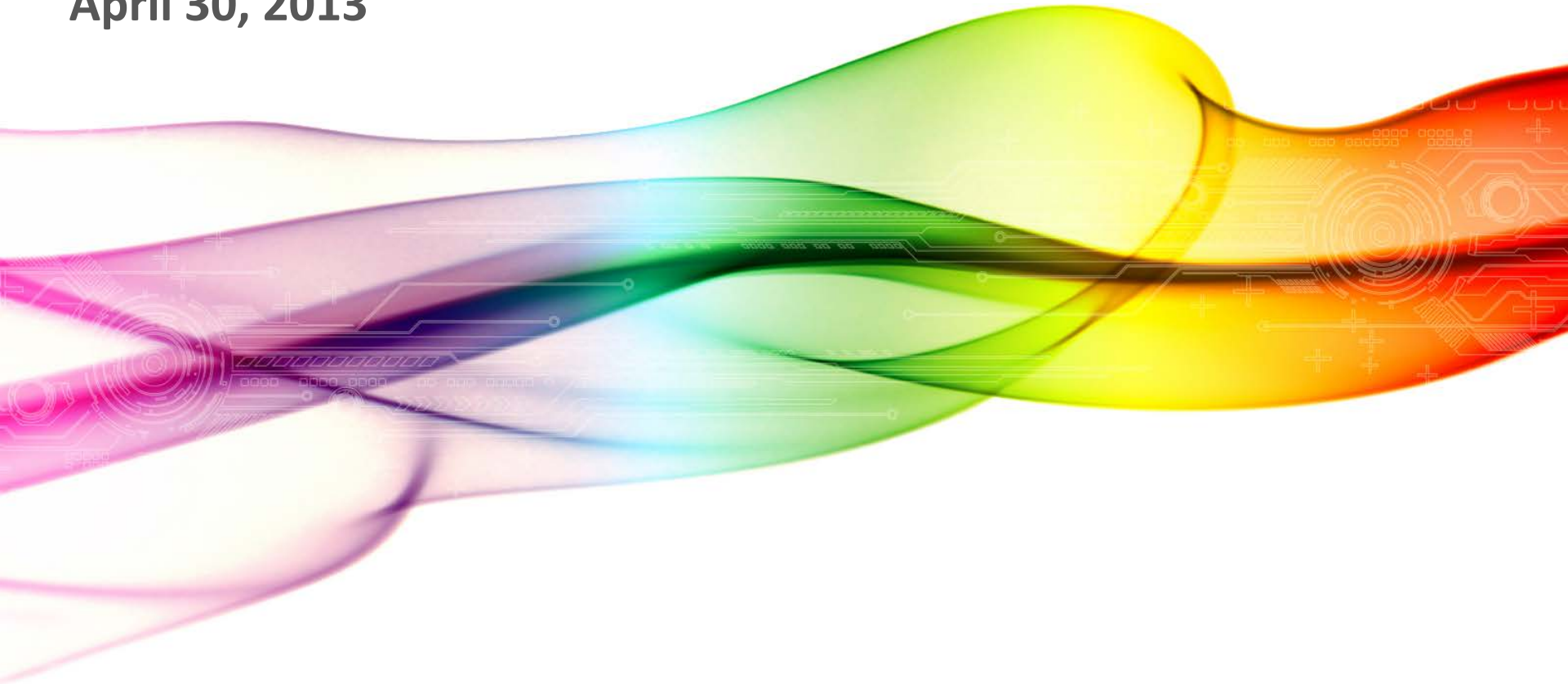


Financial Results

March Quarter 2013



April 30, 2013



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Cautionary Statement Regarding Forward-Looking Statements

This presentation includes statements that constitute forward-looking statements within the meaning of safe harbor provisions of the Private Securities Litigation Reform Act of 1995 relating to future events or our future financial performance, and involve known and unknown risks, uncertainties and other factors that may cause our actual results, level of activity, performance or achievements to be materially different than expressed or implied by these forward looking statements. You should not place undue reliance on forward-looking statements since they involve known and unknown risks, uncertainties and other factors which are in some cases beyond our control and which could materially affect actual results, level of activity, performance or achievements. These risks and other factors include but are not limited to: our dependency on two product lines; the highly cyclical nature of the markets we target; our inability to reduce spending during a slowdown in the semiconductor industry; our ability to respond effectively on a timely basis to rapid technological changes; our dependency on PEM; risks related to exclusivity obligations and non-limited liability that may be included in our commercial agreements and arrangements; cyber security risks; risks related to open source technologies; our ability to retain our competitive position despite the ongoing consolidation in our industry; risks related to our dependence on a single manufacturing facility; risks related to our lease agreements; our ability to expand our manufacturing capacity or marketing efforts to support our future growth; risks related to quarterly fluctuations in our operating results; risks related to the extremely competitive market we are operation in; our dependency on a small number of large customers and small number of suppliers; our dependency on our key employees; risks related to changes in our order backlog; risks related to the financial, political and environmental instabilities in Asia; risks related to our intellectual property; changes in customer demands for our products; new product offerings from our competitors; changes in or an inability to execute our business strategy; unanticipated manufacturing or supply problems; changes in tax requirements; changes in customer demand for our products; risks related to currency fluctuations and risks related to our operations in Israel.

The matters discussed in this presentation also involve risks and uncertainties summarized under the heading “Risk Factors” in Nova’s most recent Annual Report on Form 20-F filed with the Securities and Exchange Commission. These factors are updated from time to time through the filing of reports and registration statements with the Securities and Exchange Commission.

Any forward-looking statements contained in this presentation are made as of the presentation date and Nova Measuring Instruments Ltd. is under no obligation to revise or update these forward-looking statements.

Certain of the information contained herein concerning economic trends and performance is based upon or derived from information provided by third party consultants and other industry sources. We have not independently verified and cannot assure the accuracy of any data obtained by or from these sources.

Business Overview

March Quarter 2013

Gabi Seligsohn

President and Chief Executive Officer



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- Exceeded the high end of our revenue guidance
- Gross margins return to norm of 52%-55% - actual 54%
- Q1 focus was on high pace 28nm ramp up at foundries
- See positive trend:
 - More customers ramping 28nm – expect continuation into H2/13
 - 20nm ramp being pulled in – pilot starts by end of H1/13
- Acceleration of ramp up plans requires speeding up Nova's roadmap deliverables over next 12 months
- Overall positive mood in foundry driven by mobile demand
- Some short term positive signs from memory – sustainability still not there

- **Excellent collaboration with leading edge memory and foundry customers leads to impressive publications at SPIE**
 - **Toshiba: Using OCD as a means to control Nano Imprint lithography for novel chip design required for future 3D NAND devices**
 - **GlobalFoundries: Use of Hybrid metrology in production as an enabler of process control in advanced semiconductor manufacturing**
- **Opportunity to strengthen Nova's OCD market position and increase revenue opportunities – Strategic SW development efforts baring fruit**
- **V2600 market adoption progressing well**
 - **Second of four installed tools recognized**
 - **All tools utilized in production – utilization rates should lead to repeat orders**
 - **More customer engagements should lead to expanded customer base**

- **We expect orders from foundry to reduce somewhat in the very near term and strengthen again during the 2nd half of the year**
 - **Expect overall foundry spending continuing well into 2014**
- **Two additional customers expected to ramp up 28nm during H2/13**
- **Significant 20nm ramp up to begin towards year end**
 - **Bulk of ramp up to take place in 2014**
- **Some signs of short term memory improvements after 2 years**
 - **Mobile DRAM capacity lacking – Expect upgrades of existing capacity**
 - **New NAND flash facility starting in H2/13 and incremental changes to existing capacity**
 - **3D NAND HVM readiness still 2-3 years out:**
 - **Customers will rely on advanced litho and Etch for interim designs**
 - **Depend heavily on high end OCD solutions that we offer**

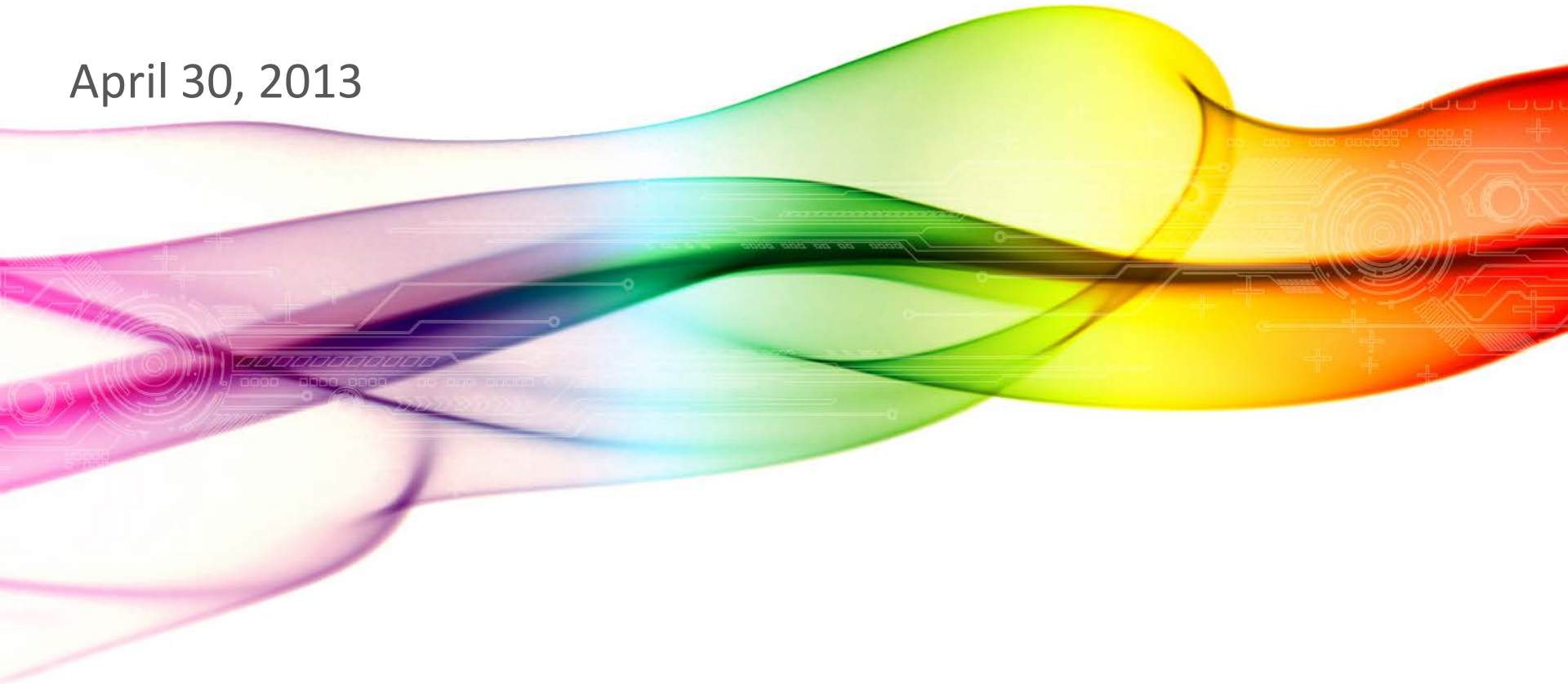
- **Guidance for the 2nd quarter of 2013:**
 - Revenues of \$26.0-\$28.5 million
 - Diluted earnings per share of \$0.03-\$0.07 on a GAAP basis
 - Diluted earnings per share of \$0.06-\$0.11 on a NON-GAAP basis

Financial Overview March Quarter 2013



Dror David
Chief Financial Officer

April 30, 2013



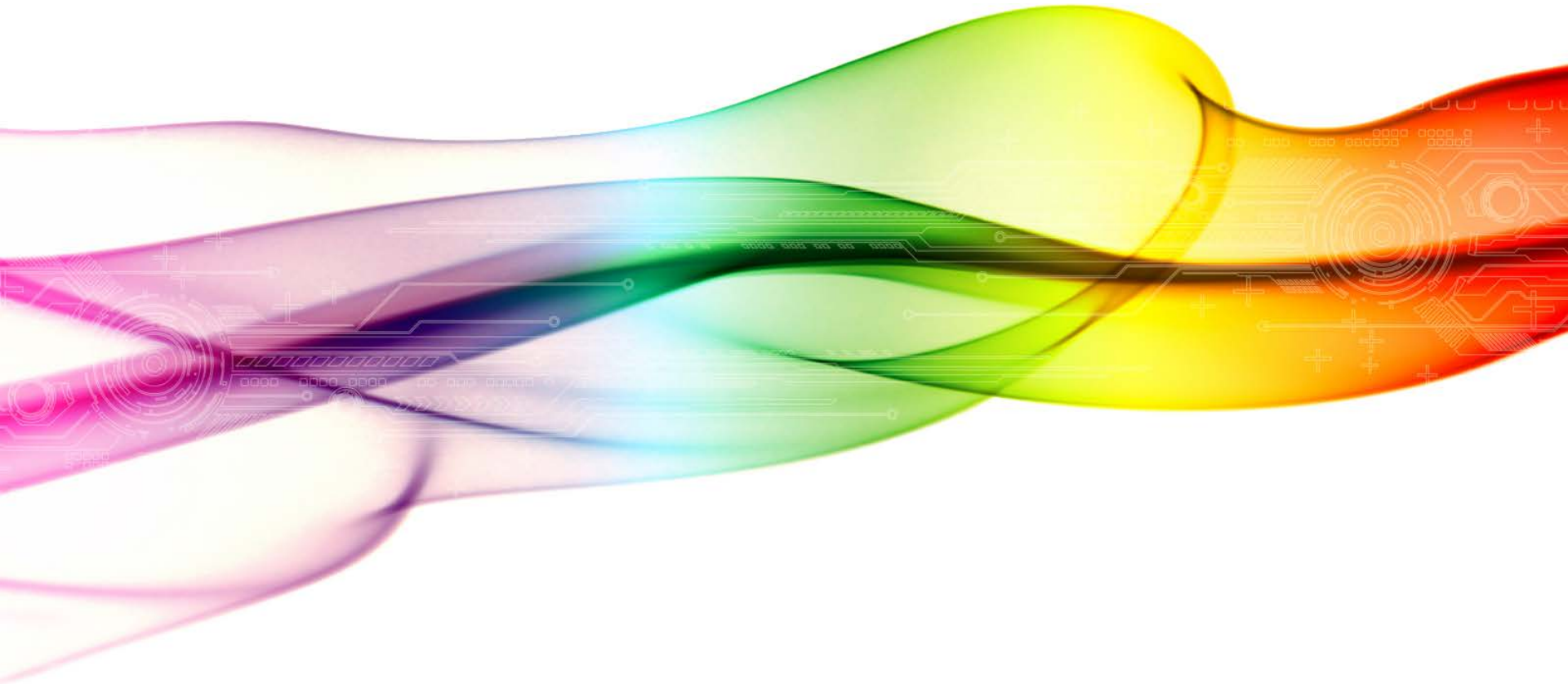
- **Quarterly revenues of \$27.4 million, +24% Q/Q**
 - Major increase in integrated metrology revenues (foundry capacity expansions)
 - Service revenues stable at the \$5.1M level
- **Products bookings breakdown:**
 - Foundry/Memory: 80%/20%
 - Regional distribution: Asia Pacific - 85%; US & Japan - 15%
- **Quarterly blended gross margins of 54% (Q4 2012 - 50%)**
 - Products gross margins of 59%
 - Services gross margins of 30%

- **Operating expenses of \$11.8 million, up 4% Q/Q**
 - Increase mainly in R&D expenses
- **Tax expenses of \$0.7M**
 - Mainly conversion of deferred tax assets
 - GAAP effective tax rate of 22%
- **GAAP net income of \$2.4M, or \$0.09 per diluted share**
- **NON-GAAP net income of \$3.6M, or \$0.13 per diluted share**
- **Positive cash flow from operating activities of \$2.8M**

Key Balance Sheet Metrics

Key Metrics	Three Months Ended	
	Mar 13	Dec 12
Total Cash Reserves	\$94.3M	\$91.4M
Accounts Receivables	\$19.0M	\$17.4M
DSO	60	66
Inventory	\$16.8M	\$17.8M
Inventory Turns	2.9	2.4
Deferred Revenues	\$5.0M	\$4.9M
Capital Investments (gross)	\$1.9M	\$2.2M
Depreciation	\$0.8M	\$0.9M

Thank you



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