

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **October 26, 2010**

FormFactor, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

000-50307
(Commission File Number)

13-3711155
(IRS Employer
Identification No.)

7005 Southfront Road
Livermore, California
(Address of principal executive offices)

94551
(Zip Code)

Registrant's telephone number, including area code: **(925) 290-4000**

N/A

(Former name or former address if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02 Results of Operations and Financial Condition.

On October 26, 2010, FormFactor, Inc. (the "Company") issued a press release announcing its financial results for the third quarter ended September 25, 2010. A copy of the press release is furnished as Exhibit 99.01 to this report and is incorporated herein by reference.

Item 8.01 Other Items.

On October 20, 2010, the Company announced that the board of directors approved a stock repurchase plan. The board approved up to \$50 million to repurchase shares of the Company's outstanding common stock during the period terminating October 20, 2011.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit Number</u>	<u>Title and Description</u>
99.01	Press release announcing earnings for the fiscal quarter ended September 25, 2010.

The information in this current report and the accompanying exhibit shall not be incorporated by reference into any filing of FormFactor with the Securities and Exchange Commission, whether made before or after the date hereof, regardless of any general incorporation language in such filing, unless expressly incorporated by specific reference in such filing. The information in this report and the accompanying exhibit shall not be deemed to be "filed" for purposes

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

FormFactor, Inc.
(Registrant)

Date: October 26, 2010

By: /s/ Stuart M. Merkadeau
Stuart M. Merkadeau
Senior Vice President, General Counsel and Secretary

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Title and Description</u>
99.01	Press release announcing earnings for the fiscal quarter ended September 25, 2010.



News Release

Investor Contact:

Stan Finkelstein
Investor Relations
(925) 290-4321
ir@formfactor.com

Trade Press Contact:

David Viera
Corporate Communications
(925) 290-4681
dviera@formfactor.com

FormFactor, Inc. Reports Third Quarter Results

LIVERMORE, Calif. — October 26, 2010 — FormFactor, Inc. (Nasdaq: FORM) today announced its financial results for the third quarter of fiscal 2010, that ended on September 25, 2010. Quarterly revenues were \$47.3 million, down 18% from \$57.6 million in the second quarter of fiscal 2010, and up 8% from \$43.8 million in the third quarter of fiscal 2009.

On a GAAP basis net loss for the third quarter of fiscal 2010 was \$95.8 million or \$(1.90) per fully-diluted share, compared to a net loss for the second quarter of fiscal 2010 of \$33.9 million or \$(0.68) per fully-diluted share and a net loss for the third quarter of fiscal 2009 of \$23.9 million or \$(0.48) per fully-diluted share. The third quarter of fiscal 2010 results include aggregated impairment charges of \$55.4 million, or \$(1.10) per fully diluted share, of which \$3.4 million relates to impairments of certain long-lived assets and assets held for sale. The remaining \$52.0 million results from an enterprise-wide impairment of our long lived assets recorded in accordance with ASC 360, *Property, Plant and Equipment*. A pre-tax restructuring charge of \$8.5 million, or \$(0.17) per fully diluted share, was also recorded in the third quarter of 2010 primarily related to employee termination benefits and costs of long-lived assets abandoned or impaired attributable to our decision to cease the transfer of manufacturing operations to Singapore.

On a Non-GAAP basis, net loss for the third quarter of fiscal 2010 was \$27.7 million or \$(0.55) per fully-diluted share, compared to a net loss for the second quarter of fiscal 2010 of \$26.5 million or \$(0.53) per fully-diluted share and a net loss for the third quarter of fiscal 2009 of \$18.8 million or \$(0.38) per fully-diluted share.

“We are making solid progress on qualifications of our Matrix platform at all major memory customers,” said Tom St. Dennis, CEO of FormFactor. “We are starting to see good adoption of the Matrix product and robust repeat orders. We remain focused on expense management, and we continue to make progress on our goal to bring our manufacturing structure and operating expenses in line with revenues.”

In other matters, the Board of Directors has authorized the repurchase of up to \$50 million dollars worth of common stock. Under the authorized stock repurchase program, the company may repurchase shares from time to time on the open market; the pace of repurchase activity will depend on levels of cash generation, current stock price, and other factors. The stock repurchase authorization expires in 12 months and the program may be modified or discontinued at any time.

The company has posted its revenue breakdown by region and market segment on the Investors section of its website at www.formfactor.com. FormFactor will conduct a conference call at 1:30 p.m. PDT, or 4:30 p.m. EDT, today. The public is invited to listen to a live web cast of FormFactor’s conference call on the Investors section of the company’s website at

www.formfactor.com. An audio replay of the conference call will also be made available approximately two hours after the conclusion of the call. The audio replay will remain available until October 28th, 2010 at 9:00 p.m. PDT, and can be accessed by dialing (800) 642-1687 (domestic) or (706) 645-9291 (international) and entering confirmation code 16405944.

Non-GAAP Financial Measures:

This press release highlights the company’s financial results on both a GAAP and a non-GAAP basis. The GAAP results include certain charges that are excluded from non-GAAP results. By publishing the non-GAAP measures, 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 included in this press release. 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. Investors and potential investors are encouraged to review the reconciliation of non-GAAP financial measures to their most directly comparable GAAP measures attached to this press release.

About FormFactor:

Founded in 1993, FormFactor, Inc. (Nasdaq: FORM) is a leader in advanced wafer probe cards, which are used by semiconductor manufacturers to electrically test integrated circuits, or ICs. The company’s wafer sort, burn-in and device performance testing products move IC testing upstream from post-packaging to the wafer level, enabling semiconductor manufacturers to lower their overall production costs, improve yields, and bring next-generation devices to market. FormFactor is headquartered in Livermore, California with operations in Europe, Asia and North America. For more information, visit the company’s website at www.formfactor.com.

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FormFactor and the FormFactor logo are registered trademarks of FormFactor, Inc. All other product, trademark, company or service names mentioned herein are the property of their respective owners.

Forward-looking Statements:

Statements in this press release that are not strictly historical in nature are forward-looking statements within the meaning of the federal securities laws, including statements regarding business momentum, demand for our products and future growth. These forward-looking statements are based on current information and expectations that are inherently subject to change and involve a number of risks and uncertainties. Actual events or results might differ materially from those in any forward-looking statement due to various factors, including, but not limited to: changes in the market environment, including the demand for DRAM and Flash memory devices and certain other semiconductor devices, the company's ability to complete qualification of its Matrix platform products at major memory customers; the rate at which semiconductor manufacturers adopt the company's Matrix platform products and request repeat orders; the company's ability to manage expenses and bring its manufacturing structure and operating expenses in line with revenues; and the scope and extent to which the company repurchases any stock under its authorized stock repurchase program. Additional information concerning factors that could cause actual events or results to differ materially from those in any forward-looking statement is contained in the company's Form 10-K for the fiscal year ended December 26, 2009, as filed with the Securities and Exchange Commission ("SEC"), and subsequent SEC filings. Copies of the company's SEC filings are available at <http://investors.formfactor.com/edgar.cfm>. The company assumes no obligation to update the information in this press release, to revise any forward-looking statements or to update the reasons actual results could differ materially from those anticipated in forward-looking statements.

FORMFACTOR, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except per share amounts)

(Unaudited)

	Three Months Ended		Nine Months Ended	
	September 25, 2010	September 26, 2009	September 25, 2010	September 26, 2009
Revenues	\$ 47,347	\$ 43,773	\$ 144,653	\$ 102,340
Cost of revenues*	54,541	35,803	150,244	99,375
Gross profit (loss)	(7,194)	7,970	(5,591)	2,965
Operating expenses:				
Research and development	12,825	13,775	43,913	41,823
Selling, general and administrative	16,219	17,366	52,810	61,939
Restructuring charges	8,539	—	14,603	7,943
Impairment of long-lived assets	55,402	632	56,401	632
Total operating expenses	92,985	31,773	167,727	112,337
Operating loss	(100,179)	(23,803)	(173,318)	(109,372)
Interest income, net	623	694	2,120	2,571
Other income (expense), net	3,960	(415)	3,995	(920)
Loss before income taxes	(95,596)	(23,524)	(167,203)	(107,721)
Provision for income taxes	231	377	672	19,969
Net loss	\$ (95,827)	\$ (23,901)	\$ (167,875)	\$ (127,690)
Net loss per share:				
Basic and Diluted	\$ (1.90)	\$ (0.48)	\$ (3.35)	\$ (2.59)

Weighted-average number of shares used in per share calculations:

Basic and Diluted	50,431	49,582	50,136	49,392
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Reconciliation of Non-GAAP Net loss:

	Three Months Ended		Nine Months Ended	
	September 25, 2010	September 26, 2009	September 25, 2010	September 26, 2009
GAAP Net loss	\$ (95,827)	\$ (23,901)	\$ (167,875)	\$ (127,690)
Deferred tax valuation allowance	—	—	—	44,683
Stock-based compensation, net of related income-tax impact**	4,219	4,503	13,371	12,178
Restructuring charges, net of related income-tax impact**	8,539	—	14,603	5,018
Impairment of long-lived assets, net of related income-tax impact	55,402	632	56,401	632
Non-GAAP Net loss	\$ (27,667)	\$ (18,766)	\$ (83,500)	\$ (65,179)
Non-GAAP Net loss per share:				
Basic and Diluted	\$ (0.55)	\$ (0.38)	\$ (1.67)	\$ (1.32)

Weighted-average number of shares used in per share calculations:

Basic and Diluted	50,431	49,582	50,136	49,392
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* Certain amounts were reclassified from Cost of Revenue to Impairment Charges for Q2'10 and Q3'09.

** There was no related income tax impact to stock-based compensation and restructuring charges in the third quarter of fiscal 2010 as a result of the valuation allowance recorded.

FORMFACTOR, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except per share amounts)
(Unaudited)

	September 25, 2010	December 26, 2009
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 118,554	\$ 122,043
Marketable securities	252,916	327,192
Accounts receivable, net	35,927	29,412
Inventories	29,065	25,548
Deferred tax assets, net	3,329	3,296
Refundable income taxes	417	26,774
Prepaid expenses and other current assets	15,203	12,346
Total current assets	<u>455,411</u>	<u>546,611</u>
Restricted cash	680	680
Property and equipment, net	35,172	97,758
Deferred tax assets, net	2,429	2,202
Other assets	6,059	8,717
Total assets	<u>\$ 499,751</u>	<u>\$ 655,968</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 27,738	\$ 29,250
Accrued liabilities	22,517	23,417
Income taxes payable	53	481
Deferred revenue	7,034	10,856
Total current liabilities	<u>57,342</u>	<u>64,004</u>
Long-term income taxes payable	6,423	6,423
Deferred rent and other liabilities	5,836	5,626
Deferred tax liability	2,134	2,134
Total liabilities	<u>71,735</u>	<u>78,187</u>
Stockholders' equity		
Common stock, \$0.001 par value	52	50
Additional paid-in capital	647,533	630,333
Accumulated other comprehensive income	2,161	1,253
Accumulated deficit	(221,730)	(53,855)
Total stockholders' equity	<u>428,016</u>	<u>577,781</u>
Total liabilities and stockholders' equity	<u>\$ 499,751</u>	<u>\$ 655,968</u>