

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

<b>ASSETS</b>	June 27, 2009	December 27, 2008
	(Unaudited)	(Unaudited)
Current assets:		
Cash and cash equivalents	\$ 14,482	\$ 23,980
Accounts receivable, net of allowances of \$735 and \$309	14,912	17,143
Inventories	34,209	31,583
Inventories - delivered systems	69	205
Assets held for sale	203	-
Prepaid expenses and other	1,789	1,838
Deferred income tax assets	573	350
Total current assets	<u>66,237</u>	<u>75,099</u>
Property, plant and equipment, net	38,119	40,136
Intangible assets, net	7,895	6,901
Other assets	1,580	1,718
Total assets	<u>\$ 113,831</u>	<u>\$ 123,854</u>
 <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Revolving line of credit	\$ 3,500	\$ -
Accounts payable	5,009	4,824
Accrued payroll and related expenses	2,842	3,435
Deferred revenue	1,036	1,701
Other current liabilities	6,720	5,800
Income taxes payable	897	1,187
Current portion of debt obligations	373	413
Total current liabilities	<u>20,377</u>	<u>17,360</u>
Deferred revenue	265	-
Other long-term liabilities	2,514	644
Debt obligations due after one year	12,912	13,083
Total liabilities	<u>36,068</u>	<u>31,087</u>
Stockholders' equity		
Common stock, \$0.001 par value; 47,000,000 shares authorized; 18,587,645 and 18,413,054, respectively, outstanding	18	18
Additional paid-in capital	190,824	189,927
Accumulated deficit	(114,240)	(96,643)
Accumulated other comprehensive income / (loss)	1,161	(535)
Total stockholders' equity	<u>77,763</u>	<u>92,767</u>
Total liabilities and stockholders' equity	<u>\$ 113,831</u>	<u>\$ 123,854</u>

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

	Three-Months Ended		Six-Months Ended	
	June 27, 2009	June 28, 2008	June 27, 2009	June 28, 2008
Net revenues:				
Products	\$ 7,897	\$ 18,504	\$ 12,837	\$ 46,433
Service	6,620	5,257	11,737	12,056
Total net revenues	<u>14,517</u>	<u>23,761</u>	<u>24,574</u>	<u>58,489</u>
Costs of net revenues:				
Cost of products	5,206	9,162	8,901	22,824
Cost of service	3,304	4,532	6,820	9,770
Total costs of net revenues	<u>8,510</u>	<u>13,694</u>	<u>15,721</u>	<u>32,594</u>
Gross profit	6,007	10,067	8,853	25,895
Operating expenses:				
Research and development	3,055	4,422	6,294	8,677
Selling	3,258	4,844	6,873	9,683
General and administrative	3,488	5,302	7,460	10,826
Amortization of intangible assets	337	1,330	706	2,615
Asset impairment	1,899	13,213	1,899	13,213
Restructuring charge	445	-	1,134	870
Total operating expenses	<u>12,482</u>	<u>29,111</u>	<u>24,366</u>	<u>45,884</u>
Loss from operations	(6,475)	(19,044)	(15,513)	(19,989)
Other income (expense):				
Interest income	12	34	27	132
Interest expense	(281)	(26)	(547)	(103)
Other, net	(582)	(32)	(1,941)	422
Total other income (expense), net	<u>(851)</u>	<u>(24)</u>	<u>(2,461)</u>	<u>451</u>
Loss before provision (benefit) for income taxes	(7,326)	(19,068)	(17,974)	(19,538)
Provision (benefit) for income taxes	<u>(361)</u>	<u>(154)</u>	<u>(380)</u>	<u>100</u>
Net loss	<u>\$ (6,965)</u>	<u>\$ (18,914)</u>	<u>\$ (17,594)</u>	<u>\$ (19,638)</u>
Net loss per share:				
Basic	<u>\$ (0.38)</u>	<u>\$ (1.02)</u>	<u>\$ (0.95)</u>	<u>\$ (1.06)</u>
Diluted	<u>\$ (0.38)</u>	<u>\$ (1.02)</u>	<u>\$ (0.95)</u>	<u>\$ (1.06)</u>
Shares used in per share calculation:				
Basic	<u>18,526</u>	<u>18,632</u>	<u>18,470</u>	<u>18,611</u>
Diluted	<u>18,526</u>	<u>18,632</u>	<u>18,470</u>	<u>18,611</u>

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

	Three-Months Ended		Six-Months Ended	
	June 27, 2009	June 28, 2008	June 27, 2009	June 28, 2008
Loss from operations	\$ (6,475)	\$ (19,044)	\$ (15,513)	\$ (19,989)
Non-GAAP Adjustments:				
Amortization of intangible assets	337	1,330	706	2,615
Depreciation	663	981	1,426	1,970
Amortization of demonstration systems	418	259	703	544
Asset impairment	1,899	13,213	1,899	13,213
Stock-based compensation	403	1,081	721	1,999
Restructuring charge	445	-	1,134	870
Non-GAAP Operating Income (Loss)	\$ (2,310)	\$ (2,180)	\$ (8,924)	\$ 1,222