

Nanometrics Reports First Quarter 2008 Financial Results

Revenues Grow by 5%, Cash Increases 25%

Nanometrics Incorporated (Nasdaq: NANO), a leading supplier of advanced metrology equipment to the semiconductor industry, today announced financial results for its first quarter ended March 29, 2008.

Revenues for the first quarter were \$34.7 million, representing a 5% increase from fourth quarter 2007 revenues of \$33.2 million and a 6% decrease from first quarter 2007 revenues of \$37.1 million. Net loss for the first quarter was \$0.7 million, or \$0.04 per share, inclusive of a restructuring charge of \$0.9 million related to the workforce reduction announced in January 2008. This compares to a net loss of \$1.3 million, or \$0.07 per share, for the fourth quarter of 2007 and a net loss of \$4.6 million, or \$0.26 per share, for the first quarter of 2007.

The first quarter 2008 operating loss of \$0.9 million includes non-cash charges of \$1.3 million for amortization of acquired intangible assets, \$0.9 million for stock-based compensation expenses and \$1.0 million for depreciation.

"I am pleased to announce a solid quarter for Nanometrics," commented Tim Stultz, president and chief executive officer. "In spite of a challenging market environment, we grew revenues, continued to improve our service business and added nearly \$4 million to our cash balance. We now have a complete team that is executing on our strategy, objectives and business model and, while we have more work to do, I am confident we are on the right track."

[View Q1 2008 consolidated balance sheets and statement of operations \[pdf\]](#)

Conference Call Details

A conference call to discuss the first quarter 2008 results will be held later today at 5:00 p.m. Eastern Daylight Time (2:00 p.m. PDT). To participate in the conference call, the dial-in numbers are 800-901-5226 for domestic callers and 617-786-4513 for international callers. The passcode is 58115473. A live and recorded webcast will be made available on the investor page of the Nanometrics website at www.nanometrics.com.

About Nanometrics

Nanometrics is a leader in the design, manufacture and marketing of high-performance process control metrology systems used in semiconductor manufacturing. Nanometrics standalone and integrated metrology systems measure various thin film properties, critical dimensions, overlay control and optical, electrical and material properties, including the structural composition of silicon and compound semiconductor devices, during various steps of the manufacturing process. These systems enable semiconductor manufacturers to improve yields, increase productivity and lower their manufacturing costs. The company maintains its headquarters in Milpitas, California, with sales and service offices worldwide. Nanometrics is traded on the NASDAQ Global Market under the symbol NANO. Nanometrics' website is <http://www.nanometrics.com>.

Forward Looking Statements

This press release contains forward-looking statements including, but not limited to, statements regarding Nanometrics' expected results for its most recently completed fiscal quarter, which remain subject to adjustment in connection with the preparation of Nanometrics' financial statements and periodic report on Form 10-Q for the quarter ended March 29, 2008. These statements relate to future events and involve known and unknown risks, uncertainties and other factors that may cause Nanometrics' actual financial results, levels of activity, performance or achievements to differ materially from those expressed or implied by the forward-looking statements. Forward-looking statements are only predictions and actual events or results may differ materially. Nanometrics cannot provide any assurance that its future results will meet expectations. For additional information and considerations regarding the risks faced by Nanometrics, see its annual report on Form 10-K, as amended, for the year ended December 30, 2007 as filed with the Securities and Exchange Commission, as well as other periodic reports filed with the SEC from time to time. Although Nanometrics believes that the expectations reflected in the forward-looking statements are reasonable, Nanometrics cannot guarantee future results, levels of activity, performance or achievements. Nanometrics disclaims any obligation to update information contained in any forward-looking statement.

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