

FormFactor Incorporated (NASDAQ: FORM)

*Citi Global Technology Conference
September 2013*



Disclosure

FORWARD-LOOKING STATEMENTS: This presentation contains 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: the company's ability to successfully integrate and realize the anticipated benefits of the acquisition; statements around customers' engagement with the newly combined company; the company's ability to deliver technology innovation for the advanced probe card industry; projections, including statements regarding business momentum, improved financial performance, including immediately accretive earnings, and macro-economic conditions, demand for our products and future growth; and statements that contain words like "expects," "anticipates," "believes," "possibly," "should" and the assumptions upon which such statements are based. 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 2012, as filed with the Securities and Exchange Commission ("SEC"), and subsequent SEC filings, including the company's Quarterly Reports on Form 10-Q. Copies of the company's SEC filings are available at <http://investors.formfactor.com/edgar.cfm>. We assume no obligation to update the information in this presentation, to revise any forward-looking statements or to update the reasons actual results could differ materially from those anticipated in forward-looking statements.

NON-GAAP MEASURES: This presentation includes GAAP and non-GAAP financial information. FormFactor excluded from one or more of the non-GAAP measures certain items as described, such as stock-based compensation expenses, 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. A reconciliation of our GAAP and non-GAAP measures can be found on our website.

The “New” FormFactor, at a Glance

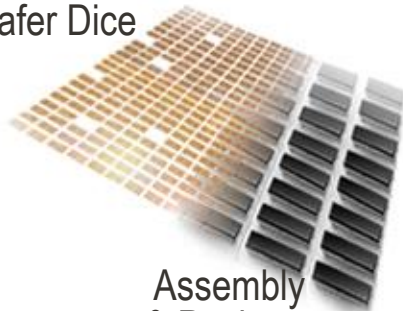
- Founded 1993, IPO 2003 (NASDAQ: FORM)
- Acquired MicroProbe October 16th, 2012
- Headquarters: Livermore, California
 - Sales, Service, Design Centers: Japan, Korea, Taiwan, Singapore, EU, China, US
 - Manufacturing and R&D Centers: California, Suzhou China
 - ~1000 employees Worldwide
- Largest Probe Card supplier in the Semiconductor Industry
 - Leading supplier of advanced probe cards
- Strong Balance Sheet
 - \$155M Cash, no debt

FormFactor's Place in the Semiconductor Manufacturing Process

FRONT END



Wafer Dice



Assembly
& Package



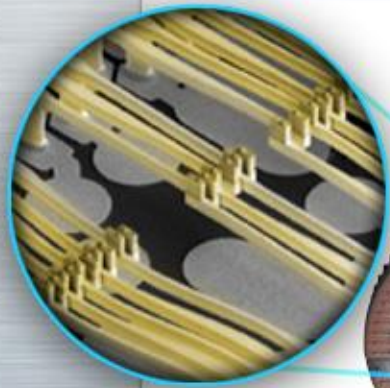
Package
Burn In



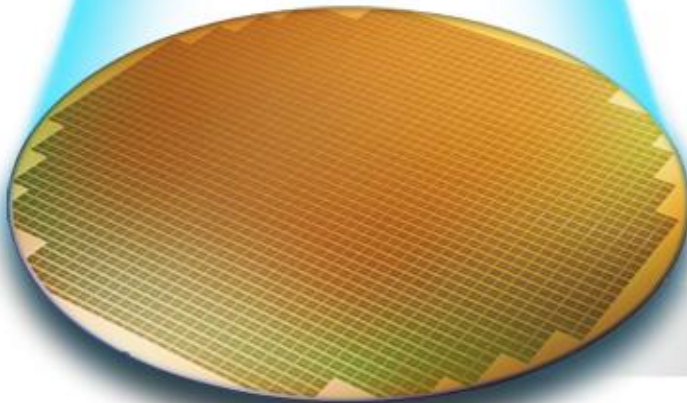
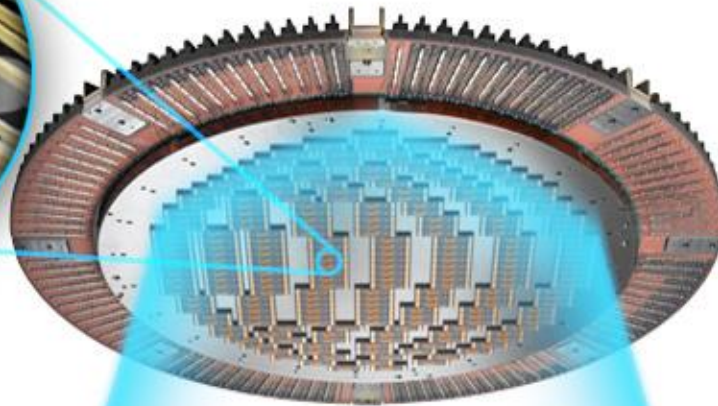
Package
Final Test

Probe Cards – A Device-Specific Consumable

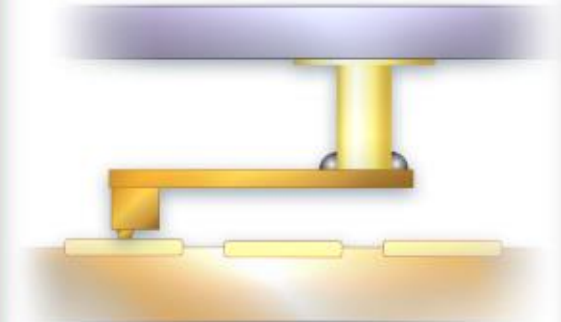
Testing chips while still on the silicon wafer, prevents the packaging of “bad” chips



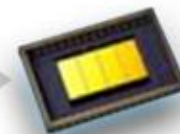
Probe layout
matches
chip layout



MEMS MicroSpring® Interconnects



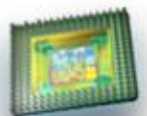
Chip (Integrated Circuit or IC)



Flash
Memory

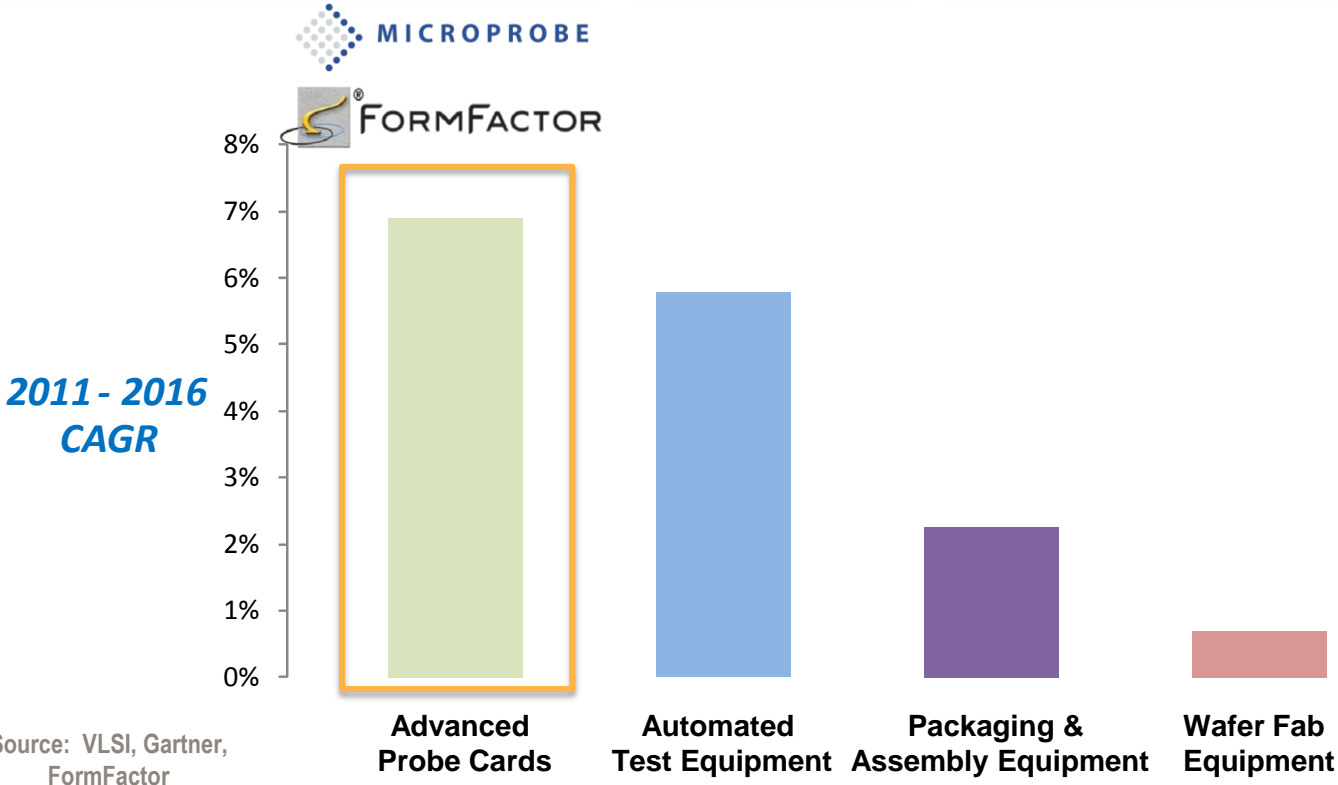


DRAM
Memory



Microprocessors,
& other LOGIC

Advanced Probe Cards – A Growth Opportunity



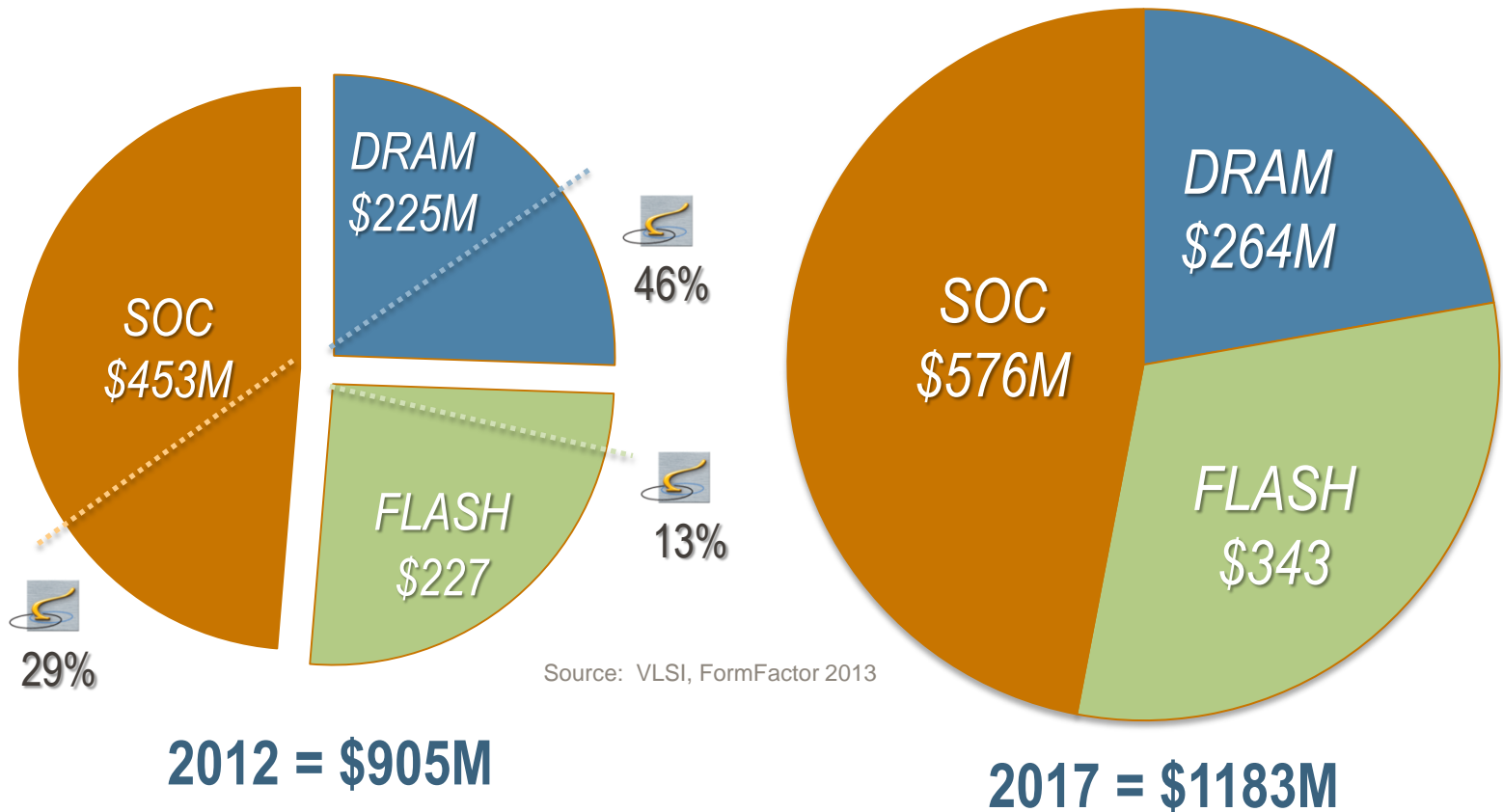
Probe card market growing faster than adjacent markets
MicroProbe + FormFactor creates leader in fastest growth market

FormFactor's Customer Value Proposition

- Largest probe card company at ~\$260M annual sales
- Industry's largest service and support infrastructure worldwide
 - On-location support for rapid response
- Technology leadership in advanced Memory and SoC markets
 - R&D investment greater than total sales of all but the Top 4 probe card suppliers
- Expanded technology and product portfolio to meet accelerating customer roadmaps
 - Solutions in place for Copper Pillar, Through-Silicon-Via, and other demanding (and valuable) applications

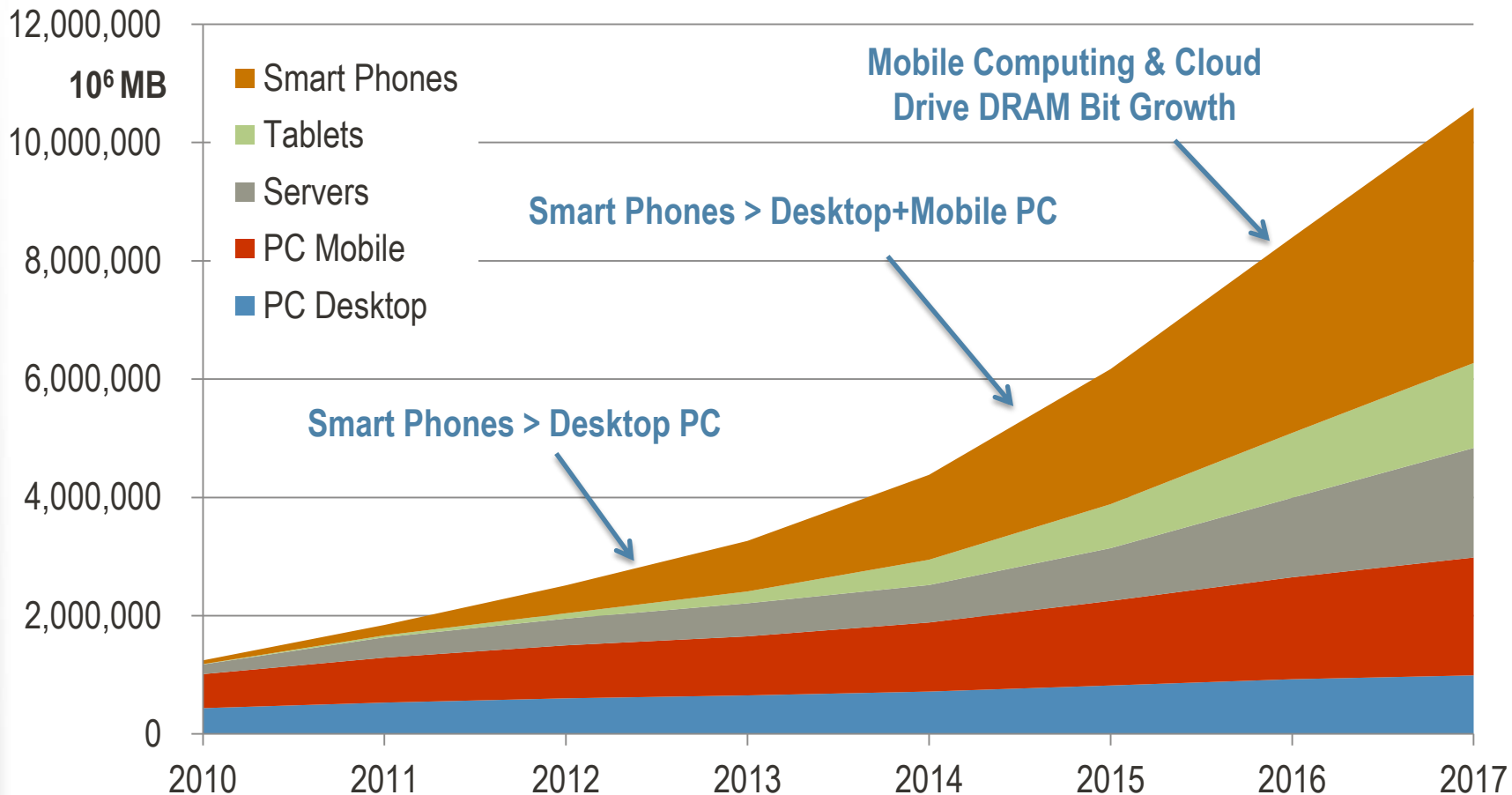
 **FORMFACTOR** +  **MICROPROBE** = **Together We're #1**

Advanced Probe Card Segments and Market Share



Market Leadership in Advanced SoC and Memory Segments

The Now-Consolidated DRAM Segment Continues to Grow Driven By Mobile Applications



Source: Gartner, March 2013

DRAM Bit CAGR of 31%

FormFactor Flash Memory Market Position

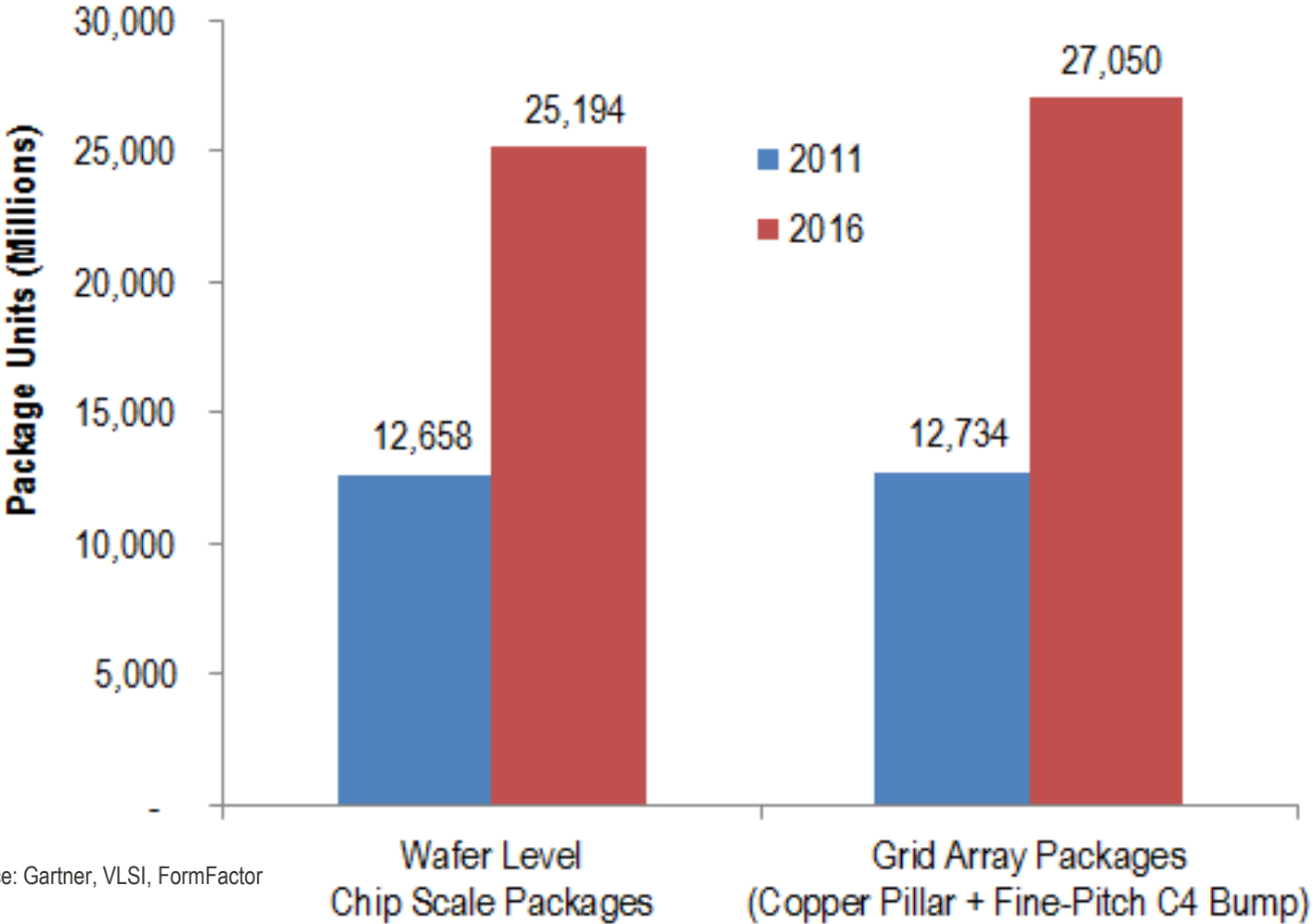
- Currently serve high-end NAND+NOR Flash applications
 - ~10-15% of the flash probe card market
 - Characterized by high parallelism/pin count
- Bulk of market requires lower complexity probe cards
 - Fewer technical challenges, many suppliers
 - Lower price/cost point
- Represents a future opportunity for FormFactor
 - Leverage industry leadership to enter at lower complexity level

The MicroProbe Merger – A Transformational Gain in SoC Market Share and Footprint

- Leading Supplier to High Growth SoC Market
 - #1 supplier of Advanced SoC probe cards, ~\$103M revenue in 2012
- Transforms FormFactor revenue profile & segment share
 - SoC: 17% → 50%
 - DRAM: 65% → 40%
 - Flash: 18% → 10%
- The merger has gone well with many early wins
 - Merged sales team drives incremental share
 - Product and technology synergies
 - Supply chain leverage

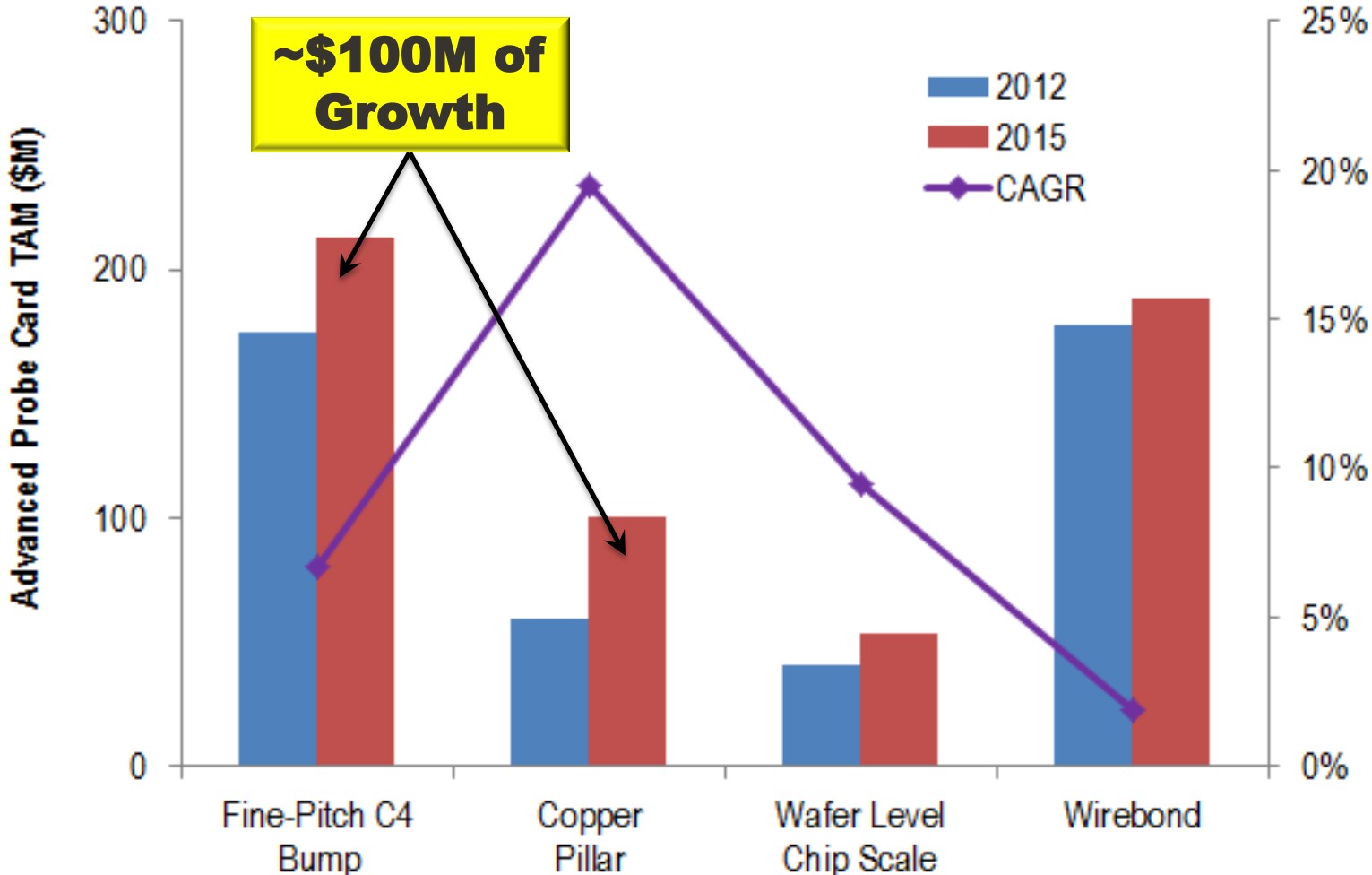


Advanced SoC Probe Card Growth driven by Adoption of Advanced Packaging for Mobile Applications



Source: Gartner, VLSI, FormFactor

Advanced SoC Market Growth Focused In Applications Where FormFactor Leads



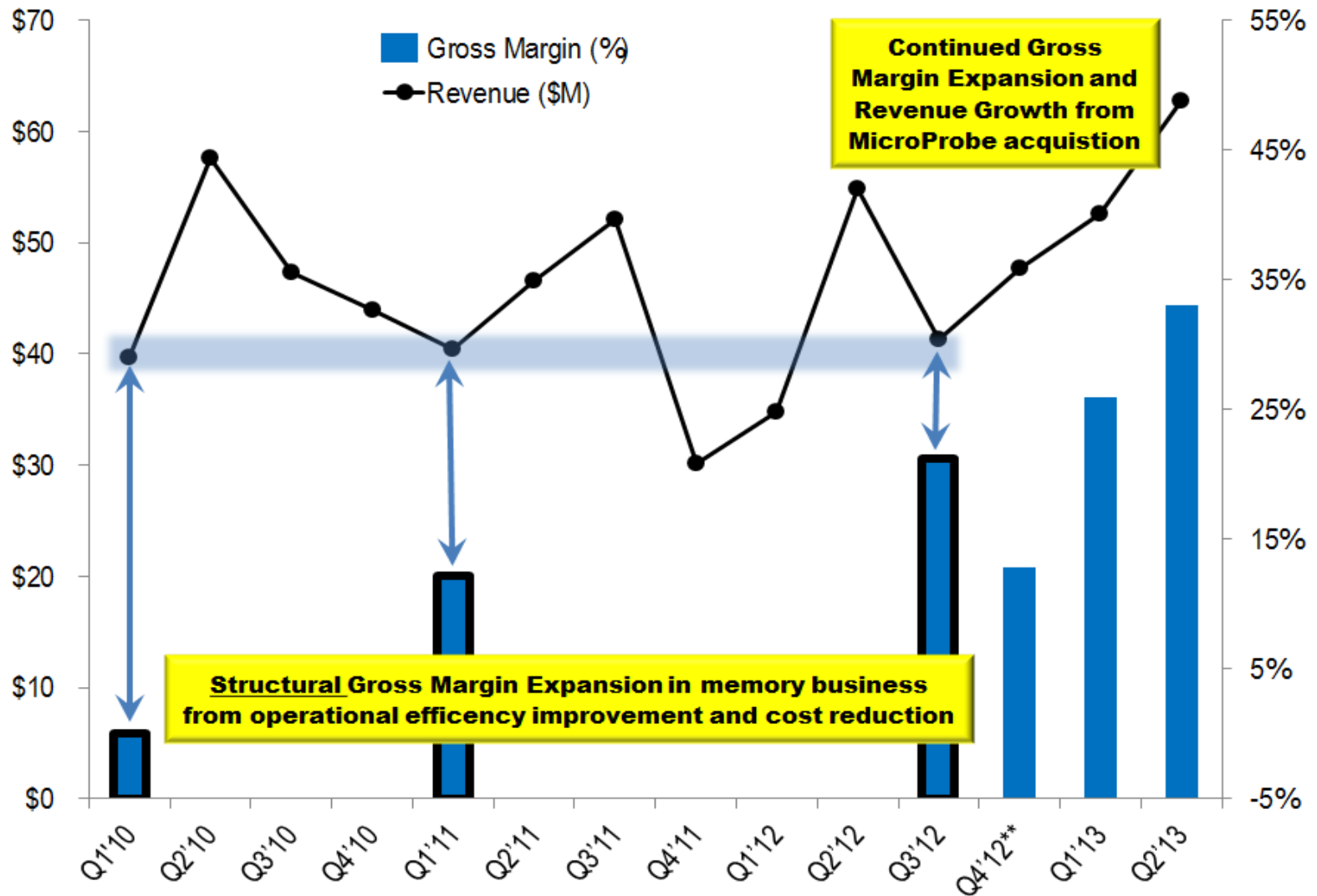
Source: Gartner, VLSI, FormFactor



Continued Progress in FormFactor's Turnaround

- Q2'13 first quarter of cash generation since Q4'07
- Non-GAAP Operating Income and Cash Flow breakeven at quarterly revenues of \$64-\$66M
- Operating expenses reduced by >35% over past 10 quarters
- COGS reductions improving gross margins by >20 points
 - Coupled with reduced cycle times and improved on-time-delivery

Operational Performance Improvements Expanding Gross Margins



Summary - FormFactor

- Fundamentally restructured memory business
- Gross margin expansion through improved manufacturing efficiency and cost reduction
- Operational expense reduction control and cost control
- MicroProbe merger adds share leadership in high growth SoC market
- Technology leadership in a time of accelerating customer requirements
- Transition from PC-centric computing to mobile-centric computing creates significant growth opportunities for FormFactor

Recent Performance

Non GAAP

(\$M)	Q2'10	Q3'10	Q4'10	Q1'11	Q2'11	Q3'11	Q4'11	Q1'12	Q2'12	Q3'12	Q4'12**	Q1'13	Q2'13	Q3 Guidance
Revenue	\$57.6	\$47.3	\$43.9	\$40.4	\$46.6	\$52.1	\$30.2	\$34.8	\$54.8	\$41.3	\$47.7	\$52.6	\$62.7	\$65-\$69
GM\$	\$4.9	(\$6.3)	\$4.2	\$4.9	\$10.6	\$12.7	(\$3.8)	\$4.7	\$16.9	\$8.7	\$6.1	\$13.7	\$20.5	
GM%	8.5%	(13.3%)	9.6%	12.2%	22.9%	24.3%	(12.6%)	13.4%	30.8%	21.2%	12.8%	26.0%	33.0%	32%-35%
OpEx	\$31.8	\$25.7	\$22.5	\$20.8	\$20.5	\$19.0	\$19.6	\$19.5	\$19.7	\$16.6	\$19.5	\$21.4	\$20.8	\$21-\$22
Cash Flow from Oper	(\$35.1)	(\$26.2)	(\$23.7)	(\$11.7)	(\$8.0)	(\$3.1)	(\$11.8)	(\$16.4)	(\$2.6)	(\$1.6)	(\$13.7)**	(\$12.1)	\$1.0	\$0-\$2
Total Cash Flow	(\$35.1)	(\$26.2)	(\$24.2)*	(\$14.0)*	(\$9.0)*	(\$8.6)*	(\$19.3)*	(\$16.4)	(\$2.6)	(\$1.6)	(\$110.4)*	(\$12.1)	\$1.0	\$0-\$2
HC	944	855	813	782	763	774	758	770	794	763	1073	1013	1025	

* Includes stock buyback: Q4'10 - \$0.6M, Q1'11 - \$2.3M, Q2'11 - \$1.0M, Q3'11 - \$5.5M, Q4'11 - \$7.5M; Q4'12- includes \$99.5M cash usage related to MP acquisition

** Q4'12 includes 11 weeks of Microprobe: revenue - \$19.8M, OpEx - \$4.2M; \$13.7M cash consumption includes \$8.0M payments related to acquisition and Q3'12 restructuring