipment	(610)	(263)
Decrease (increase) in restricted cash	(6)	319
Net cash provided by (used for) investing activities	(616)	56
Cash flows from financing activities		
Financing fees and other expenses	—	(431)
Proceeds from exercise of stock options	197	32
Proceeds from Employee Stock Purchase Plan	239	169
Net cash provided by (used for) financing activities	436	(230)
Effect of exchange rate changes on cash	425	(182)
Net decrease in cash and cash equivalents	(961)	(10,219)
Cash and cash equivalents at beginning of period	45,743	45,020
Cash and cash equivalents at end of period	<u>\$ 44,782</u>	<u>\$ 34,801</u>