

Revenue By Geographic Region (millions)

	<u>Q3 2017</u>	<u>Q2 2017</u>	<u>Q3 2016</u>
Asia Pacific	\$ 23.8	\$ 20.4	\$ 17.5
United States	57.2	50.5	39.6
Taiwan	17.8	29.8	17.7
South Korea	21.8	22.7	17.6
Europe	12.1	9.4	16.5
Japan	10.4	10.6	14.1
Rest of World	0.6	0.6	0.3
	<u>\$ 143.7</u>	<u>\$ 144.0</u>	<u>\$ 123.3</u>

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

Revenue by Market Segment (millions)

	<u>Q3 2017</u>	<u>Q2 2017</u>	<u>Q3 2016</u>
Foundry & Logic	\$ 81.9	\$ 88.7	\$ 75.1
DRAM	32.4	31.5	22.3
Flash	5.1	1.4	5.3
Systems	<u>24.3</u>	<u>22.4</u>	<u>20.6</u>
	<u>\$ 143.7</u>	<u>\$ 144.0</u>	<u>\$ 123.3</u>

Q3 2017 GAAP to Non-GAAP Reconciliation

(In thousands, except for per share amounts)

	Three Months Ended		Year to Date	
	September 30, 2017	September 24, 2016	September 30, 2017	September 24, 2016
GAAP net income (loss)	\$ 12,563	\$ (14,198)	\$ 35,325	\$ 8,887
Stock-based compensation	4,586	3,202	11,279	7,477
Restructuring and impairment charges, net	16	85	329	6,995
Acquisition and integration related expenses	731	964	1,738	6,760
Amortization of intangibles	7,520	26,931	23,993	32,468
Deferred revenue	-	263	0	263
Income tax valuation allowance release	-	88	-	(43,851)
Contingency	-	-	(206)	-
Proceeds from sale of intellectual property	(400)	(400)	(400)	(400)
Income tax effect of non-GAAP adjustments	(14)	(988)	(570)	(988)
Non-GAAP net income (loss)	<u>\$ 25,002</u>	<u>\$ 15,947</u>	<u>\$ 71,488</u>	<u>\$ 17,611</u>
Non-GAAP net income (loss) per share:				
Basic	<u>\$ 0.34</u>	<u>\$ 0.23</u>	<u>\$ 0.99</u>	<u>\$ 0.28</u>
Diluted	<u>\$ 0.34</u>	<u>\$ 0.22</u>	<u>\$ 0.97</u>	<u>\$ 0.28</u>
Weighted-average number of shares used in per share calculations:				
Basic	<u>72,651</u>	<u>70,502</u>	<u>72,013</u>	<u>62,835</u>
Diluted	<u>73,885</u>	<u>71,336</u>	<u>73,540</u>	<u>63,662</u>

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 intangibles, contingencies, 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.

Q3 2017 GAAP to Non-GAAP Reconciliation

(In thousands, except for per share amounts)

	GAAP	Adjustments						Non-GAAP
	Quarter Ended September 30, 2017	Stock-based Compensation	Restructuring & Impairment	Intangible Amortization	Acquisition & Integration	Contingency	Sale of Intellectual Property	Quarter Ended September 30, 2017
Revenues	\$ 143,735	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 143,735
Cost of revenues	86,105	(894)	-	(5,478)	(6)	-	-	79,727
Gross profit	57,630	894	-	5,478	6	-	-	64,008
Operating expenses:								
Research and development	19,338	(1,437)	-	-	-	-	-	17,901
Sales and marketing	15,003	(1,175)	-	(2,042)	(71)	-	-	11,715
General and administrative	9,007	(1,080)	-	-	(654)	-	-	7,273
Restructuring and impairment charges, net	16	-	(16)	-	-	-	-	-
Total operating expenses	43,364	(3,692)	(16)	(2,042)	(725)	-	-	36,889
Operating profit (loss)	14,266	4,586	16	7,520	731	-	-	27,119
Interest expense, net	(986)	-	-	-	-	-	-	(986)
Other income, net	311	-	-	-	-	-	(400)	(89)
Income before income taxes	13,591	4,586	16	7,520	731	-	(400)	26,044
Provision for income taxes	1,028	(19)	-	(32)	64	-	2	1,042
Net income	\$ 12,563	\$ 4,605	\$ 16	\$ 7,552	\$ 667	\$ -	\$ (402)	\$ 25,002
Net income per share:								
Basic	\$ 0.17	\$ 0.06	\$ 0.00	\$ 0.10	\$ 0.01	\$ -	\$ (0.01)	\$ 0.34
Diluted	\$ 0.17	\$ 0.06	\$ 0.00	\$ 0.10	\$ 0.01	\$ -	\$ (0.01)	\$ 0.34
Weighted-average number of shares								
Basic	72,651	72,651	72,651	72,651	72,651	72,651	72,651	72,651
Diluted	73,885	73,885	73,885	73,885	73,885	73,885	73,885	73,885

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 intangibles, contingencies, 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.