AUGUST TECHNOLOGY CORP Form DEFA14A July 12, 2005

UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934 (Amendment No.)

Filed	by	the	Registrant	ý
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Filed by a Party other than the Registrant O

Check the appropriate box:

ý

0	Preliminary Proxy Statement
o	Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
O	Definitive Proxy Statement
0	Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

August Technology Corporation

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant) Payment of Filing Fee (Check the appropriate box): ý No fee required. Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11. o Title of each class of securities to which transaction applies: (2) Aggregate number of securities to which transaction applies: (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined): (4) Proposed maximum aggregate value of transaction: (5) Total fee paid: Fee paid previously with preliminary materials. 0 Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the 0 offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing. (1) Amount Previously Paid: (2)Form, Schedule or Registration Statement No.: (3)Filing Party: (4)Date Filed:

Persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

August Technology Corporation

Powerpoint Presentation to selected attendees of the

SEMICON West 2005 Tradeshow in San Francisco

Additional Information and Where to Find It

In connection with the proposed merger of August Technology Corporation and Rudolph Technologies, Inc., a registration statement of Rudolph, which will include a joint proxy statement of Rudolph and August, and other materials, will be filed with the SEC. WE URGE INVESTORS TO READ THE REGISTRATION STATEMENT AND JOINT PROXY STATEMENT AND THESE OTHER MATERIALS CAREFULLY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT RUDOLPH, AUGUST AND THE PROPOSED TRANSACTION. Investors will be able to obtain free copies of the registration statement and joint proxy statement (when available) as well as other filed documents containing information about Rudolph and August at http://www.sec.gov, the SEC s website. Free copies of Rudolph s SEC filings may also be obtained at http://www.rudolphtech.com, and free copies of August s SEC filings may be obtained from August s website at http://www.augusttech.com.

Participants in the Solicitation

Rudolph, August and their respective executive officers and directors may be deemed, under SEC rules, to be participants in the solicitation of proxies from Rudolph s stockholders or August s shareholders with respect to the proposed transaction. Information regarding the officers and directors of Rudolph is included in its definitive proxy statement for its 2005 Annual Meeting filed with the SEC on April 22, 2005. Information regarding the officers and directors of August is included in its definitive proxy statement for its 2005 Annual Meeting filed with the SEC on April 29, 2005. More detailed information regarding the identity of potential participants, and their direct or indirect interests, by securities holdings or otherwise, will be set forth in the registration statement and joint proxy statement and other materials to be filed with the SEC in connection with the proposed transaction.

Searchable text section of graphics shown above

The New Rudolph

Creating A New Industry Leader

[LOGO]

1

Safe Harbor Statement

The following material contains forward-looking statements relating to at least the following matters: industry projections and the company s long term operating model. Other forward-looking statements may be preceded by words such as expects, anticipates, and intends. These forward-looking statements are based on our current expectations and projections. However, they are subject to various risks and uncertainties that could cause actual results to differ materially from those projected in such statements, including the following: cyclicality of the semiconductor industry, customer concentration, introduction of new products by our competitors, and sole or limited sources of supply. Other risks and uncertainties are detailed in our respective Annual Reports on Form 10-K for the year ended December 31, 2004 filed with the Securities and Exchange Commission (SEC).

2

The New Rudolph Mission

Planned profitable growth

Be a clear leader in metrology and inspection

with best-of-breed solutions in our chosen niches

and be the overall #2 pure-play process control supplier

be a desired stock investment

3

Transaction Summary

Transaction Structure: Cash and stock strategic merger with election feature subject to proration

Minimum \$37.2 million cash, and Maximum \$60.0 million cash

\$10.50 per share of Rudolph value based on June 27, 2005 closing price of \$13.77

Aggregate purchase price approximately \$193 million

Election: Shareholders may select all cash or stock subject to proration

Exchange Ratio: . .7625 Rudolph shares per August share; Implied exchange ratio will vary depending on amount of

cash received by shareholder through proration

Closing Conditions: Shareholder approvals and HSR clearance

Estimated Closing Date: 4th Quarter 2005

Company Overviews

[LOGO]

Thin film metrology and defect inspection systems

Year Founded: 1940

LTM Revenues*: \$88.4M

Headquarters: Flanders, NJ

Key Product Families:

Copper (Metal) Film Metrology

Transparent Thin Film Metrology

Macro Defect Inspection and Yield Data Management Systems

Integrated Metrology

Employees: 334

[LOGO]

Automated defect detection and review systems

Year Founded: 1992

LTM Revenues*: \$70.5M

Headquarters: Bloomington, MN

Key Product Families:

Macro Defect Inspection

2D & 3D Inspection

Defect Review

Data Management & Analysis

Employees: 254

*LTM as of March 31, 2005

Company Overviews

[LOGO]

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Transparent Thin Film Metrology

Macro Defect Inspection and Yield Data Management Systems

Integrated Metrology

Employees: 334

Complementary Expertise

#2 in Thin Film Metrology # 2 in Macro Defect Inspection

[LOGO]

Automated defect detection and review systems

Year Founded: 1992

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Headquarters: Bloomington, MN

Key Product Families:	
Macro Defect Inspection	
2D & 3D Inspection	
Defect Review	
Data Management & Analysis	
Employees: 254	

*LTM as of March 31, 2005

Rudolph s Products

Opaque (Copper) Film Metrology	MetaPULSE			
Transparent Film Metrology	S200/300			
Macro Defect Detection	WaferView			
Transparent Film Thickness	FOCUS			
Integrated Metrology	i-MOD			
[GRAPHIC]				
Opaque Film Metrology				
[GRAPHIC]				
Macro Defect Detection				
[GRAPHIC]				
Transparent Film Metrology				
[GRAPHIC]				
Transparent Film Thickness				
		7		

August s Products	
Macro Defect Inspection (Front End)	
[GRAPHIC]	
Wafer Bump/Probe Inspection (Back End)	
[GRAPHIC]	
Yield Data Management Systems	
[GRAPHIC]	
Advanced Review & Analysis	
[GRAPHIC]	
8	

Complementary Products with Minimal Overlap

[LOGO] [LOGO]

Primarily Metrology Inspection & Review

\$88 million revenues with >95% in metrology solution

\$70 million revenues- with >95% Inspection & Review

Strategic Merger Rationale

Leadership with Complementary Product Offerings

The New Rudolph will have a leadership position in multiple businesses

Opaque (copper) thin film metrology

Macro defect inspection

Transparent film metrology

Strong Revenue Growth Potential

Rudolph s worldwide front-end fab relationships will help accelerate acceptance for August front-end tools

Ability to cross-sell complementary products into a more diversified customer base

Build on combined company s expertise in yield enhancement software

Redeployment of duplicative R&D into new product development

Opportunity for Expense Efficiencies

Eliminate redundant investments in automation and platform support

Consolidate Sales & Service offices worldwide

Eliminate duplicative public company and regulatory compliance costs

Improvement on each line of P&L is possible

Improved Financial Position

Creates Company with critical mass \$160M in LTM revenues as of 3/31/05

Proven Leadership Team with Extensive Experience in Semiconductor Manufacturing

Average of 20 years semiconductor business experience

The New Rudolph addressing automated Front End Macro Inspection from 2 directions

Rapidly Growing Front End Macro Inspection

[LOGO] [GRAPHIC]

Leadership in Copper (Metal) & Transparent Thin Film Metrology

Complete Metrology & Inspection Solutions

Leadership in Back End Inspection

[GRAPHIC] [LOGO]

Rapidly Growing Front End Macro Inspection

Strength Through Product Leadership

	Metr	ology Coppe	er	Iacro Defect	Integrated	Yield Data
	Transparent	(Meta	l) Front End	Back End	Metrology	Management
[LOGO]						
[LOGO]						
COMBINED						
No Presence					Leadersh	ip
			13			

	Metrology		Macro Do	efect	Integrated	Yield Data
	Transparent	Copper (Metal)	Front End	Back End	Metrology	Management
[LOGO]						
[LOGO]						
COMBINED						
No Presence					Leadersh	iip
		14				
		14				

The New Rudolph Market Reach

Data Storage

Front-End Semiconductor

Advanced Packaging [LOGO] Back-End Semiconductor

Other Markets

Addressing Multiple High Growth Markets

The New Rudolph Addressable Market (20k WSPM)

		Fal)		Bump Fab	Test Floor
Etch FEOL	Thin Films FEOL/BEOL	CMP B	EOL	Diffusion/ Implant	UBM [GRAPHIC]	Incoming QC (foundries)
[GRAPHIC]	[GRAPHIC]	[GRAP]	HIC]	[GRAPHIC]	Litho	[GRAPHIC]
		Litho FEOL/BEOL	CMP FEOL		[GRAPHIC] Plating	Post-Probe [GRAPHIC]
		[GRAPHIC]	[GRAPHIC]	Outgoing QC	[GRAPHIC]	
Etch BEOL				[GRAPHIC]	Etch	
[GRAPHIC]					[GRAPHIC]	Post-Saw
					Reflow [GRAPHIC]	[GRAPHIC]
Total Tools = 90nm Cu Fa			ı	[GRAPHIC]		
			16			

Addressable Market for The New Rudolph

Copper metrology and automated macro defect inspection are two of the fastest growing market segments

			Segment	Share	%			Marke	t Segr	nent Siz	e (\$N	I)	
Market Segment	Primary Players	2002	2003	2004	Change	2003	2	2004	20	005E	20	006E	CAGR 03-06
	KLA-Tencor	37%	30%	33%	3% \$	365	\$	475	\$	550	\$	600	18%
Thin Film	Rudolph												
Metrology	Technologies	15%	11%	14%	3%								
	Veeco	11%	18%	13%	(5)%								
Automated	KLA-Tencor	95%	57%	45%	(12)%\$	31	\$	72	\$	70	\$	80	37%
	August												
Macro Defect	Technology	0%	25%	32%	7%								
Inspection	Nikon	0%	1%	13%	12%								

Source: Gartner Dataquest and Bear, Stearns & Co.

Clear Centers of Excellence in The New Rudolph

Corporate Headquarters

(Flanders, New Jersey)

Inspection Headquarters Bloomington, MN

Metrology Headquarters Flanders, NJ

Data Analysis and Review

Global Sales-Service-Support Network

Expanded Global Reach

[GRAPHIC]

Expand Geographic Reach

The New Rudolph

[CHART]

Significant Cross-Selling Opportunities

[LOGO]			[LOGO]	
	Front End	Logic Memory Mixed Signal	Back End	
		21		

[LOGO]

The \$4 Billion Inspection/Metrology Market Ripe for Consolidation

Cumulative Market Share

(%)

41 [LOGO] **(1) KLA-Tencor** (2) Hitachi [LOGO] 69 **(3) AMAT** (4) The New Rudolph [LOGO] (4) FEI (**5**) ADE **79** (6) Therma-Wave (7) Rudolph (8) Leica [LOGO] (9) Veeco (10) **Nikon** (11) Accretech 90 (12) Nanometrics (13) Accent Optical (14) SII Technologies (15) Nova Instruments (16) August Tech [LOGO] (17) **JEOL** 100 Others

Source: Gartner Dataquest

2004 Process Control Revenues

Financial Benefits of The New Rudolph

A Tremendous Opportunity	o Achieve Key	v Financial	Benefits
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Strong revenue synergy potential
Improved financial position
Pro Forma LTM revenues of \$160M
Gross Margin leverage to > 50%
Global Operating Efficiencies
Accretive Transaction \$10M in estimated annual synergies
24

The New Rudolph will be able to reduce the 20 Percentage Point Cost Disadvantage

[CHART]

Note: Small Cap group includes: ADEX, AUGT, NANO, NVMI, RTEC, TWAV Large Cap group includes: AMAT, KLAC

Source: Needham & Co.

Realizing Cost Savings

Reduce unnecessary duplicative expenses

Platform development (stages and automation)

Technology development (software and process control systems)

SG&A expenses

Reduce operating costs

Estimated annual savings of \$10 million.

Create operating leverage

Supply chain/purchasing leverage

Expected Timing

HSR filing: in July

SEC S-4 filing: early August

Rudolph and August to hold special shareholders meetings to approve transaction

Close transaction: estimate 4th Quarter 2005

for our customers	Dramatically expand suite of new products and services by creating compelling value propositions
performance: Plan	Enhance shareholder value and be a desired investment through consistently strong financial and profitable growth
	Successfully integrate cultures from 2 great franchises
	Foster opportunities for personal and professional growth
consolidator	Realize most of the financial benefits of critical mass within 1st year and become an industry
	28

Thank You