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Letter of Comment No: Letter of Comment No:

MP&T Director-File Reference 1102-001 Financial Accounting Standards Board 401 Merritt 7 P.O. Box 5116 Norwalk, CT 06856-5116

To Whom It May Concern:

On behalf of Axcelis Technologies, Inc., a NASDAQ-listed company ("ACLS") and a global leader in the manufacture and sale of semiconductor capital equipment, I would like to respond to your "Invitation to Comment on Accounting for Stock Based Compensation".

First of all, let me be clear that we do <u>not</u> support expensing of stock options, although we do support full disclosure of the potential impact of expensing options in the footnotes to the financial statements.

I say "potential" because multiple valuation methodologies, each of which requires numerous assumptions, make the process of valuing stock options an inexact science at best. Requiring companies to expense stock options would, therefore, result in the development of wide ranging stock option expense calculations within the confines of currently acceptable methodologies. The last thing we need is another accounting "gray area" that enables companies to either inadvertently or deliberately mislead investors.

At Axcelis, we support full disclosure of stock option expense calculation methodology and assumptions in the footnotes to the financial statements. This would provide investors with the opportunity, if they so chose, to understand the impact of choosing a different methodology and/or varying the assumptions used in calculating stock option expense. As is often the case with controversial accounting issues, it is full disclosure, rather than the often arbitrary choice of methodology or assumptions, that provides investors with the clearest picture of a company's historical financial performance and future prospects.

Axcelis is a member of SEMI, an industry organization that will also be responding on our behalf to your "Invitation to Comment". We feel strongly about this issue, however, and wanted to make sure you know our position.

If you have any questions, please feel free to call me at (978) 787-4114.

Sincerely,

Neil Moses