

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

<b>ASSETS</b>	<u>April 3, 2010</u>	<u>January 2, 2010</u>
Current assets:		
Cash and cash equivalents	\$ 45,844	\$ 43,526
Accounts receivable, net of allowances of \$227 and \$241, respectively	25,988	23,047
Inventories	34,145	31,472
Inventories - delivered systems	1,525	1,175
Assets held for sale	228	220
Prepaid expenses and other	2,210	2,182
Deferred income tax assets	<u>247</u>	<u>245</u>
Total current assets	110,187	101,867
Property, plant and equipment, net	34,454	36,365
Intangible assets, net	6,678	7,067
Deferred income tax assets - long term	658	612
Other assets	<u>1,392</u>	<u>1,559</u>
Total assets	<u><u>\$ 153,369</u></u>	<u><u>\$ 147,470</u></u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Revolving line of credit	\$ -	\$ -
Accounts payable	7,669	5,762
Accrued payroll and related expenses	4,465	4,012
Deferred revenue	3,535	5,162
Other current liabilities	7,080	8,952
Income taxes payable	1,074	865
Current portion of debt obligations	<u>348</u>	<u>343</u>
Total current liabilities	24,171	25,096
Deferred revenue	1,291	646
Other long-term liabilities	2,295	2,235
Debt obligations due after one year	<u>12,620</u>	<u>12,739</u>
Total liabilities	40,377	40,716
Stockholders' equity		
Common stock, \$0.001 par value; 47,000,000 shares authorized; 21,576,058 and 21,506,791, respectively, outstanding	21	21
Additional paid-in capital	219,244	218,308
Accumulated deficit	(107,023)	(112,948)
Accumulated other comprehensive income	<u>750</u>	<u>1,373</u>
Total stockholders' equity	<u>112,992</u>	<u>106,754</u>
Total liabilities and stockholders' equity	<u><u>\$ 153,369</u></u>	<u><u>\$ 147,470</u></u>

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

	<u>Three Months Ended</u>	
	<u>April 3,</u>	<u>March 28,</u>
	<u>2010</u>	<u>2009</u>
Net revenues:		
Products	\$ 28,548	\$ 4,940
Service	8,617	5,117
Total net revenues	<u>37,165</u>	<u>10,057</u>
Costs of net revenues:		
Cost of products	12,476	3,695
Cost of service	4,142	3,516
Total costs of net revenues	<u>16,618</u>	<u>7,211</u>
Gross profit	20,547	2,846
Operating expenses:		
Research and development	4,570	3,239
Selling	4,717	3,615
General and administrative	4,581	3,972
Amortization of intangible assets	389	369
Asset impairment	344	-
Restructuring charge	-	689
Total operating expenses	<u>14,601</u>	<u>11,884</u>
Income (loss) from operations	5,946	(9,038)
Other income (expense):		
Interest income	21	15
Interest expense	(472)	(266)
Other, net	555	(1,359)
Total other income (expense), net	<u>104</u>	<u>(1,610)</u>
Income (loss) before income taxes	6,050	(10,648)
Provision (benefit) for income taxes	125	(19)
Net income (loss)	<u>\$ 5,925</u>	<u>\$ (10,629)</u>
Net income (loss) per share:		
Basic	<u>\$ 0.28</u>	<u>\$ (0.58)</u>
Diluted	<u>\$ 0.26</u>	<u>\$ (0.58)</u>
Shares used in per share calculation:		
Basic	<u>21,537</u>	<u>18,415</u>
Diluted	<u>22,655</u>	<u>18,415</u>

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

	Three-Months Ended	
	April 3, 2010	March 28, 2009
Income (loss) from operations	\$ 5,946	\$ (9,038)
Non-GAAP Adjustments:		
Amortization of intangible assets	389	369
Depreciation	835	761
Amortization of demonstration systems	285	286
Asset impairment	344	-
Stock-based compensation	929	318
Restructuring charge	-	689
Non-GAAP Operating Income (Loss)	\$ 8,728	\$ (6,615)

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