

## **CVD Equipment Corporation Announces Second Quarter Results**

RONKONKOMA, N.Y., (PR Newswire)—August 14, 2006—CVD Equipment Corporation (Amex: [CVV](#) – [News](#)), a global designer, manufacturer and supplier of equipment for use in manufacturing semiconductors, solar cells, carbon nanotubes, nanowires and equipment for surface mounting of components onto printed circuit boards, today announced its financial results for the three and six months ended June 30, 2006.

Revenue for the three and six months ending June 30, 2006 was \$3,111,000 and \$6,323,000 respectively compared to \$3,009,000 and \$5,407,000 for the three and six months ending June 30, 2004 representing an increase of 3.4% and 16.9% for the respective periods. This increase in revenue can be attributed to the increased demand for customized CVD systems along with the demand for the First Nano equipment product line. The gross profit margin percentage decreased during the three and six months ending June 30, 2006 to 34.3% and 33.8% respectively, compared to 40.4% and 36.7% for the same respective periods one year earlier primarily due to the increased personnel added to develop and expand the sales of the First Nano equipment line. The Company also recognized \$86,000 of stock based compensation costs during the current six month period which were not recognized last year and has also utilized in full its prior years' net operating losses, resulting in a larger tax expense than incurred last year. This has resulted in the Company generating net income of \$23,000 or \$.01 per share basic and diluted, and \$136,000 or \$.04 per share basic and diluted for the three and six months ended June 30, 2006 compared to net income of \$293,000 or \$.09 per share basic and diluted and \$294,000 and \$.10 per share basic and \$.09 per share diluted for the three and six months ended June 30, 2005.

At June 30, 2006 our order backlog, comprised of customer orders that are expected to ship within the next six months, increased by 5.2% to approximately \$2,785,000 from \$2,648,000 at December 31, 2005. Our backlog at any specific point in time is not necessarily indicative of actual revenues or earnings for any succeeding period due to possible customer changes in delivery schedules or cancellation of orders, and because backlog does not provide any assurance of a profit from these orders.

Leonard Rosenbaum, President and Chief Executive Officer stated, "During the second quarter we have concentrated on increasing personnel to improve our capability of delivering First Nano and CVD products. Shipments of our First Nano product line have been well received at Universities and Research Laboratories in the United States, Europe and the Far East. We continue to expand our marketing and offering of First Nano and CVD products with the help of our open laboratory and collaboration with the Universities and Research Laboratories using our equipment.

Statements in this press release may be "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as "anticipate," "believe," "estimate," "expect," "intend" and similar expressions, as they relate to the company or its management, identify forward-looking statements. These statements are

based on current expectations, estimates and projections about the company's business based, in part, on assumptions made by management. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. Therefore, actual outcomes and results may, and probably will, differ materially from what is expressed or forecasted in such forward-looking statements due to numerous factors, including those described above and those risks discussed from time to time in CVD Equipment Corporation's filings with the Securities and Exchange Commission. In addition, such statements could be affected by risks and uncertainties related to product demand, market and customer acceptance, competition, pricing and development difficulties, as well as general industry and market conditions and growth rates and general economic conditions. Any forward-looking statements speak only as of the date on which they are made, and the company does not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date of this release. Information on CVD Equipment Corporation's website does not constitute a part of this release.

CVD Equipment Corporation  
Summary Consolidated Statements of Operations

|  | Three Months Ended |             | Six Months Ended |             |
|--|--------------------|-------------|------------------|-------------|
|  | 6/30/06            | 6/30/05     | 6/30/06          | 6/30/05     |
| Revenue  | \$3,111,132        | \$3,008,563 | \$6,322,605      | \$5,406,633 |
| Net Income   | 23,063             | 293,178     | 136,010          | 294,271     |
| Net Income   |                    |             |                  |             |
| Per share basic  | \$0.01             | \$ 0.09     | \$0.04           | \$ 0.10     |
| Per share diluted                                      | 0.01               | 0.09        | 0.04             | 0.09        |
| Weighted Average Shares of<br>Common Stock Outstanding |                    |             |                  |             |
| Basic  | 3,146,273          | 3,100,180   | 3,135,314        | 3,069,809   |
| Diluted  | 3,301,375          | 3,245,356   | 3,294,083        | 3,116,637   |