



INNOVATION PUT TO THE TEST



FORMFACTOR
Advanced Wafer Probe Solutions

FormFactor Inc.
Investor Presentation
February 2012

Disclosure

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FormFactor At a Glance

- **Founded 1993 – NASDAQ: FORM IPO 2003**
- **Headquarters: Livermore, California**
 - Sales, Service, Repair and Design Centers: Japan, Korea, Taiwan, Singapore
 - Manufacturing and R&D Centers: Livermore, Yokohama
 - 750 employees Worldwide
- **Broad MEMS and Probe Card Technology Portfolio**
 - 646 U.S. and Foreign Patents Issued
 - 327 Patent Applications
- **Strong Balance Sheet**
 - \$290M+ Cash, no debt

Semiconductor Manufacturing

FRONT END



Litho



Etch



Deposition



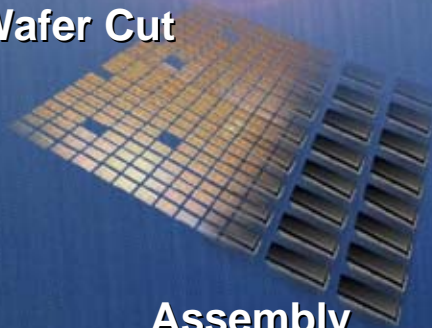
Metrology



Wafer Test

BACK END

Wafer Cut



Assembly & Package

Package Burn In



Package Final Test



Semiconductor Manufacturing

FRONT END

Litho

Etch

Deposition

Metrology

Automated
Test Equipment
(ATE)

Probe Card

Wafer Test

Wafer Prober

BACK END

Wafer Cut

Assembly
& Package

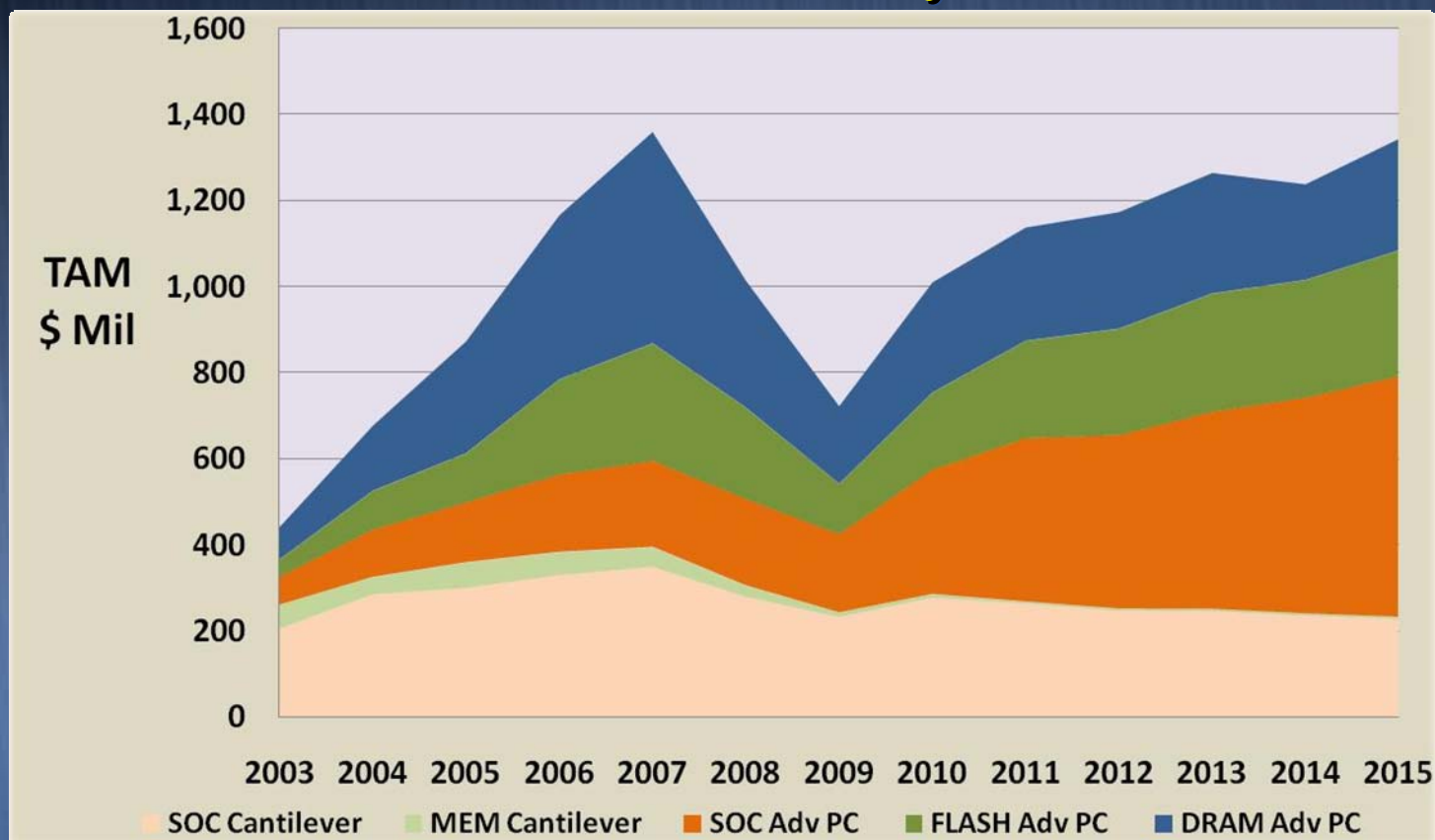
Package
Burn In

Package
Final Test

Advanced Probe Card Market Characteristics

- New Probe Cards for each new IC Design
 - High Degree of Customization
- Complex System Level Product Enabling IC Roadmap
 - Integration of MEMS probes , precision mechanical assemblies, complex PC board assembly, ASIC components, software/firmware
- Rapid Response and Short Lead Time for Global Market
 - 40 to 55 days for design, fabrication, assembly and test

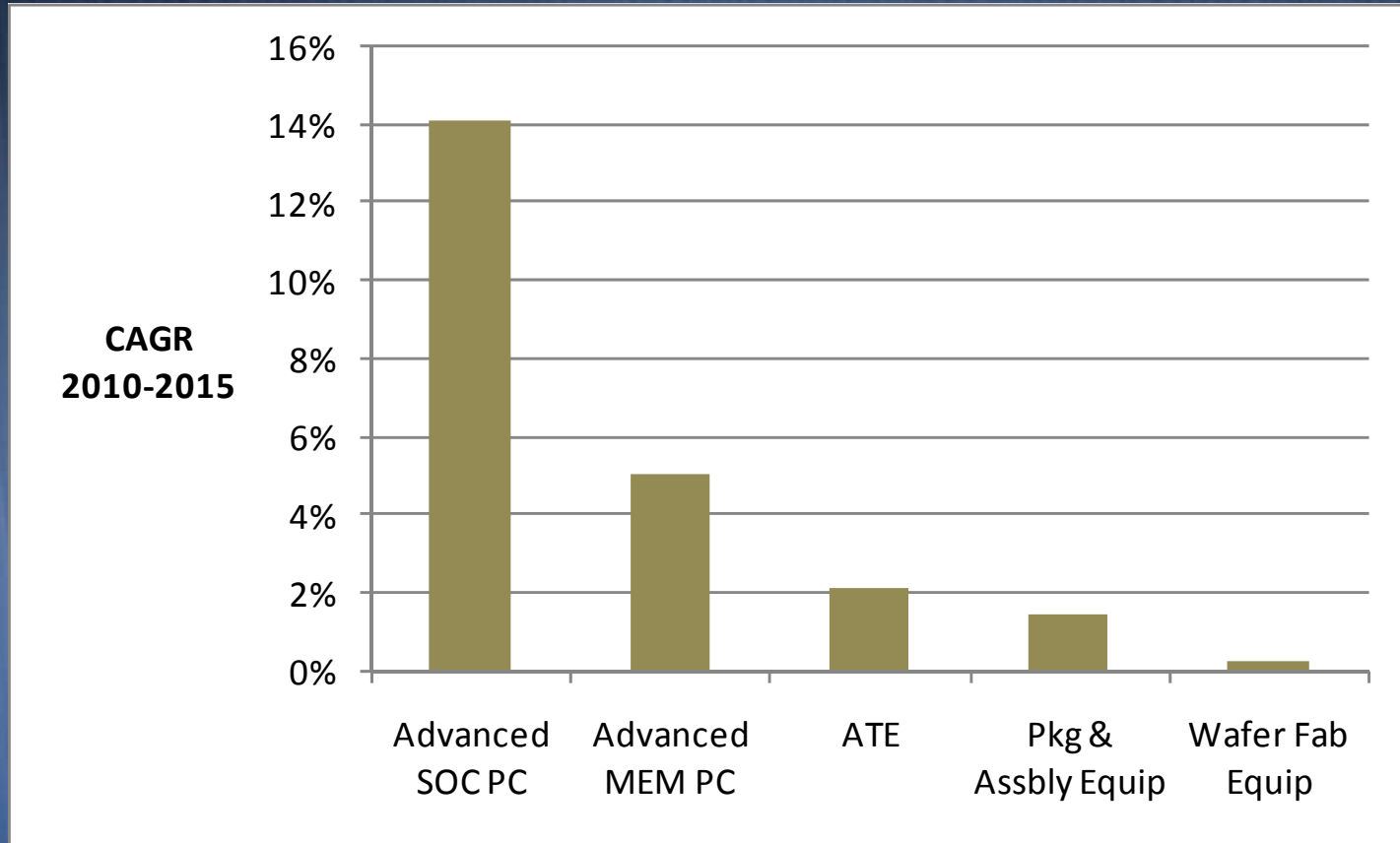
Probe Card Market History and Forecast



Source: VLSI, Gartner, FFI estimates Note: DRAM includes other advanced memory

- ❖ SOC Advanced PC market CAGR~ 14% 2010 - 2015
- ❖ DRAM Advanced PC market – Stable / Flat
- ❖ FLASH Advanced PC market CAGR~ 10% 2010 - 2015

Probe Cards - A Growth Opportunity



Source: VLSI, Gartner, FFI estimates

❖ **Probe Card market is growing faster than the overall Semi equipment market**

FormFactor Growth Strategy

- Accelerate Advanced Probe Card adoption by enabling lower Cost of Test
- Expand advanced Flip Chip market position via new MEMS vertical spring technology
- Grow DRAM share via next generation Matrix Platform

Summary

- ❖ The probe card market continues to be a growth opportunity
- ❖ Focused on strengthening DRAM base and growing SOC
- ❖ FFI has strong technical and financial assets to meet the challenge of the advanced probe card market

Framework for FFI's Recovery

Q4 '10 – Q1 '11	Q2 '11 - Q4 '11	FY12 and beyond
<u>Stabilize</u>	<u>Compete</u>	<u>Lead</u>
<u>Customers</u> <ul style="list-style-type: none"> • OTD – Meet Commitments 	<u>Customers</u> <ul style="list-style-type: none"> • Lead time improvements 	<u>Customers</u> <ul style="list-style-type: none"> • Logic / SOC • Foundry / Fabless
<u>Products & Technology</u> <ul style="list-style-type: none"> • SmartMatrix™ • TouchMatrix™ 	<u>Products & Technology</u> <ul style="list-style-type: none"> • Qualification start for 2nd Generation of Matrix Architecture for DRAM 	<u>Products & Technology</u> <ul style="list-style-type: none"> • TSV solution • Advanced Spring Technologies for SOC
<u>Operational Performance Goal</u> <ul style="list-style-type: none"> • \$0 cash burn @ \$54-56M / qtr 	<u>Operational Performance Goal</u> <ul style="list-style-type: none"> • Non-GAAP profit @ 55M / qtr 	<u>Operational Performance Goal</u> <ul style="list-style-type: none"> • EPS Growth

2011 Accomplishments

- Restructured : Q3 2010 Opex \$26M → Q4 2011 Opex \$19M
- Re-established business at top four DRAM customers
 - Matrix qualified and in production at 3 customers
 - Next Generation Matrix in qualification at 4th customer
 - Next Generation Matrix in qual at second customer, with third customer delivery in Q2
- Gross margin improved from (-5%) to 23% at \$46M per quarter revenue
- 1st Article lead times reduced from 88 days to 54 days on leading Matrix Architecture products
- Next Generation Area Array product in evaluation at key logic customer