

RUDOLPH TECHNOLOGIES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands) - (Unaudited)

| | December 31, 2009 | December 31, 2008 (Audited) |
|---|----------------------|-----------------------------------|
| ASSETS | | |
| <i>Current assets</i> | | |
| Cash and marketable securities | \$ 60,919 | \$ 78,284 |
| Accounts receivable, net | 35,312 | 21,764 |
| Inventories | 45,534 | 57,076 |
| Prepaid and other assets | 4,626 | 6,324 |
| <i>Total current assets</i> | 146,391 | 163,448 |
| Net property, plant and equipment | 12,841 | 19,053 |
| Intangibles | 14,103 | 9,654 |
| Other assets | 4,868 | 5,277 |
| Total assets | \$ 178,203 | \$ 197,432 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| <i>Current liabilities</i> | | |
| Accounts payable and accrued liabilities | \$ 9,793 | \$ 7,169 |
| Other current liabilities | 9,817 | 8,591 |
| <i>Total current liabilities</i> | 19,610 | 15,760 |
| Non-current liabilities | 7,462 | 5,584 |
| <i>Total liabilities</i> | 27,072 | 21,344 |
| Stockholders' equity | 151,131 | 176,088 |
| Total liabilities and stockholders' equity | \$ 178,203 | \$ 197,432 |

(tables to follow)

RUDOLPH TECHNOLOGIES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share amounts) – (Unaudited)

| | Three Months Ended | | Twelve Months Ended | |
|--|----------------------|----------------------|----------------------|-----------------------------------|
| | December 31, 2009 | December 31, 2008 | December 31, 2009 | December 31, 2008 (Audited) |
| Revenues | \$ 28,925 | \$ 16,428 | \$ 78,657 | \$ 131,040 |
| Cost of revenues | 17,236 | 22,418 | 49,805 | 87,388 |
| <i>Gross profit</i> | <u>11,689</u> | <u>(5,990)</u> | <u>28,852</u> | <u>43,652</u> |
| Operating expenses: | | | | |
| Research and development | 6,799 | 7,062 | 25,991 | 31,644 |
| Selling, general and administrative | 11,212 | 6,431 | 33,640 | 33,965 |
| Impairment charge for goodwill and identifiable intangible assets | - | 227,105 | - | 227,105 |
| Amortization | 413 | 762 | 1,358 | 5,890 |
| Total operating expenses | <u>18,424</u> | <u>241,360</u> | <u>60,989</u> | <u>298,604</u> |
| <i>Operating loss</i> | <u>(6,735)</u> | <u>(247,350)</u> | <u>(32,137)</u> | <u>(254,952)</u> |
| Interest income and other, net | 69 | 304 | 270 | 1,151 |
| Benefit for income taxes | (552) | (1,439) | (2,239) | (4,115) |
| Net loss | <u>\$ (6,114)</u> | <u>\$ (245,607)</u> | <u>\$ (29,628)</u> | <u>\$ (249,686)</u> |
| Net loss per share: | | | | |
| Basic | \$ (0.20) | \$ (7.96) | \$ (0.96) | \$ (8.16) |
| Diluted | \$ (0.20) | \$ (7.96) | \$ (0.96) | \$ (8.16) |
| Weighted average shares outstanding: | | | | |
| Basic | 30,990 | 30,842 | 30,888 | 30,614 |
| Diluted | 30,990 | 30,842 | 30,888 | 30,614 |

(table to follow)

RUDOLPH TECHNOLOGIES, INC.
RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES
(In thousands, except per share amounts) – (Unaudited)

| | Three Months Ended | | Twelve Months Ended | |
|--|----------------------|----------------------|----------------------|----------------------|
| | December 31, 2009 | December 31, 2008 | December 31, 2009 | December 31, 2008 |
| GAAP operating loss | \$ (6,735) | \$ (247,350) | \$ (32,137) | \$ (254,952) |
| <i>Non-GAAP adjustments:</i> | | | | |
| Idle facility costs | - | - | 2,780 | - |
| Litigation costs | 104 | - | 1,191 | - |
| Asset write-downs (1) | - | 10,688 | 454 | 12,032 |
| Acquisition related expenses (2) | - | 436 | 992 | 3,418 |
| Impairment charge for goodwill and identifiable intangible assets | - | 227,105 | - | 227,105 |
| Restructuring expenses (3) | 6,420 | - | 6,555 | 419 |
| Share-based compensation | 941 | 855 | 3,759 | 3,406 |
| Total non-GAAP adjustments | <u>7,465</u> | <u>239,084</u> | <u>15,731</u> | <u>246,380</u> |
| Non-GAAP operating income (loss) | <u>\$ 730</u> | <u>\$ (8,266)</u> | <u>\$ (16,406)</u> | <u>\$ (8,572)</u> |
| | | | | |
| GAAP net loss | \$ (6,114) | \$ (245,607) | \$ (29,628) | \$ (249,686) |
| Total non-GAAP adjustments | 7,465 | 239,084 | 15,731 | 246,380 |
| Income tax effect of non-GAAP adjustments (4) | (2,613) | (33,279) | (5,671) | (35,876) |
| Tax valuation allowances and other tax adjustments | <u>1,782</u> | <u>36,741</u> | <u>5,467</u> | <u>36,741</u> |
| Non-GAAP net income (loss) | <u>\$ 520</u> | <u>\$ (3,061)</u> | <u>\$ (14,101)</u> | <u>\$ (2,441)</u> |
| | | | | |
| Non-GAAP net income (loss) per share: | | | | |
| Basic | \$ 0.02 | \$ (0.10) | \$ (0.46) | \$ (0.08) |
| Diluted | \$ 0.02 | \$ (0.10) | \$ (0.46) | \$ (0.08) |

- 1) During the twelve months ended December 31, 2009, the Company recorded an accounts receivable write-down of \$0.5 million. In the twelve months ending December 31, 2008, the Company recorded a write-down of inventory of \$11.3 million, a write-off of capitalized software of \$0.6 million and a write-off of fixed assets of \$0.1 million.
- 2) During the twelve months ended December 31, 2009, the Company recorded acquisition expenses of \$0.5 million for inventory written-up to fair value in purchase accounting charges and \$0.5 million for other acquisition related costs. During the twelve months ended December 31, 2008, the Company recorded acquisition expenses of \$3.4 million for purchase accounting charges, integration costs and stay bonuses.

- 3) During the three and twelve months ended December 31, 2009, the Company recorded restructuring expenses of \$6.4 million and \$6.6 million for the write-down of a portion of a lease obligation, certain leasehold improvements and fixed assets, inventory related to discontinued product lines, and severance charges.
- 4) The income tax effect for the three and twelve months ended December 31, 2009 was based on a tax rate of 35% and 36%. The income tax effect for the three and twelve months ended December 31, 2008 was based on a tax rate of 35% for both periods on the deductible non-GAAP adjustments.

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