

NOVA MEASURING INSTRUMENTS LTD.
CONSOLIDATED BALANCE SHEET
(U.S. dollars in thousands)

	As of March 31, 2010	As of December 31, 2009
	<u> </u>	<u> </u>
CURRENT ASSETS		
Cash and cash equivalents	11,524	9,861
Short-term interest-bearing bank deposits	28,593	8,607
Trade accounts receivable	10,920	11,545
Inventories	6,142	3,949
Other current assets	1,976	1,728
	<u>59,155</u>	<u>35,690</u>
LONG-TERM ASSETS		
Long-term interest-bearing bank deposits	570	561
Other long-term assets	137	142
Severance pay funds	2,389	2,368
	<u>3,096</u>	<u>3,071</u>
FIXED ASSETS, NET	<u>2,318</u>	<u>2,163</u>
Total assets	<u>64,569</u>	<u>40,924</u>
CURRENT LIABILITIES		
Trade accounts payable	6,260	3,715
Deferred income	3,916	1,671
Other current liabilities	4,055	5,237
	<u>14,231</u>	<u>10,623</u>
LONG-TERM LIABILITIES		
Liability for employee severance pay	3,252	3,168
Deferred income	186	183
Other long-term liability	32	35
	<u>3,470</u>	<u>3,386</u>
SHAREHOLDERS' EQUITY	<u>46,868</u>	<u>26,915</u>
Total liabilities and shareholders' equity	<u>64,569</u>	<u>40,924</u>



NOVA MEASURING INSTRUMENTS LTD.
QUARTERLY CONSOLIDATED STATEMENTS OF OPERATIONS

(U.S. dollars in thousands, except per share data)

	<u>March 31,</u> <u>2010</u>	<u>Three months ended</u> <u>December 31,</u> <u>2009</u>	<u>March 31,</u> <u>2009</u>
REVENUES			
Product sales	12,901	12,646	3,645
Services	3,080	2,594	2,075
	<u>15,981</u>	<u>15,240</u>	<u>5,720</u>
COST OF REVENUES			
Products	5,478	5,399	1,582
Services	2,389	2,445	2,274
	<u>7,867</u>	<u>7,844</u>	<u>3,856</u>
GROSS PROFIT	<u>8,114</u>	<u>7,396</u>	<u>1,864</u>
OPERATING EXPENSES			
Research & Development expenses, net	2,554	2,049	1,783
Sales & Marketing expenses	2,196	2,025	1,173
General & Administration expenses	651	659	503
	<u>5,401</u>	<u>4,733</u>	<u>3,459</u>
OPERATING PROFIT (LOSS)	2,713	2,663	(1,595)
Interest income (expenses), net	(14)	31	(64)
NET INCOME (LOSS) FOR THE PERIOD	<u>2,699</u>	<u>2,694</u>	<u>(1,659)</u>
Net income (loss) per share:			
Basic	<u>0.12</u>	<u>0.14</u>	<u>(0.09)</u>
Diluted	<u>0.11</u>	<u>0.13</u>	
Shares used for calculation of net income (loss) per share:			
Basic	<u>22,666</u>	<u>19,717</u>	<u>19,378</u>
Diluted	<u>24,236</u>	<u>21,173</u>	

NOVA MEASURING INSTRUMENTS LTD.
QUARTERLY CONSOLIDATED STATEMENTS OF CASH FLOWS
(U.S. dollars in thousands)

	<u>March 31,</u> <u>2010</u>	<u>Three months ended</u> <u>December 31,</u> <u>2009</u>	<u>March 31,</u> <u>2009</u>
CASH FLOW – OPERATING ACTIVITIES			
Net income (loss) for the period	2,699	2,694	(1,659)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization	324	347	320
Amortization of deferred stock-based compensation	116	118	106
Increase (decrease) in liability for employee termination benefits, net	48	(187)	(114)
Decrease (increase) in trade accounts receivables	625	(5,943)	244
Decrease (increase) in inventories	(2,267)	749	520
Decrease (increase) in other short and long term assets	(260)	(555)	697
Increase (decrease) in trade accounts payables	2,545	2,198	(1,200)
Increase (decrease) in other current and long-term liabilities	(1,105)	1,769	(1,637)
Increase (decrease) in short and long term deferred income	2,248	913	(894)
Net cash from (used in) operating activities	<u>4,973</u>	<u>2,103</u>	<u>(3,617)</u>
CASH FLOW – INVESTMENT ACTIVITIES			
Decrease (increase) in short-term interest-bearing bank deposits	(19,986)	(8,560)	50
Increase in short-term investments	--	--	(4,595)
Investment in long-term interest-bearing bank deposits	(9)	(36)	(120)
Additions to fixed assets	(405)	(303)	(4)
Net cash used in investment activities	<u>(20,400)</u>	<u>(8,899)</u>	<u>(4,669)</u>
CASH FLOW – FINANCING ACTIVITIES			
Shares issued under employee share-based plans and exercise of warrants	122	1,111	--
Shares issued in a public offering	16,968	--	--
Net cash from financing activities	<u>17,090</u>	<u>1,111</u>	<u>--</u>
Increase (decrease) in cash and cash equivalents	1,663	(5,685)	(8,286)
Cash and cash equivalents – beginning of period	<u>9,861</u>	<u>15,546</u>	<u>19,325</u>
Cash and cash equivalents – end of period	<u>11,524</u>	<u>9,861</u>	<u>11,039</u>

NOVA MEASURING INSTRUMENTS LTD.
DISCLOSURE OF NON-GAAP NET INCOME (LOSS)
(U.S. dollars in thousands, except per share data)

	<u>March 31,</u> <u>2010</u>	<u>Three months ended</u> <u>December 31,</u> <u>2009</u>	<u>March 31,</u> <u>2009</u>
GAAP Net income (loss) for the quarter	2,699	2,694	(1,659)
<u>Non-GAAP Adjustments:</u>			
Stock based compensation expenses	<u>116</u>	<u>118</u>	<u>106</u>
Non-GAAP Net income (loss) for the quarter	<u>2,815</u>	<u>2,812</u>	<u>(1,553)</u>
Non-GAAP net income (loss) per share:			
Basic	<u>0.12</u>	<u>0.14</u>	<u>(0.08)</u>
Diluted	<u>0.12</u>	<u>0.13</u>	
Shares used for calculation of non-GAAP net income (loss) per share:			
Basic	<u>22,666</u>	<u>19,717</u>	<u>19,378</u>
Diluted	<u>24,236</u>	<u>21,173</u>	