

STATEMENT OF OPERATIONS INFORMATION

| | Fiscal Years | | | FY 2013 | | | | FY 2014 | | | | FY 2015 | | | |
|--|--------------------|--------------------|-----------------|-------------------|-------------------|-------------------|-----------------|-----------------|-----------------|--------------------|-------------------|-----------------|-----------------|-----------------|-------------------|
| | 2013 | 2014 | 2015 | Q1'13 | Q2'13 | Q3'13 | Q4'13 | Q1'14 | Q2'14 | Q3'14 | Q4'14 | Q1'15 | Q2'15 | Q3'15 | Q4'15 |
| Net Revenues | | | | | | | | | | | | | | | |
| Products | \$ 107,402 | \$ 133,589 | \$ 146,945 | \$ 13,079 | \$ 26,533 | \$ 30,164 | \$ 37,626 | \$ 43,280 | \$ 39,224 | \$ 19,487 | \$ 31,598 | \$ 38,339 | \$ 38,937 | \$ 36,414 | \$ 33,255 |
| Service | 36,905 | 32,854 | 40,422 | 11,473 | 8,019 | 8,880 | 8,533 | 8,296 | 8,805 | 7,646 | 8,107 | 12,037 | 9,693 | 9,264 | 9,428 |
| Total revenues | 144,307 | 166,443 | 187,367 | 24,552 | 34,552 | 39,044 | 46,159 | 51,576 | 48,029 | 27,133 | 39,705 | 50,376 | 48,630 | 45,678 | 42,683 |
| Costs of revenues | | | | | | | | | | | | | | | |
| Cost of products | 57,070 | 68,812 | 76,224 | 7,960 | 14,832 | 15,677 | 18,601 | 21,639 | 19,789 | 10,737 | 16,647 | 19,992 | 19,872 | 19,242 | 17,118 |
| Cost of service | 19,489 | 19,086 | 19,450 | 5,448 | 4,593 | 4,469 | 4,979 | 5,114 | 4,655 | 4,292 | 5,025 | 6,373 | 5,036 | 3,749 | 4,292 |
| Subtotal cost of revenues | 76,559 | 87,898 | 95,674 | 13,408 | 19,425 | 20,146 | 23,580 | 26,753 | 24,444 | 15,029 | 21,672 | 26,365 | 24,908 | 22,991 | 21,410 |
| Non-GAAP gross profit | 67,748 | 78,545 | 91,693 | 11,144 | 15,127 | 18,898 | 22,579 | 24,823 | 23,585 | 12,104 | 18,033 | 24,011 | 23,722 | 22,687 | 21,273 |
| Inventory write-down | 2,439 | - | - | - | - | 2,439 | - | - | - | - | - | - | - | - | - |
| Amortization of intangible assets included in cost of product revenues | 2,633 | 2,723 | 2,026 | 658 | 647 | 658 | 670 | 674 | 677 | 688 | 684 | 632 | 457 | 468 | 469 |
| Total cost of revenues | 81,631 | 90,621 | 97,700 | 14,066 | 20,072 | 23,243 | 24,250 | 27,427 | 25,121 | 15,717 | 22,356 | 26,997 | 25,365 | 23,459 | 21,879 |
| Gross profit | 62,676 | 75,822 | 89,667 | 10,486 | 14,480 | 15,801 | 21,909 | 24,149 | 22,908 | 11,416 | 17,349 | 23,379 | 23,265 | 22,219 | 20,804 |
| Operating expenses | | | | | | | | | | | | | | | |
| Research and development | 32,713 | 33,776 | 32,701 | 7,447 | 8,321 | 8,926 | 8,019 | 8,314 | 9,373 | 8,037 | 8,052 | 8,159 | 8,157 | 8,579 | 7,806 |
| Selling | 27,129 | 27,033 | 28,055 | 6,932 | 6,613 | 6,758 | 6,826 | 7,373 | 6,681 | 6,389 | 6,590 | 7,116 | 7,029 | 6,760 | 7,150 |
| General and administrative | 22,102 | 23,980 | 22,444 | 5,512 | 5,507 | 5,424 | 5,659 | 6,338 | 6,001 | 5,781 | 5,860 | 5,767 | 5,544 | 5,590 | 5,543 |
| Non-GAAP operating expenses | 81,944 | 84,789 | 83,200 | 19,891 | 20,441 | 21,108 | 20,504 | 22,025 | 22,055 | 20,207 | 20,502 | 21,042 | 20,730 | 20,929 | 20,499 |
| Non-GAAP income (loss) from operations | (14,196) | (6,244) | 8,493 | (8,747) | (5,314) | (2,210) | 2,075 | 2,798 | 1,530 | (8,103) | (2,469) | 2,969 | 2,992 | 1,758 | 774 |
| Amortization of intangible assets included in operating expenses | 701 | 420 | 114 | 198 | 195 | 195 | 113 | 108 | 107 | 103 | 102 | 38 | 25 | 26 | 25 |
| Restructuring | 1,740 | 2,266 | 1,380 | - | - | 1,740 | - | - | - | 1,715 | 551 | 58 | - | - | 1,322 |
| Total operating expenses | 84,385 | 87,475 | 84,694 | 20,089 | 20,636 | 23,043 | 20,617 | 22,133 | 22,162 | 22,025 | 21,155 | 21,138 | 20,755 | 20,955 | 21,846 |
| Income (loss) from operations | (21,709) | (11,653) | 4,973 | (9,603) | (6,156) | (7,242) | 1,292 | 2,016 | 746 | (10,609) | (3,806) | 2,241 | 2,510 | 1,264 | (1,042) |
| Other income (expense) | (1,856) | 32 | 595 | (161) | (822) | (445) | (428) | 166 | (170) | (134) | 170 | 632 | (348) | 267 | 44 |
| Non-GAAP income (loss) before income taxes | (16,052) | (6,211) | 9,088 | (8,908) | (6,136) | (2,655) | 1,647 | 2,964 | 1,360 | (8,236) | (2,299) | 3,601 | 2,644 | 2,025 | 818 |
| Income (loss) before income taxes | (23,565) | (11,621) | 5,568 | (9,764) | (6,978) | (7,687) | 864 | 2,182 | 576 | (10,743) | (3,636) | 2,873 | 2,162 | 1,531 | (998) |
| Provision (benefit) for income taxes | (9,419) | 19,497 | 2,663 | (4,182) | (2,412) | (3,133) | 308 | 587 | (12) | 17,919 | 1,003 | 317 | 817 | 713 | 816 |
| Net income (loss) | \$ (14,146) | \$ (31,118) | \$ 2,905 | \$ (5,582) | \$ (4,566) | \$ (4,554) | \$ 556 | \$ 1,595 | \$ 588 | \$ (28,662) | \$ (4,639) | \$ 2,556 | \$ 1,345 | \$ 818 | \$ (1,814) |
| Valuation allowance on deferred tax assets | - | 21,141 | - | - | - | - | - | - | - | 21,141 | - | - | - | - | - |
| Adj. to tax provision: discrete tax items and tax effect of non-GAAP adjustments | (2,706) | (1,743) | - | (306) | (299) | (1,785) | (317) | (282) | (281) | (877) | (303) | - | - | - | - |
| Non-GAAP net income (loss) | \$ (9,339) | \$ (5,705) | \$ 6,425 | \$ (5,032) | \$ (4,023) | \$ (1,307) | \$ 1,022 | \$ 2,095 | \$ 1,091 | \$ (5,892) | \$ (2,999) | \$ 3,284 | \$ 1,827 | \$ 1,312 | \$ 2 |
| Earnings per share | | | | | | | | | | | | | | | |
| Basic | \$ (0.61) | \$ (1.30) | \$ 0.12 | \$ (0.24) | \$ (0.20) | \$ (0.20) | \$ 0.02 | \$ 0.07 | \$ 0.02 | \$ (1.19) | \$ (0.19) | \$ 0.11 | \$ 0.06 | \$ 0.03 | \$ (0.07) |
| Diluted | \$ (0.61) | \$ (1.30) | \$ 0.12 | \$ (0.24) | \$ (0.20) | \$ (0.20) | \$ 0.02 | \$ 0.07 | \$ 0.02 | \$ (1.19) | \$ (0.19) | \$ 0.11 | \$ 0.06 | \$ 0.03 | \$ (0.07) |
| Non-GAAP EPS | \$ (0.40) | \$ (0.24) | \$ 0.26 | \$ (0.22) | \$ (0.17) | \$ (0.06) | \$ 0.04 | \$ 0.09 | \$ 0.05 | \$ (0.24) | \$ (0.12) | \$ 0.14 | \$ 0.08 | \$ 0.05 | \$ 0.00 |
| Shares used in EPS calculation | | | | | | | | | | | | | | | |
| Basic | 23,290 | 23,958 | 24,058 | 23,341 | 23,138 | 23,261 | 23,420 | 23,711 | 23,939 | 24,132 | 24,048 | 23,866 | 24,020 | 24,145 | 24,203 |
| Diluted | 23,290 | 23,958 | 24,375 | 23,341 | 23,138 | 23,261 | 23,913 | 24,159 | 24,220 | 24,132 | 24,048 | 24,257 | 24,285 | 24,352 | 24,446 |
| Income Statement Metrics As a % of Revenue | | | | | | | | | | | | | | | |
| Product revenue | 74.4% | 80.3% | 78.4% | 53.3% | 76.8% | 77.3% | 81.5% | 83.9% | 81.7% | 71.8% | 79.6% | 76.1% | 80.1% | 79.7% | 77.9% |
| Service revenue | 25.6% | 19.7% | 21.6% | 46.7% | 23.2% | 22.7% | 18.5% | 16.1% | 18.3% | 28.2% | 20.4% | 23.9% | 19.9% | 20.3% | 22.1% |
| Product Gross Margin (non-GAAP) | 46.9% | 48.5% | 48.1% | 39.1% | 44.1% | 48.0% | 50.6% | 50.0% | 49.5% | 44.9% | 47.3% | 47.9% | 49.0% | 47.2% | 48.5% |
| Service Gross Margin | 47.2% | 41.9% | 51.9% | 52.5% | 42.7% | 49.7% | 41.7% | 38.4% | 47.1% | 43.9% | 38.0% | 47.1% | 48.0% | 59.5% | 54.5% |
| Amortization of intangibles included in cost of revenues | 1.8% | 1.6% | 1.1% | 2.7% | 1.9% | 1.7% | 1.5% | 1.3% | 1.4% | 2.5% | 1.7% | 1.3% | 0.9% | 1.0% | 1.1% |
| Non-GAAP Gross Margin | 46.9% | 47.2% | 48.9% | 45.4% | 43.8% | 48.4% | 48.9% | 48.1% | 49.1% | 44.6% | 45.4% | 47.7% | 48.8% | 49.7% | 49.8% |
| GAAP Gross Margin | 43.4% | 45.6% | 47.9% | 42.7% | 41.9% | 40.5% | 47.5% | 46.8% | 47.7% | 42.1% | 43.7% | 46.4% | 47.8% | 48.6% | 48.7% |
| Non-GAAP Operating Expenses | 56.8% | 50.9% | 44.4% | 81.0% | 59.2% | 54.1% | 44.4% | 42.7% | 45.9% | 74.5% | 51.6% | 41.8% | 42.6% | 45.8% | 48.0% |
| GAAP Operating Expenses | 58.5% | 52.6% | 45.2% | 81.8% | 59.7% | 59.0% | 44.7% | 42.9% | 46.1% | 81.2% | 53.3% | 42.0% | 42.7% | 45.9% | 51.2% |
| Non-GAAP Operating Income | -9.8% | -3.8% | 4.5% | -35.6% | -15.4% | -5.7% | 4.5% | 5.4% | 3.2% | -29.9% | -6.2% | 5.9% | 6.1% | 3.8% | 1.8% |
| GAAP Operating Income | -15.0% | -7.0% | 2.7% | -39.1% | -17.8% | -18.5% | 2.8% | 3.9% | 1.6% | -39.1% | -9.6% | 4.4% | 5.2% | 2.8% | -2.4% |
| Non-GAAP income (loss) before income taxes | -11.1% | -3.7% | 4.8% | -36.3% | -17.8% | -6.8% | 3.6% | 5.7% | 2.8% | -30.4% | -5.8% | 7.1% | 5.4% | 4.4% | 1.9% |
| GAAP income (loss) before income taxes | -16.3% | -7.0% | 3.0% | -39.8% | -20.2% | -19.7% | 1.9% | 4.2% | 1.2% | -39.6% | -9.2% | 5.7% | 4.4% | 3.3% | -2.3% |
| Non-GAAP Net Income | -6.5% | -3.4% | 3.4% | -20.5% | -11.6% | -3.3% | 2.2% | 4.1% | 2.3% | -21.7% | -7.6% | 6.5% | 3.8% | 2.9% | 0.0% |
| GAAP Net Income | -9.8% | -18.7% | 1.6% | -22.7% | -13.2% | -11.7% | 1.2% | 3.1% | 1.2% | -105.6% | -11.7% | 5.1% | 2.8% | 1.8% | -4.3% |

| | Fiscal Years | | | FY 2013 | | | | FY 2014 | | | | FY 2015 | | | |
|---|-------------------|-------------------|-----------------|-------------------|-------------------|------------------|-----------------|-------------------|-------------------|-------------------|-----------------|-------------------|-------------------|-----------------|-------------------|
| | 2013 | 2014 | 2015 | Q1'13 | Q2'13 | Q3'13 | Q4'13 | Q1'14 | Q2'14 | Q3'14 | Q4'14 | Q1'15 | Q2'15 | Q3'15 | Q4'15 |
| Cash Flow Metrics | | | | | | | | | | | | | | | |
| Cash Flow from Operations | \$ (2,431) | \$ (635) | \$ 1,571 | \$ (8,521) | \$ (8,437) | \$ 13,045 | \$ 1,482 | \$ (4,692) | \$ (2,176) | \$ (2,679) | \$ 8,912 | \$ (5,874) | \$ (1,283) | \$ 9,505 | \$ (777) |
| Capital Expenditures | \$ (5,689) | \$ (5,792) | \$ (1,846) | \$ (997) | \$ (973) | \$ (1,546) | \$ (2,173) | \$ (2,193) | \$ (230) | \$ (377) | \$ (2,992) | \$ (502) | \$ (541) | \$ (322) | \$ (481) |
| Free Cash Flow | \$ (8,120) | \$ (6,427) | \$ (275) | \$ (9,518) | \$ (9,410) | \$ 11,499 | \$ (691) | \$ (6,885) | \$ (2,406) | \$ (3,056) | \$ 5,920 | \$ (6,376) | \$ (1,824) | \$ 9,183 | \$ (1,258) |
| Stock-Based Compensation Expense | \$ 7,674 | \$ 6,752 | \$ 6,248 | \$ 1,457 | \$ 1,751 | \$ 2,704 | \$ 1,762 | \$ 1,634 | \$ 1,776 | \$ 1,705 | \$ 1,637 | \$ 1,571 | \$ 1,411 | \$ 1,682 | \$ 1,584 |
| Depreciation and Amortization | \$ 8,787 | \$ 9,775 | \$ 9,075 | \$ 2,108 | \$ 2,160 | \$ 2,267 | \$ 2,252 | \$ 2,429 | \$ 2,385 | \$ 2,482 | \$ 2,475 | \$ 2,324 | \$ 2,231 | \$ 2,271 | \$ 2,249 |
| Balance Sheet Metrics | | | | | | | | | | | | | | | |
| Cash, cash equivalents and marketable securities | \$ 92,862 | \$ 83,962 | \$ 83,085 | \$ 95,284 | \$ 86,264 | \$ 92,890 | \$ 92,862 | \$ 88,037 | \$ 87,361 | \$ 84,373 | \$ 83,962 | \$ 77,049 | \$ 74,789 | \$ 84,626 | \$ 83,085 |
| A/R | \$ 31,436 | \$ 26,121 | \$ 37,832 | \$ 19,747 | \$ 32,191 | \$ 22,924 | \$ 31,436 | \$ 32,417 | \$ 33,458 | \$ 26,061 | \$ 26,121 | \$ 39,072 | \$ 44,441 | \$ 37,573 | \$ 37,832 |
| Inventories | \$ 41,421 | \$ 37,017 | \$ 50,605 | \$ 45,069 | \$ 41,692 | \$ 38,856 | \$ 41,421 | \$ 40,104 | \$ 38,111 | \$ 36,263 | \$ 37,017 | \$ 38,236 | \$ 43,113 | \$ 49,941 | \$ 50,605 |
| A/P | \$ 10,661 | \$ 10,199 | \$ 11,675 | \$ 6,362 | \$ 8,630 | \$ 11,967 | \$ 10,661 | \$ 7,409 | \$ 6,982 | \$ 5,948 | \$ 10,199 | \$ 11,913 | \$ 13,358 | \$ 15,882 | \$ 11,675 |
| Working capital | \$ 141,797 | \$ 119,644 | \$ 132,903 | \$ 149,683 | \$ 143,489 | \$ 140,706 | \$ 141,797 | \$ 147,645 | \$ 151,515 | \$ 130,215 | \$ 119,644 | \$ 125,497 | \$ 127,982 | \$ 132,679 | \$ 132,903 |
| Long-term debt, including current portion | \$ - | \$ - | \$ - | \$ 5,076 | \$ 4,846 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Tangible book value | \$ 187,766 | \$ 164,749 | \$ 176,046 | \$ 184,873 | \$ 183,773 | \$ 183,663 | \$ 187,766 | \$ 194,266 | \$ 198,937 | \$ 173,644 | \$ 164,749 | \$ 169,122 | \$ 171,988 | \$ 175,718 | \$ 176,046 |
| Cash per share | \$ 3.95 | \$ 3.49 | \$ 3.43 | \$ 4.13 | \$ 3.72 | \$ 3.98 | \$ 3.95 | \$ 3.69 | \$ 3.64 | \$ 3.49 | \$ 3.49 | \$ 3.21 | \$ 3.11 | \$ 3.50 | \$ 3.43 |
| TBV per share | \$ 7.98 | \$ 6.85 | \$ 7.27 | \$ 8.00 | \$ 7.93 | \$ 7.88 | \$ 7.98 | \$ 8.14 | \$ 8.28 | \$ 7.19 | \$ 6.85 | \$ 7.05 | \$ 7.15 | \$ 7.27 | \$ 7.27 |
| Days sales outstanding (DSO) | 80 | 56 | 80 | 72 | 84 | 53 | 61 | 57 | 63 | 86 | 59 | 70 | 82 | 74 | 80 |
| Inventory turns | 1.8 | 2.4 | 1.9 | 1.2 | 1.9 | 2.1 | 2.3 | 2.7 | 2.6 | 1.7 | 2.3 | 2.8 | 2.3 | 1.9 | 1.7 |
| Shares outstanding at end of period (per share calcs) | 23,537 | 24,048 | 24,224 | 23,096 | 23,187 | 23,316 | 23,537 | 23,877 | 24,029 | 24,157 | 24,048 | 23,974 | 24,059 | 24,177 | 24,224 |
| Headcount (ending) | 536 | 525 | 518 | 524 | 533 | 540 | 536 | 543 | 540 | 528 | 525 | 526 | 530 | 540 | 518 |

SUPPLEMENTAL REVENUE INFORMATION

| | | | | | | | | | | | | | | | |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Revenue segmentation by product/service | | | | | | | | | | | | | | | |
| Automated | 57% | 65% | 54% | 21% | 68% | 59% | 68% | 66% | 70% | 59% | 64% | 61% | 60% | 46% | 49% |
| Integrated | 8% | 9% | 17% | 9% | 5% | 11% | 7% | 13% | 6% | 6% | 10% | 9% | 13% | 24% | 24% |
| Materials Characterization | 9% | 6% | 7% | 23% | 4% | 7% | 7% | 5% | 6% | 7% | 6% | 6% | 7% | 10% | 5% |
| Service | 26% | 20% | 22% | 47% | 23% | 23% | 18% | 16% | 18% | 28% | 20% | 24% | 20% | 20% | 22% |
| Total revenues | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| Revenue segmentation by geography | | | | | | | | | | | | | | | |
| North America | 33% | 23% | 20% | 38% | 47% | 40% | 12% | 13% | 28% | 20% | 32% | 18% | 31% | 17% | 11% |
| South Korea | 24% | 25% | 16% | 14% | 16% | 25% | 35% | 31% | 18% | 23% | 27% | 29% | 15% | 15% | * |
| China | * | 17% | * | * | 16% | * | 13% | 30% | 20% | 10% | * | * | * | 15% | 12% |
| Taiwan | * | 12% | 25% | * | * | * | * | * | 13% | * | 20% | 29% | 19% | 25% | 27% |
| EMEA | 14% | * | * | * | * | 11% | 27% | * | 16% | 12% | * | * | * | * | * |
| Japan | * | * | 17% | 21% | * | * | * | * | * | 15% | 13% | * | * | 17% | 36% |
| Singapore | * | * | * | * | * | * | * | * | * | 16% | * | * | 21% | * | * |
| Remainder of world | 30% | 23% | 22% | 26% | 21% | 24% | 14% | 26% | 7% | 2% | 8% | 24% | 14% | 11% | 14% |
| Total revenues | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| Product Revenues by end market | | | | | | | | | | | | | | | |
| DRAM | 18% | 25% | 20% | 9% | 12% | 8% | 35% | 23% | 16% | 34% | 35% | 37% | 16% | 22% | 5% |
| Flash | 21% | 33% | 33% | 8% | 29% | 29% | 13% | 41% | 25% | 39% | 27% | 14% | 41% | 33% | 43% |
| Total Memory | 39% | 58% | 53% | 17% | 41% | 37% | 48% | 64% | 41% | 73% | 62% | 51% | 57% | 54% | 48% |
| Total Logic/IDM/HDD | 32% | 12% | 5% | 23% | 28% | 40% | 31% | 16% | 19% | 1% | 4% | 4% | 5% | 7% | 5% |
| Total Foundry | 17% | 21% | 33% | 17% | 26% | 14% | 13% | 12% | 33% | 7% | 27% | 39% | 26% | 27% | 41% |
| Other Devices and Substrates | 12% | 9% | 9% | 43% | 5% | 9% | 9% | 8% | 7% | 19% | 7% | 6% | 13% | 12% | 6% |
| Total product revenues | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| 10% Customers | | | | | | | | | | | | | | | |
| Samsung | 14% | 27% | 13% | * | 15% | * | 11% | 52% | 16% | * | 24% | 30% | * | * | * |
| Intel | 30% | 13% | * | 29% | 25% | 34% | * | 13% | 18% | * | * | * | * | * | * |
| SK Hynix | 18% | 12% | 11% | * | 23% | 23% | 19% | * | 18% | 27% | * | 13% | 10% | 15% | * |
| Micron | * | 10% | 16% | * | * | * | 16% | * | * | 25% | 18% | * | 32% | 14% | 10% |
| TSMC | * | * | 19% | * | * | * | 19% | * | 11% | * | 16% | 22% | 17% | 17% | 21% |
| Toshiba | * | * | 10% | * | * | * | 10% | * | * | * | 10% | * | * | 13% | 27% |
| Global Foundries | * | * | * | * | * | * | * | * | 15% | * | * | * | * | * | * |

* Comprised less than 10% of revenues or otherwise not broken out separately