

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

ASSETS	March 28, 2009 <u>(Unaudited)</u>	December 27, 2008 <u>(Audited)</u>
Current assets:		
Cash and cash equivalents	\$ 16,896	\$ 23,980
Accounts receivable, net of allowances of \$731 and \$309	10,262	17,143
Inventories	32,597	31,583
Inventories - delivered systems	189	205
Prepaid expenses and other	2,113	1,838
Deferred income tax assets	<u>337</u>	<u>350</u>
Total current assets	62,394	75,099
Property, plant and equipment, net	39,518	40,136
Intangible assets, net	6,532	6,901
Other assets	<u>1,598</u>	<u>1,718</u>
Total assets	<u><u>\$ 110,042</u></u>	<u><u>\$ 123,854</u></u>
 LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Revolving line of credit	\$ -	\$ -
Accounts payable	4,513	4,824
Accrued payroll and related expenses	2,846	3,435
Deferred revenue	705	1,701
Other current liabilities	4,285	5,800
Income taxes payable	1,026	1,187
Current portion of debt obligations	<u>390</u>	<u>413</u>
Total current liabilities	13,765	17,360
Other long-term liabilities	784	644
Debt obligations due after one year	<u>12,995</u>	<u>13,083</u>
Total liabilities	27,544	31,087
Stockholders' equity		
Common stock, \$0.001 par value; 47,000,000 shares authorized; 18,417,770 and 18,413,054, respectively, outstanding	18	18
Additional paid-in capital	190,243	189,927
Accumulated deficit	(107,275)	(96,643)
Accumulated other comprehensive income / (loss)	<u>(488)</u>	<u>(535)</u>
Total stockholders' equity	<u>82,498</u>	<u>92,767</u>
Total liabilities and stockholders' equity	<u><u>\$ 110,042</u></u>	<u><u>\$ 123,854</u></u>

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

	Three Months Ended	
	March 28, 2009	March 29, 2008
Net revenues:		
Products	\$ 4,940	\$ 27,929
Service	5,117	6,799
Total net revenues	10,057	34,728
Costs of net revenues:		
Cost of products	3,695	13,662
Cost of service	3,516	5,238
Total costs of net revenues	7,211	18,900
Gross profit	2,846	15,828
Operating expenses:		
Research and development	3,239	4,255
Selling	3,615	4,839
General and administrative	3,972	5,524
Amortization of intangible assets	369	1,285
Restructuring charge	689	870
Total operating expenses	11,884	16,773
Loss from operations	(9,038)	(945)
Other income (expense):		
Interest income	15	98
Interest expense	(266)	(77)
Other, net	(1,359)	454
Total other income (expense), net	(1,610)	475
Loss before income tax expense	(10,648)	(470)
Income tax expense (benefit)	(19)	254
Net loss	\$ (10,628)	\$ (724)
Net loss per share:		
Basic	\$ (0.58)	\$ (0.04)
Diluted	\$ (0.58)	\$ (0.04)
Shares used in per share computation:		
Basic	18,415	18,590
Diluted	18,415	18,590

NANOMETRICS INCORPORATED
RECONCILIATION OF GAAP RESULTS TO EBITDA
(In thousands, except per share amounts)
 (Unaudited)

	Three Months Ended	
	March 28, 2009	March 29, 2008
Income (loss) from operations	\$ (9,038)	\$ (945)
Adjustments:		
Amortization of intangible assets	369	1,285
Depreciation	763	989
Amortization of demonstration systems	285	285
Restructuring charge	689	870
Earnings (loss) before interest, income taxes, depreciation and amortization excluding certain items ("EBITDA")	\$ (6,932)	\$ 2,484