

Revenue by Geographical Region (millions)

	<u>Q1 2016</u>	<u>Q4 2015</u>	<u>Q1 2015</u>
Asia Pacific	\$ 16.2	\$ 22.4	\$ 24.5
North America	17.6	20.2	18.5
South Korea	8.9	17.5	16.9
Europe	7.8	5.2	5.5
Japan	3.1	6.5	5.4
	<u>\$ 53.6</u>	<u>\$ 71.8</u>	<u>\$ 70.8</u>

*Asia Pacific includes all countries in the region except Japan and South Korea, which are disclosed separately.

Revenue by Market Segment (millions)

	<u>Q1 2016</u>	<u>Q4 2015</u>	<u>Q1 2015</u>
SOC	\$ 36.1	\$ 41.4	\$ 33.4
DRAM	16.3	28.2	34.6
Flash	1.2	2.2	2.8
	<u>\$ 53.6</u>	<u>\$ 71.8</u>	<u>\$ 70.8</u>

Q1 2016 GAAP to Non-GAAP Reconciliation

(in thousands, except for per share amounts)

	GAAP	Adjustments			Non-GAAP
	Fiscal Quarter Ended March 26, 2016	Stock-based Compensation	Amort. / Dep. of Intangibles and FA Uplift due to Acquisition	Acquisition	Fiscal Quarter Ended March 26, 2016
Revenues	\$ 53,611	\$ -	\$ -	\$ -	\$ 53,611
Cost of revenues	43,819	(633)	(2,116)	32	41,102
Gross profit	9,792	633	2,116	(32)	12,509
Operating expenses:					
Research and development	10,849	(796)	(3)	-	10,050
Sales and marketing	5,558	(514)	(651)	95	4,488
General and administrative	6,958	(791)	-	(2,128)	4,039
Restructuring charges, net	-	-	-	-	-
Long-lived asset impairment	-	-	-	-	-
Total operating expenses	23,365	(2,101)	(654)	(2,033)	18,577
Operating profit (loss)	(13,573)	2,734	2,770	2,001	(6,068)
Other income (expense), net	(197)	-	-	-	(197)
Gain (loss) before income taxes	(13,770)	2,734	2,770	2,001	(6,265)
(Benefit from) provision for income taxes	30	-	-	-	30
Net profit (loss)	\$ (13,800)	\$ 2,734	\$ 2,770	\$ 2,001	\$ (6,295)
Net profit (loss) per share:					
Basic	\$ (0.24)	\$ 0.05	\$ 0.05	\$ 0.03	\$ (0.11)
Weighted-average number of shares used in per share calculations:					
Basic	58,431	58,431	58,431	58,431	58,431

The presentation provides the calculations for Non-GAAP net loss and Non-GAAP net loss per share. FormFactor excluded the following items from one or more of the Non-GAAP measures: stock-based compensation expense, acquisition and integration costs, amortization of intangible assets, loss contingencies, valuation allowance and restructuring and impairment charges. By publishing the Non-GAAP measures, the company's management intends to provide investors with additional information to further analyze the company's performance, core results and underlying trends. FormFactor's management evaluates results and makes operating decisions using both GAAP and Non-GAAP measures. Non-GAAP results are not prepared in accordance with GAAP, and Non-GAAP information should be considered a supplement to, and not a substitute for, financial statements prepared in accordance with GAAP.

Q1 2016 GAAP to Non-GAAP Reconciliation

(in thousands, except for per share amounts)

	Three Months Ended	
	March 26, 2016	March 28, 2015
GAAP net income (loss)	\$ (13,800)	\$ 783
Stock-based compensation	2,734	2,909
Restructuring charges, net	-	503
Acquisition and integration related expenses	2,001	(90)
Amortization of intangibles, inventory and and fixed asset fair value adjustment due to acquisition	2,770	3,291
Gain on sale of IP and business interruption insurance claim recovery	-	(1,484)
Non-GAAP net income (loss)	<u>\$ (6,295)</u>	<u>\$ 5,912</u>
Non-GAAP net income (loss) per share:		
Basic	<u>\$ (0.11)</u>	<u>\$ 0.10</u>
Diluted	<u>\$ (0.11)</u>	<u>\$ 0.10</u>
Weighted-average number of shares used in per share calculations:		
Basic	<u>58,431</u>	<u>56,954</u>
Diluted	<u>58,431</u>	<u>58,838</u>

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