NORTH BILLERICA, MA – **BTU International Inc.**, supplier of advanced thermal processing equipment, said first quarter 2008 net sales were $16.6 million, up 10% year-over-year, and down 9% sequentially.

Net income was $100,000, down 83% from the preceding quarter, and down almost 86% compared to the first quarter of 2007.

“First quarter sales and income were in line with the forecasted ranges. Cash flow was positive, with a quarter-end balance of $27 million, and bookings during the quarter for both electronics and solar were strong,” said Paul J. van der Wansem, chairman and CEO of BTU.

“As we outlined at the end of the fourth quarter of 2007,” said van der Wansem, “we are in the midst of an aggressive program to grow our alternative energy business. Managed by our new Alternative Energy Business Group, we are adding employees and investing heavily in technology and new product development. Although the cost of these initiatives will have a negative impact on short term results, we believe they are necessary...”

The company remains conservative about the electronics business outlook for the second half of the year because of weakening economic conditions. BTU expects second-quarter sales in the range of $19 to $20 million.

Earnings are expected to show a moderate improvement compared to the quarter just finished, as the firm foresees a continuing ramp of costs associated with executing the plan to grow its alternative energy business.