

**NANOMETRICS INCORPORATED
CONSOLIDATED BALANCE SHEETS**
(In thousands except share amounts)
(Unaudited)

ASSETS	March 31, 2007	December 30, 2006
Current assets:		
Cash and cash equivalents	\$ 9,202	\$ 7,957
Accounts receivable, net of allowances of \$758 and \$841	28,114	24,888
Inventories	39,590	43,858
Prepaid expenses and other	3,859	3,639
Total current assets	80,765	80,342
Property, plant and equipment, net	42,756	43,294
Goodwill	55,217	55,217
Intangible assets, net	26,034	27,583
Other assets	1,595	1,985
Total assets	\$ 206,367	\$ 208,421
 LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Revolving line of credit	\$ -	\$ -
Accounts payable	11,034	9,155
Accounts payable to related party	676	181
Accrued payroll and related expenses	4,872	5,227
Deferred revenue and product margin	7,135	6,496
Other current liabilities	7,287	8,381
Income taxes payable	565	695
Current portion of debt obligations	492	486
Total current liabilities	32,061	30,621
Deferred income taxes	1,848	1,848
Debt obligations	1,198	1,321
Total liabilities	35,107	33,790
Stockholders' equity		
Common stock, \$0.001 par value; 47,000,000 shares authorized; 18,152,099 and 18,141,589, respectively, outstanding	18	18
Additional paid-in capital	183,387	182,096
Accumulated deficit	(14,520)	(9,909)
Accumulated other comprehensive income	2,375	2,426
Total stockholders' equity	171,260	174,631
Total liabilities and stockholders' equity	\$ 206,367	\$ 208,421

NANOMETRICS INCORPORATED
CONSOLIDATED STATEMENTS OF OPERATIONS
 (In thousands, except per share amounts)
 (Unaudited)

	Three Months Ended	
	March 31, 2007	April 1, 2006
	<u> </u>	<u> </u>
Net revenues:		
Products	\$ 32,526	\$ 15,972
Service	<u>4,589</u>	<u>2,996</u>
Total net revenues	<u>37,115</u>	<u>18,968</u>
Costs and expenses:		
Cost of products	18,130	7,909
Cost of service	5,829	2,534
Research and development	4,586	2,528
Selling	6,267	3,102
General and administrative	<u>6,993</u>	<u>4,550</u>
Total costs and expenses	<u>41,805</u>	<u>20,623</u>
Loss from operations	(4,690)	(1,655)
Other income (expense):		
Interest income	23	332
Interest expense	(39)	(13)
Other, net	<u>119</u>	<u>35</u>
Total other income (expense), net	<u>103</u>	<u>354</u>
Loss before income taxes	(4,587)	(1,301)
Provision for income taxes	<u>24</u>	<u>21</u>
Net loss	<u>\$ (4,611)</u>	<u>\$ (1,322)</u>
Net loss per share:		
Basic	<u>\$ (0.26)</u>	<u>\$ (0.10)</u>
Diluted	<u>\$ (0.26)</u>	<u>\$ (0.10)</u>
Shares used in per share computation:		
Basic	<u>17,658</u>	<u>13,018</u>
Diluted	<u>17,658</u>	<u>13,018</u>