
UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-K

**ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2005
Commission file number 0-31285

TTM TECHNOLOGIES, INC.

(Exact Name of Registrant as Specified in Its Charter)

91-1033443

Delaware

(State or Other Jurisdiction of Incorporation or Organization)

(I.R.S. Employer Identification No.)

2630 South Harbor Boulevard, Santa Ana, California 92704

(Address of Principal Executive Offices) (Zip Code)

(714) 327-3000

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(g) of the Exchange Act:

Title of Each Class	Name of Each Exchange on Which Registered
Common Stock, \$0.001 par value	Nasdaq National Market

Indicate by check mark whether the registrant is a well-known seasoned issue, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes No

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

The aggregate market value of Common Stock held by nonaffiliates of the registrant (41,162,987) based on the closing price of the registrant's Common Stock as reported on the Nasdaq National Market on June 30, 2005, was \$313,250,331. For purposes of this computation, all officers, directors, and 10% beneficial owners of the registrant are deemed to be affiliates. Such determination should not be deemed to be an admission that such officers, directors, or 10% beneficial owners are, in fact, affiliates of the registrant.

As of March 12, 2006, there were outstanding 41,517,971 shares of the registrant's Common Stock, \$0.001 par value.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive Proxy Statement for the 2006 Annual Meeting of Stockholders are incorporated by reference into Part III of this Form 10-K.

TTM TECHNOLOGIES, INC.
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Statement Regarding Forward-Looking Statements

This report on Form 10-K contains forward-looking statements regarding future events or our future financial and operational performance. Forward-looking statements include statements regarding markets for our products; trends in net sales, gross profits and estimated expense levels; liquidity and anticipated cash needs and availability; and any statement that contains the words “anticipate,” “believe,” “plan,” “forecast,” “foresee,” “estimate,” “project,” “expect,” “seek,” “target,” “intend,” “goal” and other similar expressions. The forward-looking statements included in this report reflect our current expectations and beliefs, and we do not undertake publicly to update or revise these statements, even if experience or future changes make it clear that any projected results expressed in this report, annual or quarterly reports to stockholders, press releases or company statements will not be realized. In addition, the inclusion of any statement in this report does not constitute an admission by us that the events or circumstances described in such statement are material. Furthermore, we wish to caution and advise readers that these statements are based on assumptions that may not materialize and may involve risks and uncertainties, many of which are beyond our control, that could cause actual events or performance to differ materially from those contained or implied in these forward-looking statements. These risks and uncertainties include the business and economic risks described in Item 1A, “Risk Factors.”

ITEM 1. BUSINESS

Overview

We are a one-stop provider of time-critical and technologically complex printed circuit boards, which serve as the foundation of sophisticated electronic products. We serve high-end commercial markets — including the networking/communications infrastructure, high-end computing, and industrial/medical markets — which are characterized by high levels of complexity, short product life cycles and moderate production volumes. Our customers include original equipment manufacturers, or OEMs, and electronic manufacturing services, or EMS, companies.

Industry Background

Printed circuit boards are manufactured from sheets of laminated material, or panels. Each panel is typically subdivided into multiple printed circuit boards, each consisting of a pattern of electrical circuitry etched from copper to provide an electrical connection between the components mounted to it.

Printed circuit boards serve as the foundation for virtually all electronic products, ranging from consumer products (such as cellular telephones and personal computers) to high-end commercial electronic equipment (such as medical equipment, data communications routers and switches, and servers). Generally, consumer electronics products utilize commodity-type printed circuit boards with lower layer counts, less complexity and larger production runs. High-end commercial equipment products require more customized, multilayer printed circuit boards using advanced technologies. In addition, most commercial end-markets have low volume requirements that demand a highly flexible manufacturing environment. As production of sophisticated circuit boards becomes more complex, high-end manufacturers must continually invest in advanced production equipment, engineering and process technology, and a skilled workforce.

According to Prismark Partners LLC, the worldwide market for printed circuit boards was approximately \$39.3 billion in 2005 with North America producing 12.7%, or \$5.0 billion. As a result of consolidation and the slowdown in the electronics industry in 2001 and 2002, many manufacturing facilities were closed, reducing North American printed circuit board manufacturing capacity by as much as 40%. This capacity reduction combined with improved market demand led to higher capacity utilization across the industry in 2003 and continuing through 2005. Management believes this situation provides significant opportunities for well-capitalized manufacturers that have advanced technological capabilities.

Several trends are impacting the printed circuit board manufacturing industry. These trends include:

Short electronic product life cycles. Continual advances in technology have shortened the life cycles of complex electronic products, placing greater pressure on OEMs to quickly bring new products to market. The

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accelerated time-to-market and ramp-to-volume needs of OEMs of high-end commercial equipment create opportunities for printed circuit board manufacturers that can offer engineering support in the prototype stage and manufacturing scalability throughout the production life cycle.

Increasing complexity of electronic products. OEMs are continually designing higher performance electronic products, which require technologically complex printed circuit boards that can accommodate higher speeds and component densities. These complex printed circuit boards often require very high layer counts, advanced manufacturing processes, and high-mix production capabilities, which involve processing small lots, generally up to several hundred printed circuit boards, in a flexible manufacturing environment. OEMs increasingly rely upon larger printed circuit board manufacturers, which possess the financial resources necessary to invest in advanced manufacturing process technologies and sophisticated engineering staff, often to the exclusion of smaller printed circuit board manufacturers that do not possess such technologies or resources.

Increasing competition from Asian manufacturers. In recent years, many electronics manufacturers have moved their production to Asia to take advantage of its exceptionally large, low-cost labor pool. This is particularly true for consumer electronics producers that utilize commodity-type printed circuit boards with low layer counts and complexity. These less sophisticated printed circuit boards are generally mass produced and have experienced significant pricing pressures from Asian manufacturers. Printed circuit boards requiring complex technologies, advanced manufacturing processes, quick turnaround times or high-mix production are subject to less foreign competition. In addition, many of the unique challenges involved in successfully designing and manufacturing highly complex printed circuit boards — and the ongoing capital investment required to maintain state-of-the-art capabilities — have effectively served as barriers to entry in these high-mix and high-complexity segments of the domestic printed circuit board industry.

Decreased reliance on multiple printed circuit board manufacturers by OEMs. OEMs have traditionally relied on multiple printed circuit board manufacturers to provide different services as an electronic product moves through its life cycle. The transfer of a product among different printed circuit board manufacturers often results in increased costs and inefficiencies due to incompatible technologies and manufacturing processes and production delays. In addition, OEMs find it easier to manage fewer printed circuit board manufacturers. As a result, OEMs are reducing the number of printed circuit board manufacturers on which they rely, presenting an opportunity for those that can offer one-stop manufacturing capabilities — from prototype to volume production.

The TTM Solution

We manufacture printed circuit boards that satisfy all stages of an electronic product's life cycle — from prototype to volume production. Key aspects of our solution include:

- *One-stop manufacturing solution.* We offer a one-stop manufacturing solution to our customers through our specialized and integrated facilities, each of which generally focuses on a different stage of an electronic product's life cycle. This one-stop solution allows us to provide a broad array of services and technologies to meet the rapidly evolving needs of our customer base.
- *Quick-turn services.* We deliver highly complex printed circuit boards to customers in significantly compressed lead times. This rapid delivery service enables OEMs to develop sophisticated electronic products quickly and reduce their time-to-market. In addition, our quick-turn services provide us with an opportunity to cross-sell our other services, including high-mix and volume production in our targeted end markets.
- *Strong process and technology expertise.* We deliver time-critical and highly complex manufacturing services through our advanced manufacturing processes and technology expertise. We regularly manufacture printed circuit boards with up to 30 layers. For 2005, approximately 68% of our gross sales involved the manufacture of printed circuit boards with at least 12 layers and 38% involved printed circuit boards with at least 20 layers.

Our Manufacturing Services

Quick-turn

We refer to our rapid turnaround services as “quick-turn” because we provide custom-designed printed circuit boards to our customers within as little as 24 hours to 10 days. As a result of our ability to rapidly and reliably respond to the critical time requirements of our customers, we generally receive a premium for our quick-turn services as compared to standard lead time prices.

- *Prototype production.* In the design, testing, and launch phase of a new electronic product’s life cycle, our customers typically require limited quantities of printed circuit boards in a very short period of time. We satisfy this need by manufacturing prototype printed circuit boards in small quantities of up to 50 boards per order, with delivery times ranging from as little as 24 hours to 10 days.
- *Ramp-to-volume production.* After a product has successfully completed the prototype phase, our customers introduce the product to the market and require larger quantities of printed circuit boards in a short period of time. This transition stage between low-volume prototype production and volume production is known as ramp-to-volume. Our ramp-to-volume services typically include manufacturing up to a few hundred printed circuit boards per order with delivery times ranging from five to 15 days.

For the years ended December 31, 2004 and 2005, orders with delivery requirements of 10 days or less represented 20% and 22% of our gross sales, respectively. Quick-turn orders increased as a percentage of our gross sales in 2005 due to higher demand for our ramp-to-volume production services.

Standard delivery

Our standard delivery time services focus on the high-mix and complex technology requirements of our customers, with delivery times typically ranging from four to six weeks. Our high technology expertise is evidenced by our ability to regularly produce complex printed circuit boards with up to 30 layers in commercial volumes. In 2005, our average layer count increased to 15.8, from 15.6 in 2004, due to the higher technology mix of our customers’ orders. In addition, many of our lower layer-count circuit boards are complex as a result of the incorporation of other technologically advanced features, including high performance materials, blind and buried vias, sequential lamination and extremely fine geometries and tolerances. Although we provide standard delivery time services to all customers, including large OEMs, for high-end commercial applications, we do not target our standard delivery time services to high-volume, consumer electronics applications such as cellular telephones, personal computers, hand-held devices, and automotive products.

Facility Expansion

In response to increased customer demand and higher capacity utilization rates, in February 2004, our board of directors approved a plan to significantly expand production capacity at our Chippewa Falls, Wisconsin facility. Chippewa Falls is our largest facility and serves the high-end, complex technology needs of some of our largest and most sophisticated commercial customers. The plan included a two-phase expansion, enabling us to incrementally match our capital expenditures with demand and market conditions. We believe that our ability to expand at our existing facilities allows us to efficiently grow without having to qualify customers for, and develop management infrastructure at, a new facility.

Phase one of the expansion plan, which featured the construction of a 44,000 square foot addition and the purchase of capital equipment, increased capacity by approximately 55% from capacity levels as of the first quarter of 2004, and was completed in March 2005 at a capital cost of approximately \$10.5 million.

Should we choose to pursue it, the second phase of the Chippewa Falls expansion plan would allow us to expand production capacity an additional 30% from the maximum levels provided by phase one.

Strategy

Our goal is to be the leading provider of time-critical, one-stop manufacturing services for highly complex printed circuit boards. Key aspects of our strategy include:

Leveraging our one-stop manufacturing solution. Our quick-turn capabilities allow us to establish relationships with customers early in a product's life cycle, giving us an advantage in securing preferred vendor status for subsequent ramp-to-volume and volume production opportunities. We also seek to gain quick-turn business from our existing ramp-to-volume and volume customers.

Using our quick-turn capabilities to attract new customers with high-growth potential. Our time-to-market strategy focuses on the rapid introduction and short product life cycle of advanced electronic products. We continue to attract emerging companies to our Santa Ana facility and believe that our ability to rapidly and reliably respond to the critical time requirements of our customers provides us with a significant competitive advantage.

Continuing to improve our technological capabilities and manufacturing processes. We are consistently among the first to adopt new developments in printed circuit board manufacturing processes and technology. We continuously evaluate new manufacturing processes and technology to further reduce our delivery times, improve quality, increase yields and decrease costs. As a result of our strong balance sheet, we believe that we are well-positioned to invest in technologies that are required by the leading OEMs in the electronics industry.

Capitalizing on facility specialization to enhance operating efficiency. We utilize a facility specialization strategy in which each order is directed to the facility best suited to the customer's particular delivery time, product complexity and volume needs. Our three plants use compatible technologies and manufacturing processes, allowing us to move orders easily between plants to optimize operating efficiency. This strategy provides customers with faster delivery times and enhanced product quality and consistency.

Expanding our presence in targeted markets through internal initiatives and selective acquisitions. We actively target technologies and business opportunities that enhance our competitive position in selected markets. Our 2002 acquisition of Advanced Circuits exemplifies our ability to successfully expand our complex technology and advanced materials expertise. We intend to pursue high-end commercial customers that demand flexible and advanced manufacturing processes, expertise with high-performance specialty materials, and other high-mix and complex technologies. In addition, we regularly evaluate and pursue internal initiatives aimed at adding new customers and better serving existing customers within our markets. As an example, in response to anticipated higher levels of defense spending in the coming years, we successfully qualified two of our plants to military procurement standards to expand our customer base in defense-related industries.

Manufacturing Technology

The market for our products is characterized by rapidly evolving technology. In recent years, the trend in the electronic products industry has been to increase the speed, complexity and performance of components while reducing their size. We believe our technological capabilities allow us to address the needs of manufacturers who must bring complicated electronic products to market faster.

To manufacture printed circuit boards, we generally receive circuit designs directly from our customers in the form of computer data files, which we review to ensure data accuracy and product manufacturability. Processing these computer files with computer aided manufacturing (CAM) technology, we generate images of the circuit patterns that we then physically develop on individual layers, using advanced photographic processes. Through a variety of plating and etching processes, we selectively add and remove conductive materials to form horizontal layers of thin circuits, called traces, which are separated by insulating material. A finished multilayer circuit board laminates together a number of layers of circuitry, using intense heat and pressure under vacuum. Vertical connections between layers are achieved by plating through small holes, called vias. Vias are made by highly specialized drilling equipment capable of achieving extremely fine tolerances with high accuracy. We specialize in high layer-count printed circuit boards with extremely fine geometries and tolerances. Because of the tolerances involved, we employ clean rooms in certain manufacturing processes where tiny particles might

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otherwise create defects on the circuit patterns. We also use automated optical inspection systems to ensure consistent quality.

We believe that our highly specialized equipment and advanced manufacturing processes enable us to reliably produce printed circuit boards with the following characteristics:

- *High layer count.* Manufacturing printed circuit boards with a large number of layers is difficult to accomplish due to the greater number of processes and registration systems required. We regularly manufacture printed circuit boards with up to 30 layers on a quick-turn and volume basis. For 2005, approximately 68% of our gross sales involved the manufacture of printed circuit boards with at least 12 layers, compared with 69% in 2004. Printed circuit boards with at least 20 layers represented 38% of gross sales in 2005, down slightly from 39% in 2004.
- *Blind and buried vias.* Vias are drilled holes that provide electrical connectivity between layers of circuitry in a printed circuit board. Blind vias connect the surface layer of the printed circuit board to an inner layer. Buried vias are holes that do not reach either surface of the printed circuit board but allow inner layers to be interconnected. Products with blind and buried vias can be made thinner, smaller, lighter and with higher component density and more functionality than products with traditional vias.
- *Embedded passives.* Embedded passive technology involves embedding either the capacitive or resistive elements inside the printed circuit board, which allows for removal of passive components from the surface of the printed circuit board and thereby leaves more surface area for active components. Use of this technology results in greater design flexibility and products with higher component density and increased functionality.
- *Fine line traces and spaces.* Traces are the connecting copper lines between the different components of the printed circuit board and spaces are the distances between traces. The smaller the traces and tighter the spaces, the higher the density on the printed circuit board and the greater the expertise required to achieve a desired final yield on an order. We are able to provide 0.003 inch traces and spaces.
- *High aspect ratios.* The aspect ratio is the ratio between the thickness of the printed circuit board and the diameter of a drilled hole. The higher the ratio, the greater the difficulty to reliably form, electroplate and finish all the holes on a printed circuit board. We are able to provide aspect ratios of up to 15:1.
- *Thin core processing.* A core is the basic inner-layer building block material from which printed circuit boards are constructed. A core consists of a flat sheet of material comprised of glass-reinforced resin with copper foil on either side. The thickness of inner-layer cores is determined by the overall thickness of the printed circuit board and the number of layers required. The demand for thinner cores derives from requirements of thinner printed circuit boards, higher layer counts and various electrical parameters. Core thickness in our printed circuit boards ranges from as little as 0.002 inches up to 0.062 inches.
- *Microvias.* Microvias are small vias with diameters generally between 0.001 inches and 0.005 inches after plating. These very small vias consume much less space on the layers they interconnect, thereby providing for greater wiring densities and closer spacing of components and their attachment pads. The fabrication of printed circuit boards with microvias requires specialized equipment, such as laser drills, and highly developed process knowledge. Applications such as handheld wireless devices employ microvias to obtain a higher degree of functionality from a given surface area.
- *Advanced hole fill process.* Our advanced hole fill processes provide designers the opportunity to increase the density of component placements by reducing the surface area required to place many types of components. In traditional design, components are routed from their surface interfaces through via connections in order to access power and ground connections and the internal circuitry used to connect to other discrete components. Our advanced hole fill processes provide a method to allow for

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vias to be placed inside their respective surface mount pads by filling the vias with a thermoset epoxy and plating flat copper surface mount pads directly over the filled hole.

- *Advanced materials.* We manufacture circuit boards using a wide variety of advanced insulating materials. These high-performance materials offer electrical, thermal, and long-term reliability advantages over conventional materials but are more difficult to manufacture. We are certified by Underwriters Laboratories to manufacture printed circuit boards using many types and combinations of these specialty materials. This wide offering allows us to manufacture complex boards for niche and high-end commercial markets.

Customers and Markets

Our customers include both OEMs and EMS companies that primarily serve the networking/communications, industrial/medical, and high-end computing segments of the electronics industry. We measure customers as those companies that have placed at least two orders in the preceding 12-month period. As of December 31, 2004, we had approximately 560 customers and approximately 580 customers as of December 31, 2005.

The following table shows the percentage of our net sales in each of the principal end markets we served for the periods indicated:

<u>End Markets(1)</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Networking/Communications	39.2%	42.8%	45.0%
High-end Computing	34.8	30.7	26.6
Industrial/ Medical	11.9	14.5	16.2
Computer Peripherals	8.9	5.5	5.2
Handheld/ Cellular	2.1	2.6	3.3
Other	3.1	3.9	3.7
Total	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

(1) Sales to EMS companies are classified by the end markets of their OEM customers.

Sales attributable to our five largest OEM customers, which can vary from year to year, accounted for 54% of our net sales in 2004 and 54% of our net sales in 2005. Our five largest OEM customers in 2005 were, in alphabetical order, Cisco Systems, Hewlett-Packard, IBM, ITT Industries, and Juniper Networks. Sales attributed to OEMs include sales made through EMS providers. Sales to EMS providers comprised approximately 72% and 69% of our sales in 2004 and 2005, respectively. Although our contractual relationship is with the EMS company, we typically negotiate price and volume requirements directly with the OEMs. In addition, we are on the approved vendor lists of several of our EMS providers, which allow us to be awarded additional discretionary orders. Our five largest EMS customers in 2005 were, in alphabetical order, Celestica, Flextronics, Jabil Circuit, Plexus and Solectron. Sales to our two largest EMS customers, Solectron and Celestica, accounted for 29% and 17%, respectively, of our net sales in 2005.

During 2005, approximately 62% of our net sales were to customers in the United States, 17% in Malaysia, 6% in Italy, 5% in Canada, and the remainder primarily was to other European and Asian countries. In 2004, approximately 69% of our net sales were to customers in the United States, 10% in Malaysia, 8% in Italy, 5% in Canada, and the remainder primarily were in other European and Asian countries.

Our marketing strategy focuses on building long-term relationships with our customers' engineering and new product introduction personnel early in the product development phase. As the product moves from the prototype stage through ramp-to-volume and volume production, we shift our focus to the customers' procurement departments in order to capture sales at each point in the product's life cycle.

Our staff of engineers, sales support personnel, and managers assist our sales representatives in advising customers with respect to manufacturing feasibility, design review, and technology limits through direct

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communication and visits. We combine our sales efforts with customer service at each facility to better serve our customers. Each customer is typically assigned one salesperson for all services across all facilities, in order to establish individual accountability for each client. Our sales force is comprised of a core group of direct salespeople, who generate the majority of our sales. This group is complemented by a large-force of commission-based, independent representatives who produce the majority of our new business activity.

Our international footprint includes inventory hubs in Italy, Czech Republic, Canada, and Malaysia, and sales presence in Scotland, England, and Singapore. We believe our international reach enables us to access new customers and allows us to better serve existing customers.

Suppliers

The primary raw materials that we use include copper-clad layers of fiberglass of varying thicknesses, impregnated with bonding materials; chemical solutions such as copper and gold for plating operations; photographic film; carbide drill bits; and plastic for testing fixtures.

We use just-in-time procurement practices to maintain our raw materials inventory at low levels and work closely with our suppliers to obtain technologically advanced raw materials. Although we have preferred suppliers for some raw materials, most of our raw materials are generally readily available in the open market from numerous other potential suppliers. In addition, we periodically seek alternative supply sources to ensure that we are receiving competitive pricing and service. In 2005, in response to laminate price increases, we reallocated orders among our suppliers in order to secure the best available pricing. Adequate amounts of all raw materials have been available in the past, and we believe this availability will continue into the foreseeable future.

Competition

Despite industry consolidation, the printed circuit board industry is fragmented and characterized by intense competition. Our principal competitors include DDi, Endicott Interconnect Technologies, Merix, Sanmina-SCI and Tyco.

We believe we compete favorably based on the following competitive factors:

- ability to offer one-stop manufacturing capabilities;
- three specialized and integrated manufacturing facilities;
- ability to offer time-to-market capabilities;
- capability and flexibility to produce technologically complex products;
- flexibility to manufacture high-mix products;
- consistent high-quality product; and
- outstanding customer service.

In addition, we believe our continuous evaluation and early adoption of new manufacturing and production technologies give us a competitive advantage. We believe that our ability to manufacture printed circuit boards using advanced technologies such as blind and buried vias, larger panel size, sequential lamination, and smaller traces and spaces provides us with a competitive advantage over manufacturers that do not possess these technological capabilities. We believe these advanced manufacturing and production technologies are increasingly replacing and making obsolete the older technologies. Our future success will depend in large part on our ability to maintain and enhance our manufacturing capabilities and production technologies.

Backlog

Although we obtain firm purchase orders from our customers, they typically do not make firm orders for delivery of products more than 30 to 60 days in advance. In addition, orders may be rescheduled or canceled,

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and the products in the markets which we serve are characterized by increasingly short product life cycles. Therefore, we believe that backlog information is not material to an understanding of our business.

Intellectual Property

We have limited patent or trade secret protection for our manufacturing processes. We believe our business depends on the effectiveness of our fabrication techniques and our ability to continue to improve our manufacturing processes. We rely on the collective experience of our employees in the manufacturing process to ensure we continuously evaluate and adopt new technologies in our industry. In addition, we depend on training, recruiting, and retaining our employees, who are required to have sufficient know-how to operate advanced equipment and to conduct complicated manufacturing processes.

Governmental Regulation

Our operations are subject to federal, state, and local regulatory requirements relating to environmental compliance and site cleanups, waste management and health and safety matters. In particular, we are subject to regulations promulgated by:

- the Occupational Safety and Health Administration, pertaining to health and safety in the workplace;
- the Environmental Protection Agency, pertaining to the use, storage, discharge, and disposal of hazardous chemicals used in the manufacturing processes; and
- corresponding state, county, and city agencies.

To date, the costs of compliance and environmental remediation have not been material to us. Nevertheless, additional or modified requirements may be imposed in the future. If such additional or modified requirements are imposed on us, or if conditions requiring remediation are found to exist, we may be required to incur substantial additional expenditures.

Employees

As of December 31, 2005, we had 1,705 employees, none of whom were represented by unions. Of these employees, 1,597 were involved in manufacturing and engineering, 51 worked in sales and marketing, and 57 worked in accounting, systems and other support capacities. We have not experienced any labor problems resulting in a work stoppage and believe that we have good relations with our employees.

Management

The following table, together with the accompanying text, presents certain information as of February 28, 2006, with respect to each of our executive officers.

<u>Name</u>	<u>Age</u>	<u>Position(s) Held With the Company</u>
Kenton K. Alder	56	Chief Executive Officer, President and Director
Daniel L. Felsenthal	49	Vice President and Controller
Steven W. Richards	41	Vice President, Chief Financial Officer, Treasurer and Secretary
O. Clay Swain	42	Sr. Vice President — Marketing
Shane S. Whiteside	40	Sr. Vice President and Chief Operating Officer

Kenton K. Alder has served as our Chief Executive Officer, President and Director since March 1999. From January 1997 to July 1998, Mr. Alder served as Vice President of Tyco Printed Circuit Group Inc., a printed circuit board manufacturer. Prior to that time, Mr. Alder served as President and Chief Executive Officer of ElectroStar, Inc., previously a publicly held printed circuit board manufacturing company, from December 1994 to December 1996. From January 1987 to November 1994, Mr. Alder served as President of Lundahl Astro Circuits Inc., a predecessor company to ElectroStar. Mr. Alder holds a Bachelor of Science degree in Finance and a Bachelor of Science degree in Accounting from Utah State University.

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Daniel L. Felsenthal has served as our Vice President and Controller since February 2003. From May 2002 through November 2002, Mr. Felsenthal was a financial consultant. From November 2001 through May 2002, Mr. Felsenthal served as the Chief Financial Officer for Castro — Krause's Industries, Inc. From February 1999 through October 2001, Mr. Felsenthal served as the Vice President, Corporate Controller for Krause's Furniture, Inc. Mr. Felsenthal holds a Bachelor of Arts degree in Economics from the University of California at Los Angeles and a Master of Business Administration degree from the University of Pennsylvania, the Wharton School.

Steven W. Richards has served as our Chief Financial Officer since December 2005. Mr. Richards has served as our Secretary since September 2005, a Vice President since October 2003 and our Treasurer since May 2000. From June 1996 to April 2000, Mr. Richards worked in a variety of financial planning and analysis roles at Atlantic Richfield Corporation, a multinational oil and gas company. Mr. Richards holds a Bachelor of Journalism degree from the University of Missouri, Columbia and a Master of Business Administration degree from the University of Southern California. Mr. Richards is a Chartered Financial Analyst charterholder.

O. Clay Swain has served as our Senior Vice President — Marketing since November 2005, Senior Vice President — Sales and Marketing from October 2003 to November 2005, our Vice President, Sales and Marketing from September 2001 to October 2003, our Vice President, Sales since June 2000 to September 2001, and as our National Sales Manager from March 2000 to June 2000. From July 1999 to February 2000, Mr. Swain served as General Manager of Tyco Printed Circuit Group, Logan Division, a printed circuit board manufacturer. Mr. Swain holds a Bachelor of Science degree and a Master in Business Administration degree from Utah State University.

Shane S. Whiteside has served as a Senior Vice President since October 2003 and our Vice President and Chief Operating Officer since December 2002. From January 2001 to November 2002, Mr. Whiteside was the Vice President of Operations — Santa Ana Division and our Director of Operations — Santa Ana Division from July 1999 to December 2000. From March 1998 to June 1999, Mr. Whiteside was the Director of Operations of Power Circuits. Mr. Whiteside holds a Bachelor of Arts degree in Economics from the University of California at Irvine.

Availability of Reports Filed with the Securities and Exchange Commission

Our Annual Reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, registration statements, and amendments to those reports are available without charge on our website, <http://www.ttmtech.com/ir/sec> filings, as soon as reasonably practicable after they are filed electronically with the SEC. Copies are also available without charge by (i) telephonic request by calling our Investor Relations Department at (714) 241-0303, (ii) e-mail request to investor@ttmtech.com, or (iii) a written request to TTM Technologies, Inc., Attention: Investor Relations, 2630 South Harbor Blvd., Santa Ana, CA 92704.

ITEM 1A. RISK FACTORS

An investment in our common stock involves a high degree of risk. You should carefully consider the factors described below, in addition to those discussed elsewhere in this report, in analyzing an investment in our common stock. If any of the events described below occurs, our business, financial condition, and results of operations would likely suffer, the trading price of our common stock could fall, and you could lose all or part of the money you paid for our common stock.

In addition, the following risk factors and uncertainties could cause our actual results to differ materially from those projected in our forward-looking statements, whether made in this Form 10-K or the other documents we file with the SEC, or our annual or quarterly reports to stockholders, future press releases, or orally, whether in presentations, responses to questions or otherwise.

Risks Related to Our Company

We are heavily dependent upon the worldwide electronics industry, which is characterized by significant economic cycles and fluctuations in product demand. A significant downturn in the electronics industry could result in decreased demand for our manufacturing services and lowered our sales and gross margins.

A majority of our revenues are generated from the electronics industry, which is characterized by intense competition, relatively short product life cycles, and significant fluctuations in product demand. Furthermore, the industry is subject to economic cycles and recessionary periods and would be negatively affected by a contraction in the U.S. economy and worldwide electronics market. Moreover, due to the uncertainty in the end markets served by most of our customers, we have a low level of visibility with respect to future financial results. A lasting economic recession, excess manufacturing capacity, or a decline in the electronics industry could negatively affect our business, results of operations, and financial condition. For example, our net sales declined from \$129.0 million in 2001 to \$89.0 million in 2002, due to a significant downturn in demand in the electronics industry during 2001 and 2002. A decline in our net sales could harm our profitability and results of operations and could require us to record an additional valuation allowance against our deferred tax assets or recognize an impairment of our long-lived assets, including goodwill and other intangible assets.

During periods of excess global printed circuit board manufacturing capacity, our gross margins may fall and/or we may have to incur restructuring charges if we choose to reduce the capacity of or close any of our facilities.

When we experience excess capacity, our sales revenues may not fully cover our fixed overhead expenses, and our gross margins will fall. In addition, we generally schedule our quick-turn production facilities at less than full capacity to retain our ability to respond to unexpected additional quick-turn orders. However, if these orders are not received, we may forego some production and could experience continued excess capacity.

If we conclude we have significant, long-term excess capacity, we may decide to permanently close one or more of our facilities, and lay off some of our employees. Closures or lay-offs could result in our recording restructuring charges such as severance, other exit costs, and asset impairments, as we did due to the closure of our Burlington, Washington, facility in 2002 and the subsequent sale of the facility in 2004 and the lay off of employees at our Redmond, Washington, facility in 2003.

We are dependent upon a small number of OEM customers for a large portion of our net sales, and a decline in sales to major customers could harm our results of operations.

A small number of customers are responsible for a significant portion of our net sales. Our five largest OEM customers accounted for approximately 54% of our net sales in 2004, and approximately 54% of our net sales in 2005. Sales attributed to OEMs include both direct sales as well as sales that the OEMs place through EMS providers. If our customers fail to place orders with us at past levels, it would harm our business, results of operations, and financial condition. We expect a significant portion of our net sales will continue to be generated by a small number of customers.

Our customer concentration could fluctuate, depending on future customer requirements, which will depend in large part on market conditions in the electronics industry segments in which our customers participate. The loss of one or more major customers or a decline in sales to our major customers could significantly harm our business, results of operations, and financial condition and lead to declines in the trading price of our common stock. In addition, we generate significant accounts receivable in connection with providing manufacturing services to our customers. If one or more of our significant customers were to become insolvent or were otherwise unable to pay for the manufacturing services provided by us, our results of operations would be harmed.

We compete against manufacturers in Asia, where production costs are lower. These competitors may gain market share in our key market segments, which may have an adverse effect on the pricing of our products.

We may be at a competitive disadvantage with respect to price when compared to manufacturers with lower-cost facilities in Asia and other locations. We believe price competition from printed circuit board manufacturers in Asia and other locations with lower production costs may play an increasing role in the market. We do not have offshore facilities in lower-cost locations such as Asia. While historically our competitors in these locations have produced less technologically advanced printed circuit boards, they continue to expand their capacity and capabilities with advanced equipment to produce higher technology printed circuit boards. In addition, fluctuations in foreign currency exchange rates may benefit these offshore competitors. As a result, these competitors may gain market share, which may force us to lower our prices, reducing our gross margins.

We are exposed to the credit risk of some of our customers and to credit exposures in weakened markets.

Most of our sales are on an “open credit” basis, with standard industry payment terms. We monitor individual customer payment capability in granting such open credit arrangements, seek to limit such open credit to amounts we believe the customers can pay, and maintain reserves we believe are adequate to cover exposure for doubtful accounts. During periods of economic downturn in the electronics industry and the global economy, our exposure to credit risks from our customers increases. Although we have programs in place to monitor and mitigate the associated risks, such programs may not be effective in reducing our credit risks.

Our 10 largest customers accounted for approximately 65% of our net sales in 2004, and approximately 66% of our net sales in 2005. Our OEM customers often direct a significant portion of their purchases through a relatively limited number of EMS companies. Our contractual relationship is typically with the EMS companies, who are obligated to pay us for our products. Because we expect our OEM customers to continue to direct our sales to EMS companies, we expect to continue to be subject to the credit risk of a limited number of customers. This concentration of customers exposes us to increased credit risks. If one or more of our significant customers were to become insolvent or were otherwise unable to pay us, our results of operations would be harmed.

Some of our customers are EMS companies located abroad. Our exposure has increased as these foreign customers continue to expand. Our foreign sales are denominated in U.S. dollars, and are typically on the same “open credit” basis and terms described above. Our foreign receivables are expected to continue to grow as a percentage of our total receivables. We do not utilize credit insurance as a risk management tool.

We expect to continue to pursue acquisitions to expand our operations, and we may have trouble integrating acquisitions. Acquisitions involve numerous risks.

As part of our business strategy, we expect that we will continue to grow by pursuing acquisitions of businesses, technologies, assets, or product lines that complement or expand our existing business. We currently have no commitments or agreements to acquire any business. Our existing credit facility restricts our ability to acquire the assets or business of other companies and, accordingly, will require us to obtain the consent of our lenders and could require us to pay significant fees, become subject to reduced liquidity, or become subject to additional or more restrictive covenants in order to consummate such acquisitions. Consequently, we may not be able to identify suitable acquisition candidates or finance and complete transactions that we choose to pursue.

Our acquisition of companies and businesses and expansion of operations involve risks, including the following:

- the potential inability to identify assets best suited to our business plan;
- the potential inability to successfully integrate acquired operations and businesses or to realize anticipated synergies, economies of scale, or other expected value;

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- diversion of management's attention from normal daily operations of the business;
- difficulties in managing production and coordinating operations at new sites;
- the potential inability to retain existing customers of acquired companies when we desire to do so;
- insufficient revenues to offset increased expenses associated with acquisitions;
- the potential need to restructure, modify, or terminate customer relationships of the acquired company;
- an increased concentration of business from existing or new customers; and
- the potential loss of key employees of acquired operations.

Acquisitions may cause us to:

- issue common stock that would dilute our current stockholders' percentage ownership;
- assume liabilities;
- acquire leased facilities with relatively short lease expirations or with no options to renew;
- record goodwill and non-amortizable intangible assets that will be subject to impairment testing and potential periodic impairment charges;
- enter markets in which we have limited or no prior experience;
- incur amortization expenses related to certain intangible assets;
- incur large and immediate write-offs;
- incur costs, whether or not a proposed acquisition is consummated;
- incur unanticipated costs; or
- become subject to litigation and environmental issues.

Acquisitions of high-technology companies are inherently risky, and no assurance can be given that our previous or future acquisitions will be successful and will not harm our business, operating results, or financial condition. Failure to manage and successfully integrate acquisitions could harm our business and operating results in a material way. Even when an acquired company has already developed and marketed products, product enhancements may not be made in a timely fashion. In addition, unforeseen issues might arise with respect to such products after the acquisition.

We rely on suppliers for the timely delivery of raw materials used in manufacturing our printed circuit boards, and an increase in industry demand or the presence of a shortage for these raw materials may increase the price of these raw materials and reduce our gross margins. If a raw material supplier fails to satisfy our product quality standards, it could harm our customer relationships.

To manufacture printed circuit boards, we use raw materials such as laminated layers of fiberglass, copper foil, chemical solutions, and other commodity products, which we order from our suppliers. Although we have preferred suppliers for most of these raw materials, the materials we use are generally readily available in the open market, and numerous other potential suppliers exist. However, from time to time, we may experience increases in raw material prices, based on demand trends, which can negatively affect our gross margins. Higher laminate prices were responsible for an approximate one percentage point decline in our gross margins in the fourth fiscal quarter 2004. In addition, consolidations and restructuring in our supplier base may result in adverse materials pricing due to reduction in competition among our suppliers. Furthermore, if a raw material supplier fails to satisfy our product quality standards, it could harm our customer relationships. Suppliers may from time to time extend lead times, limit supplies, or increase prices, due to capacity constraints or other factors, which could harm our ability to deliver our products on a timely basis.

If we are unable to respond to rapid technological change and process development, we may not be able to compete effectively.

The market for our manufacturing services is characterized by rapidly changing technology and continual implementation of new production processes. The future success of our business will depend in large part upon our ability to maintain and enhance our technological capabilities, to manufacture products that meet changing customer needs, and to successfully anticipate or respond to technological changes on a cost-effective and timely basis. We expect that the investment necessary to maintain our technological position will increase as customers make demands for products and services requiring more advanced technology on a quicker turnaround basis. We may not be able to raise additional funds in order to respond to technological changes as quickly as our competitors.

In addition, the printed circuit board industry could encounter competition from new or revised manufacturing and production technologies that render existing manufacturing and production technology less competitive or obsolete. We may not respond effectively to the technological requirements of the changing market. If we need new technologies and equipment to remain competitive, the development, acquisition, and implementation of those technologies and equipment may require us to make significant capital investments.

Competition in the printed circuit board market is intense, and we could lose market share if we are unable to maintain our current competitive position in end markets using our quick-turn, high technology and high-mix manufacturing services.

The printed circuit board industry is intensely competitive, highly fragmented, and rapidly changing. We expect competition to continue, which could result in price reductions, reduced gross margins, and loss of market share. Our principal domestic competitors include DDi, Endicott Interconnect Technologies, Merix, Sanmina-SCI, and Tyco. In addition, we increasingly compete on an international basis, and new and emerging technologies may result in new competitors entering our markets.

Many of our competitors and potential competitors have a number of significant advantages over us, including:

- greater financial and manufacturing resources that can be devoted to the development, production, and sale of their products;
- more established and broader sales and marketing channels;
- more manufacturing facilities worldwide, some of which are closer in proximity to OEMs;
- manufacturing facilities that are located in countries with lower production costs;
- lower capacity utilization in peak market conditions that can result in shorter lead times to customers;
- ability to add additional capacity faster or more efficiently;
- preferred vendor status with existing and potential customers;
- greater name recognition;
- manufacturing facilities with U.S. military clearances; and
- larger customer bases.

In addition, these competitors may respond more quickly to new or emerging technologies, or adapt more quickly to changes in customer requirements, and devote greater resources to the development, promotion, and sale of their products than we do. We must continually develop improved manufacturing processes to meet our customers' needs for complex products, and our manufacturing process technology is generally not subject to significant proprietary protection. During recessionary periods in the electronics industry, our strategy of providing quick-turn services, an integrated manufacturing solution, and responsive customer service may take on reduced importance to our customers. As a result, we may need to compete more on the basis of price, which could cause our gross margins to decline. Periodically, printed circuit board manufacturers experience

overcapacity. Overcapacity, combined with weakness in demand for electronic products, results in increased competition and price erosion for printed circuit boards.

Our quarterly results of operations are often subject to demand fluctuations and seasonality. With a high level of fixed operating costs, even small revenue shortfalls would decrease our gross margins and potentially cause the trading price of our common stock to decline.

Our quarterly results of operations fluctuate for a variety of reasons, including:

- timing of orders from and shipments to major customers;
- the levels at which we utilize our manufacturing capacity;
- price competition;
- changes in our mix of revenues generated from quick-turn versus standard delivery time services;
- expenditures, charges or write-offs, including those related to acquisitions, facility restructurings, or asset impairments; and
- expenses relating to expanding existing manufacturing facilities.

A significant portion of our operating expenses is relatively fixed in nature, and planned expenditures are based in part on anticipated orders. Accordingly, unexpected revenue shortfalls may decrease our gross margins. In addition, we have experienced sales fluctuations due to seasonal patterns in the capital budgeting and purchasing cycles, as well as inventory management practices of our customers and the end markets we serve. In particular, the seasonality of the computer industry and quick-turn ordering patterns affects the overall printed circuit board industry. These seasonal trends have caused fluctuations in our quarterly operating results in the past and may continue to do so in the future. Results of operations in any quarterly period should not be considered indicative of the results to be expected for any future period. In addition, our future quarterly operating results may fluctuate and may not meet the expectations of securities analysts or investors. If this occurs, the trading price of our common stock would likely decline.

Because we sell on a purchase order basis, we are subject to uncertainties and variability in demand by our customers that could decrease revenues and harm our operating results.

We sell to customers on a purchase order basis rather than pursuant to long-term contracts. Our quick-turn orders are subject to particularly short lead times. Consequently, our net sales are subject to short-term variability in demand by our customers. Customers submitting purchase orders may cancel, reduce, or delay their orders for a variety of reasons. The level and timing of orders placed by our customers may vary, due to:

- customer attempts to manage inventory;
- changes in customers' manufacturing strategies, such as a decision by a customer to either diversify or consolidate the number of printed circuit board manufacturers used or to manufacture its own products internally;
- variation in demand for our customers' products; and
- changes in new product introductions.

We have periodically experienced terminations, reductions, and delays in our customers' orders. Further terminations, reductions, or delays in our customers' orders could harm our business, results of operations, and financial condition.

The increasing prominence of EMS providers in the printed circuit board industry could reduce our gross margins, potential sales, and customers.

Sales to EMS providers represented approximately 69% of our net sales in 2005. Sales to EMS providers include sales directed by OEMs as well as orders placed with us at the EMS providers' discretion. EMS

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providers source on a global basis to a greater extent than OEMs. The growth of EMS providers increases the purchasing power of such providers and could result in increased price competition or the loss of existing OEM customers. In addition, some EMS providers, including some of our customers, have the ability to directly manufacture printed circuit boards. If a significant number of our other EMS customers were to acquire the ability to directly manufacture printed circuit boards, our customer base might shrink, and our sales might decline substantially. Moreover, if any of our OEM customers outsource the production of printed circuit boards to these EMS providers, our business, results of operations, and financial condition may be harmed.

If we were to increase our amortization of definite-lived intangible assets as a result of additional acquisitions, our earnings could be negatively affected. Similarly, if we were to revalue our existing intangible assets downward, our operating results would be harmed.

As of December 31, 2005, our consolidated balance sheet reflected \$73.5 million of goodwill and intangible assets. We evaluate whether events and circumstances have occurred that indicate the remaining balance of goodwill and intangible assets may not be recoverable. When factors indicate that assets should be evaluated for possible impairment, we may be required to reduce the carrying value of our goodwill and intangible assets, which could harm our results during the periods in which such a reduction is recognized. Our goodwill and intangible assets may increase in future periods if we consummate other acquisitions. Amortization or impairment of these additional intangibles would, in turn, harm our earnings.

Damage to our manufacturing facilities could increase our costs of doing business and adversely affect our ability to deliver our manufacturing services on a timely basis.

We have three manufacturing facilities, which are located in Chippewa Falls, Wisconsin; Redmond, Washington; and Santa Ana, California. The destruction or closure of any of our manufacturing facilities for a significant period of time as a result of fire; explosion; blizzard; act of war or terrorism; or flood, tornado, earthquake, lightning, or other natural disaster could increase our costs of doing business and harm our ability to deliver our manufacturing services on a timely basis and, consequently, our operating results.

Our manufacturing processes depend on the collective industry experience of our employees. If these employees were to leave us, our manufacturing processes might suffer and we might not be able to compete effectively.

We have limited patent or trade secret protection for our manufacturing processes. We rely on the collective experience of our employees in the manufacturing processes to ensure we continuously evaluate and adopt new technologies in our industry. Although we are not dependent on any one employee or a small number of employees, if a significant number of our employees involved in our manufacturing processes were to leave our employment, and we were not able to replace these people with new employees with comparable experience, our manufacturing processes might suffer as we might be unable to keep up with innovations in the industry. As a result, we may lose our ability to continue to compete effectively.

We may be exposed to intellectual property infringement claims by third parties that could be costly to defend, could divert management's attention and resources, and if successful, could result in liability.

We could be subject to legal proceedings and claims for alleged infringement by us of third-party proprietary rights, such as patents, from time to time in the ordinary course of business. It is possible that the circuit board designs and other specifications supplied to us by our customers might infringe on the patents or other intellectual property rights of third parties, in which case our manufacture of printed circuit boards according to such designs and specifications could expose us to legal proceedings for allegedly aiding and abetting the violation, as well as to potential liability for the infringement. If we do not prevail in any litigation as a result of any such allegations, our business could be harmed.

Our business may suffer if any of our key senior executives discontinues employment with us or if we are unable to recruit and retain highly skilled engineering and sales staff.

Our future success depends to a large extent on the services of our key managerial employees. We may not be able to retain our executive officers and key personnel or attract additional qualified management in the future. Our business also depends on our continuing ability to recruit, train, and retain highly qualified employees, particularly engineering and sales and marketing personnel. The competition for these employees is intense, and the loss of these employees could harm our business. Further, our ability to successfully integrate acquired companies depends in part on our ability to retain key management and existing employees at the time of the acquisition.

Increasingly, our larger customers are requesting that we enter into supply agreements with them that have increasingly restrictive terms and conditions. These agreements typically include provisions that increase our financial exposure, which could result in significant costs to us.

Increasingly, our larger customers are requesting that we enter into supply agreements with them. These agreements typically include provisions that generally serve to increase our exposure for product liability and warranty claims — as compared to our standard invoice terms — which could result in higher costs to us as a result of such claims. In addition, these agreements typically contain provisions that seek to limit our operational and pricing flexibility and extend payment terms, which can adversely impact our cash flow and results of operations.

Products we manufacture may contain design or manufacturing defects, which could result in reduced demand for our services and liability claims against us.

We manufacture products to our customers' specifications, which are highly complex and may contain design or manufacturing errors or failures, despite our quality control and quality assurance efforts. Defects in the products we manufacture, whether caused by a design, manufacturing, or materials failure or error, may result in delayed shipments, customer dissatisfaction, a reduction or cancellation of purchase orders, or liability claims against us. If these defects occur either in large quantities or too frequently, our business reputation may be impaired. Our sales mix has shifted towards standard delivery time products, which have larger production runs, thereby increasing our exposure to these types of defects. Since our products are used in products that are integral to our customers' businesses, errors, defects, or other performance problems could result in financial or other damages to our customers beyond the cost of the printed circuit board, for which we may be liable. Although our invoices and sales arrangements generally contain provisions designed to limit our exposure to product liability and related claims, existing or future laws or unfavorable judicial decisions could negate these limitation of liability provisions. Product liability litigation against us, even if it were unsuccessful, would be time consuming and costly to defend. Although we maintain technology errors and omissions insurance, we can not assure you that we will continue to be able to purchase such insurance coverage in the future on terms that are satisfactory to us, if at all.

Our failure to comply with the requirements of environmental laws could result in fines and revocation of permits necessary to our manufacturing processes.

Our operations are regulated under a number of federal, state, and foreign environmental and safety laws and regulations that govern, among other things, the discharge of hazardous materials into the air and water, as well as the handling, storage, and disposal of such materials. These laws and regulations include the Clean Air Act, the Clean Water Act, the Resource Conservation and Recovery Act, and the Comprehensive Environmental Response, Compensation and Liability Act, as well as analogous state and foreign laws. Compliance with these environmental laws is a major consideration for us because our manufacturing processes use and generate materials classified as hazardous, such as ammoniacal etching solutions, copper, and nickel. Because we use hazardous materials and generate hazardous wastes in our manufacturing processes, we may be subject to potential financial liability for costs associated with the investigation and remediation of our own sites, or sites at which we have arranged for the disposal of hazardous wastes, if such sites become contaminated. Even if we fully comply with applicable environmental laws and are not directly at

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fault for the contamination, we may still be liable. The wastes we generate include spent ammoniacal etching solutions, metal stripping solutions, and hydrochloric acid solution containing palladium; waste water, which contains heavy metals, acids, cleaners, and conditioners; and filter cake from equipment used for on-site waste treatment. We believe that our operations substantially comply with all applicable environmental laws. However, any material violations of environmental laws by us could subject us to revocation of our effluent discharge permits. Any such revocations could require us to cease or limit production at one or more of our facilities, and harm our business, results of operations, and financial condition. Even if we ultimately prevail, environmental lawsuits against us would be time consuming and costly to defend.

Environmental laws could also become more stringent over time, imposing greater compliance costs and increasing risks and penalties associated with violation. We operate in environmentally sensitive locations, and we are subject to potentially conflicting and changing regulatory agendas of political, business, and environmental groups. Changes or restrictions on discharge limits, emissions levels, material storage, handling, or disposal might require a high level of unplanned capital investment or global relocation. It is possible that environmental compliance costs and penalties from new or existing regulations may harm our business, results of operations, and financial condition.

In addition, we are increasingly required to certify compliance to the European Union Restriction of Hazardous Substances ("RoHS") directive for some of the products that we manufacture. As with other types of product certifications that we routinely provide, we may incur liability and pay damages if our products do not conform to our certification.

If our net earnings do not remain at or above recent levels, or we are not able to predict with a reasonable degree of probability that they will continue, we may have to record an additional valuation allowance against our net deferred tax assets.

As of December 31, 2005, we had deferred tax assets of approximately \$11.4 million, which is net of a valuation allowance of \$2.5 million. If we should determine that it is more likely than not that we will not generate taxable income in sufficient amounts to be able to use our net deferred tax assets, we would be required to increase our current valuation allowance against these deferred tax assets. This would result in an additional income tax provision and a deterioration of our results of operations. Based on our forecast for future earnings, we believe we will utilize the deferred tax asset in future periods. However, if our estimates of future earnings are lower than expected, we may record a higher income tax provision due to a write down of our net deferred tax assets, which would reduce our earnings per share.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

The following table describes our principal manufacturing facilities.

<u>Location</u>	<u>Square Feet</u>	<u>Primary Use</u>	<u>Secondary Use</u>
Santa Ana, CA	98,000	Prototype	Ramp-to-volume
Redmond, WA	102,200	Ramp-to-volume	High-mix and prototype
Chippewa Falls, WI	280,400	High technology	High-mix and prototype

We own all of our manufacturing and administrative office facilities. Our owned facilities are subject to mortgages under our senior credit facility. We also lease a sales office in Hopkins, Minnesota. This sales office contains approximately 8,700 square feet and the lease expires in March 2007.

ITEM 3. LEGAL PROCEEDINGS

From time to time we may become a party to various legal proceedings arising in the ordinary course of our business. There can be no assurance that we will prevail in any such litigation.

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We were added as a defendant in a patent infringement lawsuit filed in 2001 in the U.S. District Court for the District of Arizona by Lemelson Medical, Education and Research Foundation, Limited Partnership. The suit alleges that we have infringed certain “bar code,” “machine vision” and other patents owned by the plaintiff and seeks injunctive relief, damages for the alleged infringements and payment of the plaintiff’s attorneys’ fees. In March 2002, the lawsuit was stayed pending the outcome of *Symbol Technologies, et al. v. Lemelson* in the U.S. District Court for the District Court of Nevada, in which a declaratory relief suit filed by certain manufacturers challenged the validity, enforceability and infringement of Lemelson’s “bar code” and “machine vision” patents. As a result of the stay, we have not filed an answer to the complaint nor has any discovery been conducted. In January 2004, the Nevada court found the Lemelson patents, including those patents asserted by the Lemelson Foundation against us in the Arizona case, to be invalid, not infringed and unenforceable. The Lemelson Foundation has the right to appeal the Nevada court’s judgment. Although the ultimate outcome of this matter is not currently determinable, we believe we have meritorious defenses to these allegations and do not expect this litigation to materially impact our business, results of operations or financial condition. However, there can be no assurance that the ultimate resolution of this matter will not have a material adverse effect on our results of operations for any quarter.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT’S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Our common stock has been listed on the Nasdaq National Market under the symbol “TTMI” since September 21, 2000. The following table sets forth the quarterly high and low closing prices of our common stock as reported on the Nasdaq National Market for the periods indicated.

	<u>High</u>	<u>Low</u>
2005:		
First Quarter	\$ 11.33	\$ 8.82
Second Quarter	\$ 10.55	\$ 7.28
Third Quarter	\$ 8.38	\$ 6.25
Fourth Quarter	\$ 9.83	\$ 6.81
2004:		
First Quarter	\$ 20.36	\$ 11.46
Second Quarter	\$ 14.34	\$ 10.03
Third Quarter	\$ 12.25	\$ 8.46
Fourth Quarter	\$ 12.92	\$ 8.96

As of March 1, 2006, there were approximately 340 holders of record of our common stock. The closing sale price of our common stock on the Nasdaq National Market on March 1, 2006 was \$13.25 per share.

We have not declared or paid any dividends since 2000, and we do not anticipate paying any cash dividends in the foreseeable future. Additionally, our senior credit facility prohibits the payment of dividends. We presently intend to retain any future earnings to finance future operations and the expansion of our business.

ITEM 6. SELECTED FINANCIAL DATA

The selected historical financial data presented below are derived from our consolidated financial statements. The selected financial data should be read in conjunction with Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and the notes thereto included elsewhere in this report.

	Year Ended December 31,				
	2001	2002(1)	2003(1)	2004	2005
(In thousands, except per share data)					
Consolidated Statement of Operations Data:					
Net sales	\$ 128,989	\$ 88,989	\$ 180,317	\$ 240,650	\$ 240,209
Cost of goods sold	92,235	78,456	145,694	172,103	186,453
Gross profit	<u>36,754</u>	<u>10,533</u>	<u>34,623</u>	<u>68,547</u>	<u>53,756</u>
Operating expenses:					
Selling and marketing	7,272	6,447	10,858	12,032	11,977
General and administrative	5,435	5,519	11,696	13,223	14,135
Amortization of intangibles(2)	4,808	1,202	1,202	1,202	1,202
Restructuring charges(3)	—	3,859	649	855	—
Total operating expenses	<u>17,515</u>	<u>17,027</u>	<u>24,405</u>	<u>27,312</u>	<u>27,314</u>
Operating income (loss)	19,239	(6,494)	10,218	41,235	26,442
Other income (expense):					
Interest expense	(2,644)	(1,084)	(583)	(367)	(179)
Amortization of debt issuance costs	(41)	(105)	(97)	(148)	(72)
Interest income and other, net	629	694	352	793	2,126
Income (loss) before income taxes and extraordinary item	17,183	(6,989)	9,890	41,513	28,317
Income tax (provision) benefit	(6,189)	2,278	(3,901)	(13,183)	2,524
Income (loss) before extraordinary item	10,994	(4,711)	5,989	28,330	30,841
Extraordinary gain	—	6,296	1,453	—	—
Net income	<u>\$ 10,994</u>	<u>\$ 1,585</u>	<u>\$ 7,442</u>	<u>\$ 28,330</u>	<u>\$ 30,841</u>
Income (loss) per common share, before extraordinary item:					
Basic	<u>\$ 0.29</u>	<u>\$ (0.12)</u>	<u>\$ 0.15</u>	<u>\$ 0.69</u>	<u>\$ 0.75</u>
Diluted	<u>\$ 0.28</u>	<u>\$ (0.12)</u>	<u>\$ 0.15</u>	<u>\$ 0.68</u>	<u>\$ 0.74</u>
Income per common share:					
Basic	<u>\$ 0.29</u>	<u>\$ 0.04</u>	<u>\$ 0.19</u>	<u>\$ 0.69</u>	<u>\$ 0.75</u>
Diluted	<u>\$ 0.28</u>	<u>\$ 0.04</u>	<u>\$ 0.18</u>	<u>\$ 0.68</u>	<u>\$ 0.74</u>
Weighted average common shares:					
Basic	37,482	39,511	39,993	40,780	41,232
Diluted	38,899	39,511	41,123	41,868	41,770
Other Financial Data:					
Depreciation of property, plant and equipment	\$ 8,294	\$ 8,761	\$ 7,774	\$ 8,213	\$ 9,290
Non-cash restructuring charges for impairment of building and equipment	—	1,838	446	855	—

- (1) Our results for the year ended December 31, 2002 include only six days of activity of Advanced Circuits, Inc., which we acquired on December 26, 2002. A full year of activity at this subsidiary is included in our results for the year ended December 31, 2003. In both 2002 and 2003, we recorded extraordinary gains related to this acquisition.
- (2) In 2002, we adopted Statement of Financial Accounting Standards ("SFAS") No. 142, "Goodwill and Intangible Assets" and ceased amortizing goodwill. Our expense from 2002 through 2005 reflects amortization of intangibles related to our acquisition of Power Circuits in July 1999.
- (3) We recorded restructuring charges in 2002, 2003 and 2004 related to the closure of our Burlington, Washington, facility and sale of the building. The charge in 2002 is comprised primarily of severance expense and other cash exit costs as well as non-cash expenses to write down the value of the building and equipment held for sale. The charges in 2003 and 2004 were to further write down the value of the building and equipment. See Note 3 to our consolidated financial statements included herein.

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	As of December 31,				
	2001	2002	2003	2004	2005
	(In thousands)				
Consolidated Balance Sheet Data:					
Working capital	\$ 29,099	\$ 40,405	\$ 52,352	\$ 82,645	\$ 111,224
Total assets	193,076	197,506	205,857	235,770	273,143
Long-term debt, including current maturities	32,625	10,000	7,777	—	—
Stockholders' equity	150,079	167,426	178,327	211,626	243,952

	Year Ended December 31,				
	2001	2002	2003	2004	2005
	(In thousands)				
Supplemental Data:					
EBITDA(1)	\$ 32,970	\$ 10,459	\$ 21,057	\$ 51,560	\$ 39,176
Cash flows from operating activities	38,245	10,011	18,582	48,810	31,027
Cash flows from investing activities	(13,176)	(7,017)	(13,181)	(9,276)	(13,583)
Cash flows from financing activities	(9,873)	(7,105)	863	(5,989)	626

- (1) "EBITDA" means earnings before interest expense, income taxes, depreciation and amortization. We present EBITDA to enhance the understanding of our operating results. EBITDA is a key measure we use to evaluate our operations. In addition, we provide our EBITDA because we believe that investors and securities analysts will find EBITDA to be a useful measure for evaluating our operating performance and comparing our operating performance with that of similar companies that have different capital structures and for evaluating our ability to meet our future debt service, capital expenditures, and working capital requirements. However, EBITDA should not be considered as an alternative to cash flows from operating activities as a measure of liquidity or as an alternative to net income as a measure of operating results in accordance with accounting principals generally accepted in the United States. The following provides a reconciliation of EBITDA to the financial information in our consolidated statement of operations.

	Year Ended December 31,				
	2001	2002	2003	2004	2005
	(In thousands)				
Net income	\$ 10,994	\$ 1,585	\$ 7,442	\$ 28,330	\$ 30,841
Add back items:					
Income taxes	6,189	(2,278)	3,901	13,183	(2,524)
Interest expense	2,644	1,084	583	367	179
Amortization of debt issuance costs	41	105	97	148	72
Depreciation of property, plant and equipment	8,294	8,761	7,774	8,213	9,290
Amortization of intangibles	4,808	1,202	1,260	1,319	1,318
Total	21,976	8,874	13,615	23,230	8,335
EBITDA	\$ 32,970	\$ 10,459	\$ 21,057	\$ 51,560	\$ 39,176

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

We are a one-stop provider of time-critical and technologically complex, multilayer printed circuit boards, which serve as the foundation of sophisticated electronic products. We serve high-end commercial markets — including the networking/communications infrastructure, high-end computing and industrial/medical markets — which are characterized by high levels of complexity, short product life cycles and moderate production volumes. Our customers include OEMs and EMS companies. Our time-to-market and high technology focused manufacturing services enable our customers to reduce the time required to develop new products and bring them to market.

The market for our products experienced a sustained downturn during 2001 and 2002, due to the economic slowdown in the electronics industry. During this period, we reduced our work force and focused on cost reduction by improving the efficiency of our operations and negotiating lower prices on key supplies from our vendors. Throughout this period, we generated positive cash flow from operations, added new customers, and continued to invest in our future growth, adding capital equipment and acquiring Advanced Circuits in December 2002. During 2003, we generated increased sales due to the inclusion of Advanced Circuits, market share gains, and the improving economic conditions in the electronics industry and our customers' end markets. Our gross profit margin also increased from 2002 to 2003, due to our improved operating leverage as costs that are largely fixed in nature, such as labor, were absorbed over greater production volume. Market conditions continued to improve in 2004, resulting in further revenue growth and expanded gross margins. During the first half of 2005, prices for our printed circuit boards declined leading to lower revenue and gross margins. However, prices as well as production volume increased during the second half of 2005, leading to increased revenue and expanded gross margins.

We manufacture printed circuit boards at three specialized and integrated facilities in the United States. Our facility in Santa Ana, California specializes in quick-turn work, which has delivery times of ten days or less and is characterized by small volumes of printed circuit boards. Our Chippewa Falls, Wisconsin facility focuses on higher-volume production runs of technologically complex multilayer printed circuit boards with average lead times of two to ten weeks. Our Redmond, Washington facility focuses on mid-volume production of standard lead-time printed circuit boards. Although our facilities are specialized, we are able to transfer work among our plants to maximize production during periods of peak demand.

In response to increased customer demand and higher capacity utilization rates, in February 2004, our board of directors approved a plan to significantly expand production capacity at our Chippewa Falls, Wisconsin facility. Chippewa Falls is our largest facility and serves the high-end, complex technology needs of some of our largest and most sophisticated commercial customers. The plan included a two-phase expansion, enabling us to incrementally match our capital expenditures with demand and market conditions. We believe that our ability to expand at our existing facilities allows us to efficiently grow without having to qualify customers for, and develop management infrastructure at, a new facility.

Phase one of the expansion plan, which featured the construction of a 44,000-square-foot addition and the purchase of capital equipment, increased capacity by approximately 55% from capacity levels as of the first quarter of 2004, and was completed in March 2005 at a capital cost of approximately \$10.5 million.

Should we choose to pursue it, the second phase of the Chippewa Falls expansion plan would allow us to expand production capacity an additional 30% from the maximum levels provided by phase one.

We measure customers as those companies that have placed at least two orders in the preceding 12-month period. As of December 31, 2005, we had approximately 580 customers and approximately 560 as of December 31, 2004. Sales to our 10 largest customers accounted for 66% of our net sales in 2005 and 65% of our net sales in 2004. We sell to OEMs both directly and indirectly through EMS companies. Sales attributable to our five largest OEM customers accounted for approximately 54% of our net sales in 2005.

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The following table shows the percentage of our net sales attributable to each of the principal end markets we served for the periods indicated:

End Markets(1)	Year Ended December 31,		
	2003	2004	2005
Networking/ Communication	39.2%	42.8%	45.0%
High-End Computing	34.8	30.7	26.6
Industrial/Medical	11.9	14.5	16.2
Computer Peripherals	8.9	5.5	5.2
Handheld/ Cellular	2.1	2.6	3.3
Other	3.1	3.9	3.7
Total	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

(1) Sales to EMS companies are classified by the end markets of their OEM customers.

We measure the time sensitivity of our products by tracking the quick-turn percentage of our work. We define quick-turn orders as those with delivery times of 10 days or less, which typically captures research and development, prototype, and new product introduction work, in addition to unexpected short-term demand among our customers. Generally, we quote prices after we receive the design specifications and the time and volume requirements from our customers. Our quick-turn services command a premium price as compared to standard lead time products. Quick-turn orders increased from 20% of net sales in 2004 to 22% of net sales in 2005, due to higher demand for our ramp-to-volume production services. We also deliver a large percentage of compressed lead-time work with lead times of 11 to 20 days. We receive a premium price for this work as well. Purchase orders may be cancelled prior to shipment. We charge customers a fee, based on percentage completed, if an order is cancelled once it has entered production.

We recognize revenues when persuasive evidence of a sales arrangement exists, the sales terms are fixed and determinable, title and risk of loss has transferred, and collectibility is reasonably assured — generally when products are shipped to the customer. Net sales consist of gross sales less an allowance for returns, which typically has been less than 2% of gross sales. We provide our customers a limited right of return for defective printed circuit boards. We record an amount for estimated sales returns and allowances at the time of sale based on our historical results. To the extent actual returns vary from our historical experience, revisions to these allowances may be required.

Cost of goods sold consists of materials, labor, outside services, and overhead expenses incurred in the manufacture and testing of our products. Many factors affect our gross margin, including capacity utilization, product mix, production volume and yield. As of the end of 2005, we were operating at approximately 80% of our production capacity. We do not participate in any significant long-term supply contracts, and we believe there are a number of potential suppliers for the raw materials we use. We believe that our cost of goods sold will continue to fluctuate as a percentage of net sales.

Selling and marketing expenses consist primarily of salaries and commissions paid to our internal sales force and commissions paid to independent sales representatives, salaries paid to our sales support staff as well as costs associated with marketing materials and trade shows. As general economic conditions continue to improve, we expect to receive more quick-turn orders due to increased prototype work related to new product introductions at our customers. As these quick-turn sales become a higher percentage of total sales, our average commission rate is expected to increase. We generally pay higher commissions to our independent sales representatives for quick-turn work, which generally has a higher gross profit component than standard lead-time work. We expect our selling and marketing expenses to continue to fluctuate as a percentage of net sales.

General and administrative costs primarily include the salaries for executive, finance, accounting, information technologies, facilities and human resources personnel, as well as insurance expenses, expenses for accounting and legal assistance, incentive compensation expense and bad debt expense. We expect these

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expenses to continue to fluctuate as a percentage of net sales as we add personnel and incur additional costs related to the growth of our business and the requirements of operating as a public company.

Amortization of intangibles consists of intangible assets, which we recorded as a result of the Power Circuits acquisition in July 1999.

Our restructuring charges in 2003 relate primarily to severance costs to consolidate overhead operations following the acquisition of Advanced Circuits in December 2002 as well as a further write down of assets held for sale. Restructuring charges in 2004 relate to the final write down of assets held for sale associated with the sale of the Burlington, Washington facility.

Our interest expense relates to our senior credit facility and our other long-term obligations.

Amortization of debt issuance costs consists of the amortization of loan origination fees and related expenses. Interest and other income consist primarily of interest received on our cash balances.

Critical Accounting Policies and Estimates

Our consolidated financial statements included in this report have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, net sales and expenses, and related disclosure of contingent assets and liabilities. Management bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Senior management has discussed the development, selection and disclosure of these estimates with the audit committee of our board of directors. Actual results may differ from these estimates under different assumptions or conditions.

Accounting policies where significant judgments and estimates are made include asset valuation related to bad debts and inventory obsolescence; sales returns and allowances; impairment of long-lived assets, including goodwill and intangible assets; realizability of deferred tax assets; and self-insured medical reserves. A detailed description of these estimates and our policies to account for them is included in the notes to our consolidated financial statements in this report.

We provide customary credit terms to our customers and generally do not require collateral. We perform ongoing credit evaluations of the financial condition of our customers and maintain an allowance for doubtful accounts based upon historical collections experience and expected collectibility of accounts. Our actual bad debts may differ from our estimates.

In assessing the realization of inventories, we are required to make judgments as to future demand requirements and compare these with current and committed inventory levels. Our inventory requirements change based on our projected customer demand, which changes due to market conditions, technological and product life cycle changes and longer or shorter than expected usage periods. We maintain certain finished goods inventories near certain key customer locations in accordance with agreements. Although this inventory is typically supported by valid purchase orders, should these customers ultimately not purchase these inventories, our results of operations and financial condition would be adversely affected.

We derive revenues primarily from the sale of printed circuit boards using customer supplied engineering and design plans and recognize revenues when persuasive evidence of a sales arrangement exists, the sales terms are fixed and determinable, title and risk of loss have transferred, and collectibility is reasonably assured — generally when products are shipped to the customer. We provide our customers a limited right of return for defective printed circuit boards. We accrue an estimated amount for sales returns and allowances at the time of sale based on historical information. To the extent actual experience varies from our historical experience, revisions to these allowances may be required.

We have significant long-lived tangible and intangible assets consisting of property, plant and equipment; goodwill; and definite-lived intangibles. We review these assets for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. In addition, we

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perform an impairment test related to goodwill at least annually. Our goodwill and intangibles are largely attributable to our quick-turn business. During the fourth fiscal quarter 2005, we performed an impairment assessment of our goodwill, which requires the use of a fair-value based analysis and determined that no impairment existed. At December 31, 2005, we determined that there were no events or changes in circumstances that indicated that the carrying amount of long-lived tangible assets, goodwill and definite-lived intangible assets may not be recoverable. We use an estimate of the future undiscounted net cash flows in measuring whether our long-lived tangible assets and definite-lived intangible assets are recoverable. If forecasts and assumptions used to support the realizability of our long-lived assets change in the future, significant impairment charges could result that would adversely affect our results of operations and financial condition.

Deferred income tax assets are reviewed for recoverability and valuation allowances are provided, when necessary, to reduce deferred tax assets to the amounts expected to be realized. At December 31, 2005, we have net deferred income tax assets of \$11.4 million, which is net of a valuation allowance of approximately \$2.5 million. Should our expectations of taxable income change in future periods, it may be necessary to adjust our valuation allowance, which could affect our results of operations in the period such a determination is made. In addition, we record income tax provision or benefit during interim periods at a rate that is based on expected results for the full year. If we determine in the future that it is more likely than not that some or all of our deferred income tax assets would be realizable in an amount greater than what is already recorded, we would reverse all or a portion of valuation allowance in the period the determination is made. If future changes in market conditions cause actual results for the year to be more or less favorable than those expected, adjustments to the effective income tax rate could be required.

We are self-insured for group health insurance benefits provided to our employees, and we purchase insurance to protect against claims at the individual and aggregate level. The insurance carrier adjudicates and processes employee claims and is paid a fee for these services. We reimburse our insurance carrier for paid claims subject to variable monthly limitations. We estimate our exposure for claims incurred but not paid at the end of each reporting period and use historical information supplied by our insurance carrier and broker to estimate our liability for these claims. This liability is subject to a total limitation that varies based on employee enrollment and factors that are established at each annual contract renewal. Our actual claims experience may differ from our estimates.

In connection with our acquisition of Advanced Circuits in December 2002, we became contractually responsible for the majority of a rebate obligation to a customer. The rebate is based on a percentage of net sales to this customer. We have made estimates regarding the amount and timing of future net sales to this customer and have applied a discount factor to those estimated rebates to estimate the present value of our obligation. We have also estimated that portion of the total obligation which we believe is a current liability. Based on our future net sales experience with this customer, we may change our estimate of the portion that is a current liability.

RESULTS OF OPERATIONS

The following table sets forth statement of operations data expressed as a percentage of net sales for the periods indicated:

	Year Ended December 31,		
	2003	2004	2005
Net sales	100.0%	100.0%	100.0%
Cost of goods sold	80.8	71.5	77.6
Gross profit	19.2	28.5	22.4
Operating expenses:			
Selling and marketing	6.0	5.0	5.0
General and administrative	6.5	5.5	5.9
Amortization of intangibles	0.7	0.5	0.5
Restructuring charges	0.3	0.4	—
Total operating expenses	13.5	11.4	11.4
Operating income	5.7	17.1	11.0
Other income (expense):			
Interest expense	(0.3)	(0.1)	(0.1)
Amortization of debt issuance costs	(0.1)	(0.0)	(0.0)
Interest income and other, net	0.2	0.3	0.9
Income before income taxes and extraordinary item	5.5	17.3	11.8
Income tax benefit (provision) benefit	(2.2)	(5.5)	1.0
Income before extraordinary item	3.3	11.8	12.8
Extraordinary gain	0.8	—	—
Net income	4.1%	11.8%	12.8%

Year Ended December 31, 2005 Compared to Year Ended December 31, 2004*Net Sales*

Net sales decreased \$0.4 million, or 0.2%, from \$240.6 million in 2004 to \$240.2 million in 2005 due to declining prices, partially offset by an increase in production volume. Volume increased approximately 5% primarily due to higher demand from our customers for our products. Prices fell approximately 5% primarily due to increased competition and excess capacity in the North American printed circuit board industry, partially offset by a shift in product mix toward more high technology production. Our quick-turn production, which generally is characterized by higher prices, increased from 20% of revenue in 2004 to 22% of revenue in 2005.

Gross Profit

Cost of goods sold increased \$14.4 million, or 8.3%, from \$172.1 million for 2004 to \$186.5 million for 2005. Cost of goods sold rose due to an increase in the number of printed circuit boards sold as well as price increases in raw materials, higher repair and maintenance costs, higher utilities costs, primarily natural gas, and higher depreciation expense. In addition, higher wage rates and greater headcount led to increased labor costs, but these increases were partially offset by a reduced incentive compensation accrual. As a percentage of net sales, cost of goods sold increased from 71.5% for 2004 to 77.6% for 2005 primarily due to declining prices and higher absolute costs, partially offset by increased absorption of fixed costs.

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As a result of the foregoing, gross profit decreased \$14.7 million, or 21.6%, from \$68.5 million for 2004 to \$53.8 million for 2005. Our gross margin decreased from 28.5% in 2004 to 22.4% in 2005.

The decline in our gross margin was due to lower prices for our products as well as higher cost of goods sold, which increased due to the factors discussed above. This decline in gross margin was somewhat mitigated by increased absorption of fixed costs due to increased production. Printed circuit board manufacturing is a multi-step process that requires a certain level of equipment and staffing for even minimal production volumes. As production increases, our employees are able to work more efficiently and produce more printed circuit boards without incurring significant cost increases. However, at higher capacity utilization rates, additional employees and capital may be required. Our average layer count increased from 15.6 in 2004 to 15.8 in 2005.

Operating Expenses

Selling and marketing expenses remained essentially flat at \$12.0 million for 2004 and 2005. As a percentage of net sales, selling and marketing expenses remained unchanged at 5.0% during the same periods of time. The mix of selling and marketing expenses did not change significantly from 2004 to 2005.

General and administrative expenses increased \$0.9 million from \$13.2 million, or 5.5% of net sales, for 2004 to \$14.1 million, or 5.9% of net sales, for 2005. The increase in expenses resulted primarily from a net \$2.2 million loss contingency accrual related to reaching a definitive agreement with a customer to resolve a dispute concerning certain goods shipped in 2002 and 2003; higher accounting fees for the audit of internal control over financial reporting required by Section 404 of the Sarbanes-Oxley Act; and higher labor expense due to higher wage rates, partially offset by lower incentive compensation expense and costs related to a proposed public stock offering in the second fiscal quarter 2004. General and administrative expenses increased as a percentage of net sales, primarily due to the net increase in expenses described in this paragraph.

In the second fiscal quarter 2004, we recorded a restructuring charge of \$0.9 million to write down the value of our Burlington, Washington building prior to selling it. We subsequently sold it in the fourth fiscal quarter 2004.

Other Income (Expense)

Other income (expense) improved \$1.6 million from income of \$0.3 million in 2004 to income of \$1.9 million in 2005. This increase resulted from higher interest income due to higher cash and short term investment balances and higher interest rates in 2005 as compared to 2004 as well as lower interest expense in 2005 due to the repayment of our term loan in 2004.

Income Taxes

The provision for income taxes decreased from a \$13.2 million provision for 2004 to a \$2.5 million benefit for 2005. The change from an income tax provision in 2004 to an income tax benefit in 2005 resulted from lower pretax income in 2005 combined with a lower effective tax rate for 2005. Our effective tax provision rate was 31.8% in 2004 and our effective tax benefit rate was 8.9% in 2005. Our effective tax rate is primarily impacted by the federal income tax rate; apportioned state income tax rates; utilization of other credits and deductions available to us; and certain non-deductible items. In addition, during 2004 and 2005, we decreased our valuation allowance against our deferred income tax assets and benefited our 2004 and 2005 income tax provision by \$2.1 million and \$12.7 million, respectively, for the portion that we determined that is more likely than not to be realized. The reduction in valuation allowance in 2005 occurred during the fourth quarter given the additional positive evidence from continued historical earnings and expectations of future earnings which was sufficient for us to conclude that it was more likely than not that most of our deferred income tax assets will be realized. Excluding the favorable impacts to our tax provision resulting from the decreases in our valuation allowance in 2004 and 2005, our effective tax rate in 2004 was 36.8% and 35.8% in 2005. As of December 31, 2005, our valuation allowance was approximately \$2.5 million. If future changes in market conditions cause actual results for the year to be more or less favorable than those expected, the effective

income tax rate could change due to changes in the mix of income, changes to income tax credits and changes to the valuation allowance.

Year Ended December 31, 2004 Compared to Year Ended December 31, 2003

Net Sales

Net sales increased \$60.3 million, or 33.5%, from \$180.3 million in 2003 to \$240.6 million in 2004 due to increases in both price and production volume. Improving prices accounted for approximately 52% of the increase in net sales. Prices improved due to a number of factors, including a continued strengthening of the economy in 2004 and a shift in mix to higher technology products. We generally charge higher prices for printed circuit boards with time-sensitive delivery requirements, high layer counts and other high-technology features because of both the higher material content and the greater level of skill required to manufacture these boards. Increased production volume accounted for approximately 48% of the increase in net sales from 2003 to 2004. This volume increase resulted from higher demand from our customers.

Gross Profit

Cost of goods sold increased \$26.4 million, or 18.1%, from \$145.7 million for 2003 to \$172.1 million for 2004. Higher cost of goods sold resulted primarily from higher labor and materials costs associated with an increase in the number of printed circuit boards sold. As a percentage of net sales, cost of goods sold decreased from 80.8% for 2003 to 71.5% for 2004 due to greater labor and production efficiencies, lower materials costs and improved absorption of manufacturing overhead.

As a result of the foregoing, gross profit increased \$33.9 million, or 98.0%, from \$34.6 million for 2003 to \$68.5 million for 2004. Our gross margin improved from 19.2% in 2003 to 28.5% in 2004.

The improvement in our gross margin was due largely to higher prices as well as greater labor efficiency, lower per-unit materials costs and increased absorption of fixed costs. Printed circuit board manufacturing is a multi-step process that requires a certain level of equipment and staffing for even minimal production volumes. As production increases, our employees are able to work more efficiently and produce more printed circuit boards without incurring significant cost increases, except for direct materials. However, at higher capacity utilization rates, additional employees and capital may be required. These gains in efficiency helped offset the increased costs related to our shift toward more complex work characterized by higher layer counts. Our average layer count increased from 14.3 in 2003 to 15.6 in 2004.

Operating Expenses

Sales and marketing expenses increased \$1.1 million from \$10.9 million, or 6.0% of net sales, for 2003 to \$12.0 million, or 5.0% of net sales, for 2004. The increase in expenses resulted primarily from additional commission expense related to the increase in net sales. The decrease as a percentage of net sales resulted from improved absorption of fixed selling costs and a mix shift toward products that bear lower commissions.

General and administrative expenses increased \$1.5 million from \$11.7 million, or 6.5% of net sales, for 2003 to \$13.2 million, or 5.5% of net sales, for 2004. The increase in expenses resulted primarily from higher incentive compensation expense, costs related to a proposed public stock offering and higher accounting and consulting fees related to compliance with Section 404 of the Sarbanes-Oxley Act, partially offset by lower insurance expense and lower legal fees. General and administrative expenses decreased as a percentage of net sales due to the relatively fixed nature of these expenses and our higher sales base.

Restructuring charges of \$0.6 million recorded in 2003 related to severance and other exit costs associated with eliminating 45 positions at our Redmond, Washington facility and an impairment for our Burlington, Washington building. In 2004, we recorded a restructuring charge of \$0.9 million to write down the value of our Burlington, Washington building prior to selling it. There were no unutilized restructuring accruals at December 31, 2004.

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Income Taxes

The provision for income taxes increased from a \$3.9 million provision for 2003 to a \$13.2 million provision for 2004. The increase in the income tax provision resulted primarily from higher pretax income, partially offset by a lower effective tax rate for 2004. Our effective tax rate was 39.4% in 2003, and it was 31.8% in 2004. Our effective tax rate is primarily impacted by state income taxes, which vary due to the sales and profitability mix among our facilities, as well as utilization of the federal extraterritorial income exclusion, state income tax credits and certain non-deductible items. In addition, during 2004, we decreased our valuation allowance against our deferred income tax assets and benefited our 2004 income tax provision by \$2.1 million for the portion that we determined that was more likely than not to be realized. Excluding the favorable impact resulting from the decrease in valuation allowance, our effective tax rate in 2004 was 36.8%. As of December 31, 2004, our valuation allowance was approximately \$14.5 million. If future changes in market conditions cause actual results for the year to be more or less favorable than those expected, the effective income tax rate could change due to changes in the mix of income, changes to income tax credits and changes to the valuation allowance.

Extraordinary Gain

In 2003, we recorded an extraordinary gain of \$1.5 million after resolving certain contingencies concerning the fair value of certain assets acquired and liabilities assumed as part of our acquisition of Advanced Circuits, including the settlement of a claim for a working capital adjustment.

Liquidity and Capital Resources

Our principal sources of liquidity have been cash provided by operations, proceeds from our public offerings and proceeds from employee exercises of stock options. Our principal uses of cash have been to finance capital expenditures, meet debt service requirements, fund working capital and finance mergers and acquisitions. We anticipate that these uses will continue to be the principal demands on our cash in the future. As of December 31, 2005, we had net working capital of approximately \$111.2 million, compared to \$82.6 million as of December 31, 2004. The increase in working capital is primarily attributable to increases in cash and cash equivalents, inventories, accounts receivable and deferred income taxes.

The following table provides information on future minimum lease payments under non-cancelable operating leases, current purchase obligation related to capital expenditures, accrued contingencies and other long-term liabilities reflected on our balance sheet under generally accepted accounting principles as of December 31, 2005 (in thousands):

Contractual Obligations	Total	Less than 1 Year	1 - 3 Years	4 - 5 Years	After 5 Years
Operating leases	\$ 301	\$ 176	\$ 125	\$ —	\$ —
Purchase obligations	1,266	1,266	—	—	—
Accrued contingencies	3,150	3,150	—	—	—
Other long-term liabilities(1)	1,264	1,264	—	—	—
Total contractual obligations	\$ 5,981	\$ 5,856	\$ 125	\$ —	\$ —

(1) Our balance sheet reflects these other long-term liabilities at their net present value.

Based on our current level of operations, we believe that cash generated from operations, available cash, and amounts available under our senior credit facility will be adequate to meet our currently anticipated capital expenditures and working capital needs for the next 12 months and beyond. Our principal liquidity needs for periods beyond the next 12 months are for other contractual obligations as indicated in our contractual obligations table above and for capital purchases that we make from time to time.

Net cash provided by operating activities was \$31.0 million in 2005, compared to \$48.8 million in 2004. Our 2005 operating cash flow of \$31.0 million primarily reflects net income of \$30.8 million, \$10.6 million of depreciation and amortization, a \$0.6 million income tax benefit from stock options exercised, and \$0.1 million

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of non-cash interest expense, partially offset by an increase in deferred income tax assets of \$8.6 million and a net increase in working capital of \$2.5 million, excluding cash and short-term investments.

Net cash used in investing activities was \$13.6 million in 2005, compared to \$9.3 million in 2004. In 2005, we made net purchases of \$8.0 million of property, plant and equipment and a net reduction of \$5.6 million in net short-term investments.

Net cash provided by financing activities was \$0.6 million in 2005, compared to \$6.0 million used in financing activities in 2004. Our 2005 financing net cash flow reflects proceeds of approximately \$0.8 million from employee stock option exercises, partially offset by payment of \$0.2 million of debt issuance costs for our new senior credit facility. As of December 31, 2005, we have no outstanding long-term debt obligations.

We have a committed revolving credit facility of \$25 million with a final maturity date of July 15, 2008. We have a one-time option to increase the size of our revolving credit facility to \$50 million provided that no default or event of default exists, as defined in the credit agreement. Our revolving loan facility contains a \$5 million letter of credit sub-facility. We may borrow, repay and reborrow under the revolving loan facility at any time. The revolving loan bears interest at rates ranging from LIBOR plus 1.0% to 1.75% or the Alternate Base Rate, as defined in the credit agreement plus 0.0% to 0.5%. The amount added to the LIBOR rate or the Alternate Base Rate varies depending upon our leverage ratio, as defined in the agreement. As of December 31, 2005, we had no outstanding revolving loan balances. We pay quarterly a commitment fee ranging from 0.20% to 0.35% on the unused revolving commitment amount. The credit facility is secured by substantially all of our assets and contains financial covenants customary for this type of financing. As of December 31, 2005, we were in compliance with the covenants of our revolving credit facility.

Foreign Currency Exchange Risk

All of our sales are denominated in U.S. dollars, and as a result we have no exposure to foreign currency exchange risk with respect to sales made. We do have minimal exposure to foreign currency exchange risk with respect to salary expense for a few overseas employees.

Impact of Inflation

We believe that our results of operations are not dependent upon moderate changes in the inflation rate as we expect that we will be able to pass along component price increases to our customers.

Seasonality

We have historically experienced some seasonality in our second and third fiscal quarters in our computer peripherals and consumer electronics products.

Recently Issued Accounting Standards

In November 2005, the Financial Accounting Standards Board ("FASB") issued FASB Staff Position ("FSP") 115-1 which addresses the determination as to when an investment is considered impaired, whether that impairment is other-than-temporary, and the measurement of an impairment loss. This FSP also includes accounting considerations subsequent to the recognition of an other-than-temporary impairment and requires certain disclosures about unrealized losses that have not been recognized as other-than-temporary impairments. The guidance in this FSP amends FASB Statement No. 115, "Accounting for Certain Investments in Debt and Equity Securities" and APB Opinion No. 18, "The Equity Method of Accounting for Investments in Common Stock." The guidance in FSP 115-1 shall be applied to reporting periods beginning after December 15, 2005. The Company is required to adopt FSP 115-1 beginning January 1, 2006. The Company is currently evaluating the effect that the adoption of FSP 115-1 will have on its consolidated results of operations and financial condition but does not expect it to have a material impact.

In May 2005, the FASB issued SFAS No. 154, "Accounting Changes and Error Corrections" ("SFAS 154") which replaces Accounting Principles Board Opinions No. 20 "Accounting Changes" and SFAS No. 3, "Reporting Accounting Changes in Interim Financial Statements — An Amendment of APB Opinion No. 28." SFAS 154 provides guidance on the accounting for and reporting of accounting changes and

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error corrections. It establishes retrospective application, or the latest practicable date, as the required method for reporting a change in accounting principle and the reporting of a correction of an error. SFAS 154 is effective for accounting changes and corrections of errors made in fiscal years beginning after December 15, 2005. The Company is required to adopt SFAS No. 154 beginning January 1, 2006. The Company is currently evaluating the effect that the adoption of SFAS 154 will have on its consolidated results of operations and financial condition but does not expect it to have a material impact.

In December 2004, the FASB issued SFAS No. 123 (revised 2004), "Share-Based Payment" ("SFAS 123R"), which replaces SFAS No. 123, "Accounting for Stock-Based Compensation," ("SFAS 123") and supercedes APB Opinion No. 25, "Accounting for Stock Issued to Employees." SFAS 123R requires all share-based payments to employees, including grants of employee stock options, to be recognized in the financial statements based on their fair values beginning with the first fiscal year beginning after June 15, 2005, with early adoption encouraged. The pro forma disclosures previously permitted under SFAS 123 no longer will be an alternative to financial statement recognition. The Company is required to adopt SFAS 123R beginning January 1, 2006. Under SFAS 123R, the Company must determine the appropriate fair value model to be used for valuing share-based payments, the amortization method for compensation cost and the transition method to be used at date of adoption. The transition methods include prospective and retroactive adoption options. The Company will utilize the Black-Scholes option-pricing model as its fair value model, will use the straight-line method to amortize compensation cost and will use the prospective method, which requires that compensation expense be recorded for all unvested stock options at the beginning of the first quarter of adoption of SFAS 123R. The Company has evaluated the requirements of SFAS 123R and expects that the adoption of SFAS 123R will require the Company to expense approximately \$0.9 million in 2006 for unvested stock options outstanding on January 1, 2006, which would previously have been presented in a pro forma footnote disclosure. In addition, for any new awards that may be granted in 2006, we will incur additional expense that cannot yet be quantified. Further, SFAS 123R will require the Company to reflect the tax savings resulting from tax deductions in excess of expense reflected in its financial statements as a financing cash flow, which will impact the Company's future reported cash flows from operating activities.

In November 2004, the FASB issued SFAS No. 151, "Inventory Costs — An Amendment of ARB No. 43, Chapter 4" ("SFAS 151"). SFAS 151 amends the guidance in ARB No. 43, Chapter 4, "Inventory Pricing," to clarify the accounting for abnormal amounts of idle facility expense, freight, handling costs, and wasted material (spoilage). Among other provisions, the new rule requires that items such as idle facility expense, excessive spoilage, double freight, and rehandling costs be recognized as current-period charges regardless of whether they meet the criterion of "so abnormal" as stated in ARB No. 43. Additionally, SFAS 151 requires that the allocation of fixed production overheads to the costs of conversion be based on the normal capacity of the production facilities. SFAS 151 is effective for fiscal years beginning after June 15, 2005 and is required to be adopted by the Company beginning on January 1, 2006. The Company has determined that its adoption of SFAS 151 will not have a material impact on its consolidated results of operations and financial condition.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Rate Risk. Our revolving credit facility bears interest at floating rates. The revolving credit facility bears interest ranging from 1.0% to 1.75% per annum plus the applicable LIBOR or from 0.0% to 0.5% per annum plus the Alternate Base Rate, as defined in the agreement governing the amended and restated credit facility. A 10% change in interest rates is not expected to materially affect the interest expense to be incurred on this facility during such period. As of December 31, 2005, we have no outstanding revolving loans.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Reference is made to the financial statements, the report thereon, the notes thereto, and the supplementary data commencing at page F-1 of this report, which financial statements, report, notes, and data are included herein.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

ITEM 9A. CONTROLS AND PROCEDURES

An evaluation was performed under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures as of December 31, 2005. Based on that evaluation, our management, including the CEO and CFO, concluded that our disclosure controls and procedures are effective to ensure that information required to be disclosed by us in reports that we file or submit under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported as specified in the SEC's rules and forms. There has been no change in our internal control over financial reporting during the three months ended December 31, 2005 that has materially affected, or is reasonably likely to materially affect, internal control over financial reporting.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on our evaluation under the framework in Internal Control — Integrated Framework, our management concluded that our internal control over financial reporting is effective as of December 31, 2005.

Our management's assessment of the effectiveness of our internal control over financial reporting as of December 31, 2005 has been audited by KPMG, LLP, an independent registered public accounting firm, as stated in their report which is included on page F-2 of this report.

Inherent Limitations on Effectiveness of Controls

Our management, including our principal executive officer and chief financial officer, does not expect that our disclosure controls or our internal control over financial reporting will prevent or detect all error and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. The design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Further, because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, within the company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Controls can also be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls is based in part on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Projections of any evaluation of controls effectiveness to future periods are subject to risks. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with policies or procedures.

ITEM 9B. OTHER INFORMATION

Not Applicable

PART III

ITEM 10. *DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT*

The information required by this Item relating to our directors is incorporated herein by reference to the definitive Proxy Statement to be filed pursuant to Regulation 14A of the Exchange Act for our 2006 Annual Meeting of Stockholders. The information required by this Item relating to our executive officers is included in Item 1, “Business — Management” of this report.

ITEM 11. *EXECUTIVE COMPENSATION*

The information required by this Item is incorporated herein by reference to the definitive Proxy Statement to be filed pursuant to Regulation 14A of the Exchange Act for our 2006 Annual Meeting of Stockholders.

ITEM 12. *SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS*

The information required by this Item is incorporated herein by reference to the definitive Proxy Statement to be filed pursuant to Regulation 14A of the Exchange Act for our 2006 Annual Meeting of Stockholders.

ITEM 13. *CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS*

The information required by this Item is incorporated herein by reference to the definitive Proxy Statement to be filed pursuant to Regulation 14A of the Exchange Act for our 2006 Annual Meeting of Stockholders.

ITEM 14. *PRINCIPAL ACCOUNTING FEES AND SERVICES*

The information required by this Item is incorporated herein by reference to the definitive Proxy Statement to be filed pursuant to Regulation 14A of the Exchange Act for our 2006 Annual Meeting of Stockholders.

PART IV

ITEM 15. *EXHIBITS AND FINANCIAL STATEMENT SCHEDULES*

(a) Financial Statements and Financial Statement Schedule

(1) Financial Statements are listed in the Index to Financial Statements on page F-1 of this Report.

(2) Financial Statement Schedule:

Schedule II Valuation and Qualifying Accounts is set forth on page S-2 of this Report.

Other schedules are omitted because they are not applicable, not required, or because required information is included in the consolidated financial statements or notes thereto.

(3) Exhibits

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(b) Exhibits

Exhibit Number	Exhibits
2.1	Form of Plan of Reorganization.(1).
2.2	Stock Purchase Agreement between Honeywell Electronic Materials, Inc. and TTM Technologies, Inc. dated as of December 24, 2002.(2)
3.1	Registrant's Certificate of Incorporation.(3)
3.2	Registrant's Bylaws.(3)
4.1	Form of Registrant's common stock certificate.(3)
10.1	Second Amended and Restated Credit Agreement dated as of July 15, 2005 among the Company, the Domestic Subsidiaries of the Company from time to time parties thereto, the Lender Parties thereto, Wachovia Bank, National Association, as Administrative Agent.(4)
10.2	Employment Agreement dated as of December 31, 2005 between the Registrant and Kenton K. Alder.
10.3	Form of Executive Change in Control Severance Agreement and schedule of agreements entered into on December 1, 2005.
10.4	Amended and Restated Management Stock Option Plan.(1)
10.5	Form of Management Stock Option Agreement.(1)
10.6	Form of 2000 Equity Compensation Plan.(1)
10.7	Form of Indemnification Agreement with directors, officers and key employees.(1)
10.8	Statutory Warranty Deeds for Redmond Facility.(1)
21.1	Subsidiaries of the Registrant
23.1	Consent of KPMG LLP, independent registered public accounting firm
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a), promulgated under the Securities Exchange Act of 1934, as amended.
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a), promulgated under the Securities Exchange Act of 1934, as amended.
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

-
- (1) Incorporated by reference to the Registration Statement on Form S-1 (Registration No. 333-39906) declared effective September 20, 2000.
- (2) Incorporated by reference to the Registrant's Form 8-K as filed with the Securities and Exchange Commission (the "Commission") on December 27, 2002.
- (3) Incorporated by reference to the Registrant's Form 8-K as filed with the Commission on August 30, 2005.
- (4) Incorporated by reference to the Registrant's Form 8-K as filed with the Commission on July 21, 2005.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TTM TECHNOLOGIES, INC.

Date: March 14, 2006

By: /s/ KENTON K. ALDER

Kenton K. Alder
President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

<u>Name</u>	<u>Title</u>	<u>Date</u>
<hr/> <u>/s/ KENTON K. ALDER</u> Kenton K. Alder	President, Chief Executive Officer (Principal Executive Officer), and Director	March 14, 2006
<hr/> <u>/s/ STEVEN W. RICHARDS</u> Steven W. Richards	Vice President, Chief Financial Officer, Treasurer and Secretary (Principal Financial Officer)	March 14, 2006
<hr/> <u>/s/ DANIEL L. FELSENTHAL</u> Daniel L. Felsenthal	Vice President and Controller (Principal Accounting Officer)	March 14, 2006
<hr/> <u>/s/ ROBERT E. KLATELL</u> Robert E. Klatell	Chairman of the Board	March 14, 2006
<hr/> <u>/s/ THOMAS T. EDMAN</u> Thomas T. Edman	Director	March 14, 2006
<hr/> <u>/s/ JAMES K. BASS</u> James K. Bass	Director	March 14, 2006
<hr/> <u>/s/ RICHARD P. BECK</u> Richard P. Beck	Director	March 14, 2006
<hr/> <u>/s/ JOHN G. MAYER</u> John G. Mayer	Director	March 14, 2006

TTM TECHNOLOGIES, INC.

Index to Consolidated Financial Statements and Schedule

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Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
TTM Technologies, Inc:

We have audited management's assessment, included in the accompanying Management's Report on Internal Control Over Financial Reporting appearing under Item 9A, that TTM Technologies, Inc. maintained effective internal control over financial reporting as of December 31, 2005, based on criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). TTM Technologies, Inc.'s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting. Our responsibility is to express an opinion on management's assessment and an opinion on the effectiveness of the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, evaluating management's assessment, testing and evaluating the design and operating effectiveness of internal control, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, management's assessment that TTM Technologies, Inc. maintained effective internal control over financial reporting as of December 31, 2005, is fairly stated, in all material respects, based on criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Also, in our opinion, TTM Technologies, Inc. maintained, in all material respects, effective internal control over financial reporting as of December 31, 2005, based on criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of TTM Technologies, Inc. and subsidiaries as of December 31, 2004 and 2005, and the related consolidated statements of operations, stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2005, and our report dated March 6, 2006 expressed an unqualified opinion on those consolidated financial statements.

/s/ KPMG LLP
Salt Lake City, Utah
March 6, 2006

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
TTM Technologies, Inc.:

We have audited the accompanying consolidated balance sheets of TTM Technologies, Inc. and subsidiaries as of December 31, 2004 and 2005, and the related consolidated statements of operations, stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2005. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of TTM Technologies, Inc. and subsidiaries as of December 31, 2004 and 2005, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2005, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the effectiveness of TTM Technologies, Inc.'s internal control over financial reporting as of December 31, 2005, based on criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated March 6, 2006 expressed an unqualified opinion on management's assessment of, and the effective operation of, internal control over financial reporting.

/s/ KPMG LLP
Salt Lake City, Utah
March 6, 2006

TTM TECHNOLOGIES, INC.

Consolidated Balance Sheets
As of December 31, 2004 and 2005

	2004	2005
	(In thousands)	
Assets		
Current assets:		
Cash and cash equivalents	\$ 43,188	\$ 61,258
Short-term investments	15,350	21,100
Accounts receivable, net of allowances of \$4,018 and \$4,094, respectively	35,778	38,631
Inventories, net	8,993	12,564
Prepaid expenses and other	1,048	2,261
Income taxes receivable	157	—
Deferred income taxes	1,820	4,601
Total current assets	<u>106,334</u>	<u>140,415</u>
Property, plant and equipment, at cost:		
Land	4,932	4,932
Machinery and equipment	63,387	68,624
Buildings and improvements	14,429	22,523
Furniture and fixtures	420	424
Automobiles	80	80
Construction-in-process	9,593	1,436
	<u>92,841</u>	<u>98,019</u>
Less accumulated depreciation	<u>(40,667)</u>	<u>(46,221)</u>
Property, plant and equipment, net	<u>52,174</u>	<u>51,798</u>
Other assets:		
Debt issuance costs, net of accumulated amortization of \$402 and \$33, respectively	39	199
Deferred income taxes	1,051	6,834
Goodwill	63,153	63,153
Definite-lived intangibles, net of accumulated amortization of \$6,743 and \$8,061, respectively	11,636	10,318
Deposits and other	1,383	426
Total other assets	<u>77,262</u>	<u>80,930</u>
	<u>\$ 235,770</u>	<u>\$ 273,143</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 9,530	\$ 11,310
Accrued salaries, wages and benefits	11,629	9,921
Accrued contingencies	—	3,150
Other accrued expenses	1,189	1,642
Income taxes payable	160	2,116
Current portion other long-term liabilities	1,181	1,052
Total current liabilities	<u>23,689</u>	<u>29,191</u>
Other long-term liabilities, less current portion	<u>455</u>	<u>—</u>
Commitments and contingencies (Note 7)		
Stockholders' equity:		
Common stock, \$0.001 par value; 100,000 shares authorized, 41,014 and 41,311 shares issued and outstanding, respectively	41	41
Additional paid-in capital	158,149	159,634
Retained earnings	53,436	84,277
Total stockholders' equity	<u>211,626</u>	<u>243,952</u>
	<u>\$ 235,770</u>	<u>\$ 273,143</u>

See accompanying notes to consolidated financial statements.

TTM TECHNOLOGIES, INC.

Consolidated Statements of Operations
For the Years Ended December 31, 2003, 2004 and 2005

	<u>2003</u>	<u>2004</u>	<u>2005</u>
	(In thousands, except per share data)		
Net sales	\$ 180,317	\$ 240,650	\$ 240,209
Cost of goods sold	<u>145,694</u>	<u>172,103</u>	<u>186,453</u>
Gross profit	<u>34,623</u>	<u>68,547</u>	<u>53,756</u>
Operating expenses:			
Selling and marketing	10,858	12,032	11,977
General and administrative	11,696	13,223	14,135
Amortization of definite-lived intangibles	1,202	1,202	1,202
Restructuring charges	<u>649</u>	<u>855</u>	<u>—</u>
Total operating expenses	<u>24,405</u>	<u>27,312</u>	<u>27,314</u>
Operating income	<u>10,218</u>	<u>41,235</u>	<u>26,442</u>
Other income (expense):			
Interest expense	(583)	(367)	(179)
Amortization of debt issuance costs	(97)	(148)	(72)
Interest income and other, net	<u>352</u>	<u>793</u>	<u>2,126</u>
Total other income (expense), net	<u>(328)</u>	<u>278</u>	<u>1,875</u>
Income before income taxes and extraordinary item	9,890	41,513	28,317
Income tax benefit (provision)	<u>(3,901)</u>	<u>(13,183)</u>	<u>2,524</u>
Income before extraordinary item	5,989	28,330	30,841
Extraordinary gain	<u>1,453</u>	<u>—</u>	<u>—</u>
Net income	<u>\$ 7,442</u>	<u>\$ 28,330</u>	<u>\$ 30,841</u>
Basic earnings per share:			
Income before extraordinary item	\$ 0.15	\$ 0.69	\$ 0.75
Extraordinary gain	0.04	—	—
Net income	<u>\$ 0.19</u>	<u>\$ 0.69</u>	<u>\$ 0.75</u>
Diluted earnings per share:			
Income before extraordinary item	\$ 0.15	\$ 0.68	\$ 0.74
Extraordinary gain	0.03	—	—
Net income	<u>\$ 0.18</u>	<u>\$ 0.68</u>	<u>\$ 0.74</u>

See accompanying notes to consolidated financial statements.

TTM TECHNOLOGIES, INC.

Consolidated Statements of Stockholders' Equity
For the Years Ended December 31, 2003, 2004 and 2005

	Common Stock		Additional Paid-In Capital	Retained Earnings	Deferred Stock-Based Compensation	Total
	Shares	Amount				
	(In thousands)					
Balance, December 31, 2002	39,724	\$ 39	\$ 149,897	\$ 17,664	\$ (174)	\$ 167,426
Amortization of deferred stock-based compensation	—	—	—	—	139	139
Shares sold in secondary public offering, net of offering costs	200	—	1,724	—	—	1,724
Exercise of common stock options	551	1	1,595	—	—	1,596
Net income	—	—	—	7,442	—	7,442
Balance, December 31, 2003	40,475	40	153,216	25,106	(35)	178,327
Amortization of deferred stock-based compensation	—	—	—	—	35	35
Stock-based compensation	—	—	96	—	—	96
Exercise of common stock options	539	1	1,787	—	—	1,788
Income tax benefit from options exercised	—	—	3,050	—	—	3,050
Net income	—	—	—	28,330	—	28,330
Balance, December 31, 2004	41,014	41	158,149	53,436	—	211,626
Exercise of common stock options	297	—	858	—	—	858
Income tax benefit from options exercised	—	—	627	—	—	627
Net income	—	—	—	30,841	—	30,841
Balance, December 31, 2005	<u>41,311</u>	<u>\$ 41</u>	<u>\$ 159,634</u>	<u>\$ 84,277</u>	<u>\$ —</u>	<u>\$ 243,952</u>

See accompanying notes to consolidated financial statements.

TTM TECHNOLOGIES, INC.

Consolidated Statements of Cash Flows
For the Years Ended December 31, 2003, 2004 and 2005

	2003	2004	2005
	(In thousands)		
Cash flows from operating activities:			
Net income	\$ 7,442	\$ 28,330	\$ 30,841
Adjustments to reconcile net income to net cash provided by operating activities:			
Extraordinary gain	(1,453)	—	—
Depreciation of property, plant and equipment	7,774	8,213	9,290
Net loss (gain) on sale of property, plant and equipment	(92)	—	—
Amortization of definite-lived intangible assets	1,260	1,319	1,318
Amortization of deferred stock-based compensation and stock-based compensation	139	131	—
Amortization of debt issuance costs	97	148	72
Amortization of premiums and discounts on short-term investments, net	—	—	(125)
Non-cash interest imputed on other long-term liabilities	149	118	64
Non-cash restructuring charge for impairment of building and equipment	446	855	—
Income tax benefit from stock options exercised	—	3,050	627
Deferred income taxes	4,227	9,211	(8,564)
Changes in operating assets and liabilities:			
Accounts receivable, net	(10,050)	(7,259)	(2,853)
Inventories, net	1,939	(376)	(3,571)
Prepaid expenses and other	2,523	81	(1,213)
Income taxes receivable	4,400	673	157
Accounts payable	(4,073)	1,668	1,780
Income taxes payable	—	160	1,956
Accrued contingencies	—	—	3,150
Accrued salaries, wages and benefits and other accrued expenses	3,854	2,488	(1,902)
Net cash provided by operating activities	<u>18,582</u>	<u>48,810</u>	<u>31,027</u>
Cash flows from investing activities:			
Purchase of property, plant and equipment and equipment deposits	(6,564)	(17,502)	(7,962)
Purchase of intangibles	(350)	—	—
Purchases of available-for-sale short-term investments	(29,904)	(27,050)	(4,300)
Proceeds from sales of available-for-sale short-term investments	30,810	28,794	17,150
Purchases of held-to-maturity short-term investments	(8,508)	(18,967)	(64,615)
Proceeds from redemptions of held-to-maturity short-term investments	1,000	23,975	46,140
Proceeds from sale of assets, property, plant and equipment	335	1,474	4
Net cash used in investing activities	<u>(13,181)</u>	<u>(9,276)</u>	<u>(13,583)</u>
Cash flows from financing activities:			
Principal payments on long-term debt	(2,222)	(7,777)	—
Sale of common stock for cash, net of offering costs	1,724	—	—
Proceeds from exercise of common stock options	1,596	1,788	858
Payment of debt issuance costs	(235)	—	(232)
Net cash provided by (used in) financing activities	<u>863</u>	<u>(5,989)</u>	<u>626</u>
Net increase in cash and cash equivalents	6,264	33,545	18,070
Cash and cash equivalents at beginning of year	3,379	9,643	43,188
Cash and cash equivalents at end of year	<u>\$ 9,643</u>	<u>\$ 43,188</u>	<u>\$ 61,258</u>
Supplemental cash flow disclosures:			
Cash paid for interest	\$ 439	\$ 248	\$ 97
Cash paid (refunds), net for income taxes	(5,705)	165	3,121

See accompanying notes to consolidated financial statements.

TTM TECHNOLOGIES, INC.

Notes to Consolidated Financial Statements
(Dollars and shares in thousands, except per share data)

(1) Nature of Operations and Basis of Presentation

TTM Technologies, Inc. (the "Company"), formerly Pacific Circuits, Inc., was incorporated under the laws of the State of Washington on March 20, 1978 and reincorporated under the laws of the State of Delaware on August 29, 2005. In July 1999, Power Circuits, Inc. was acquired, and on December 26, 2002, Honeywell Advanced Circuits, Inc., renamed to TTM Advanced Circuits, Inc., ("Advanced Circuits") was acquired, and both became wholly-owned subsidiaries of TTM Technologies, Inc. TTM Technologies International, Inc. was established as a wholly owned subsidiary of TTM Technologies, Inc. in December 2004. TTM Technologies, Inc. and its wholly-owned subsidiaries are collectively referred to as ("the Company"). The Company is a manufacturer of complex printed circuit boards used in sophisticated electronic equipment. The Company sells to a variety of customers located both within and outside of the United States of America.

(2) Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Principles of Consolidation

The consolidated financial statements include the accounts of TTM Technologies, Inc. and its wholly-owned subsidiaries, Power Circuits, Inc., TTM Advanced Circuits, Inc. and TTM Technologies International, Inc. All intercompany accounts and transactions have been eliminated in consolidation.

Revenue Recognition

The Company recognizes revenue in accordance with Staff Accounting Bulletin No. 104, *Revenue Recognition* (SAB 104). The Company derives its revenue primarily from the sale of printed circuit boards using customer supplied engineering and design plans and recognizes revenues when the criteria of SAB 104 have been met. The criteria to meet this guideline are: (i) persuasive evidence of a sales arrangement exists, (ii) the sales terms are fixed and determinable, (iii) title and risk of loss has transferred, and (iv) collectibility is reasonably assured — generally when products are shipped to the customer, except in situations in which title passes upon receipt of the products by the customer. In this case, revenues are recognized upon notification that customer receipt has occurred. The Company does not have customer acceptance provisions, but it does provide its customers a limited right of return for defective printed circuit boards. The Company accrues an estimated amount for sales returns and allowances related to defective printed circuit boards at the time of sale based on its ability to estimate sales returns and allowances using historical information. As of December 31, 2004 and 2005, the reserve for sales returns and allowances was \$3,196 and \$3,168, respectively, which is included as a reduction to accounts receivable, net. For the years ended December 31, 2003, 2004 and 2005, the provision for sales returns and allowances, which is recorded as a reduction to net sales, was 1.6%, 1.3% and 1.6% of gross sales, respectively. Shipping and handling fees are included as part of net sales. The related freight costs and supplies associated with shipping products to customers are included as a component of cost of goods sold.

TTM TECHNOLOGIES, INC.
Notes to Consolidated Financial Statements — (Continued)

Cash Equivalents and Short-Term Investments

The Company considers highly liquid investments with insignificant interest rate risk and original maturities to the Company of three months or less to be cash equivalents. Cash and cash equivalents consist primarily of interest-bearing bank accounts, money market funds and short-term debt securities.

The Company considers highly liquid investments with an effective maturity to the Company of more than three months and less than one year to be short-term investments. The Company defines effective maturity as the shorter of the original maturity to the Company or the effective maturity as a result of periodic auction or optional redemption features of certain of its investments classified as available-for-sale.

Management determines the appropriate classification of investments at the time of purchase and reevaluates such designation as of each balance sheet date. Debt securities that the Company has the ability and intent to hold until maturity are accounted for as held-to-maturity securities and are carried at amortized cost, which approximated fair market value. Available-for-sale debt securities are carried at fair value, which approximated cost.

Short-term investments as of December 31, 2004 and 2005 were as follows:

	<u>2004</u>	<u>2005</u>
Available-for-sale:		
Auction and variable rate notes	\$ 12,850	\$ —
Money market funds	8,920	8,215
	<u>21,770</u>	<u>8,215</u>
Held-to-maturity:		
Corporate bonds and notes	7,694	27,705
Negotiable bank certificates of deposit	—	1,200
U.S. Treasury and federal agency securities	28,779	34,516
	<u>36,473</u>	<u>63,421</u>
Total short-term investments	58,243	71,636
Amounts classified as cash equivalents	42,893	50,536
Amounts classified as short-term investments	<u>\$ 15,350</u>	<u>\$ 21,100</u>

As of December 31, 2005, \$63,421 of held-to-maturity debt securities had contractual maturities of less than one year and there were no available-for-sale debt securities.

For each of the years ended December 31, 2003, 2004 and 2005 realized gains and losses upon the sale of available-for-sale investments were insignificant. Unrealized gains and losses on available-for-sale investments are insignificant for all periods and accordingly have not been recorded as a component of other comprehensive income. The specific identification method is used to compute the realized gains and losses on debt investments.

The Company regularly monitors and evaluates the realizable value of its investments. When assessing investments for other-than-temporary declines in value, the Company considers such factors as, among other things, how significant the decline in value is as a percentage of the original cost, how long the market value of the investment has been less than its original cost, the collateral supporting the investments, insurance policies which protect the Company's investment position, the interval between auction periods, whether or not there have been any failed auctions, and the credit rating issued for the securities by one or more of the major credit rating agencies.

TTM TECHNOLOGIES, INC.
Notes to Consolidated Financial Statements — (Continued)

Inventories

Inventories are stated at the lower of cost (determined on a first-in, first-out basis) or market. Provision is made to reduce excess and obsolete inventories to their estimated net realizable value. Inventories as of December 31, 2004 and 2005 consist of the following:

	<u>2004</u>	<u>2005</u>
Raw materials	\$ 2,791	\$ 3,842
Work-in-process	4,542	7,407
Finished goods	<u>1,660</u>	<u>1,315</u>
	<u>\$ 8,993</u>	<u>\$ 12,564</u>

Property, Plant and Equipment

Property, plant and equipment are recorded at cost. Depreciation expense is computed using the straight-line method over the estimated useful lives of the assets. The Company uses the following estimated useful lives:

Buildings and improvements	10-40 years
Machinery and equipment	3-10 years
Furniture and fixtures	3-7 years
Automobiles	5 years

Upon retirement or other disposition of property, plant and equipment, the cost and related accumulated depreciation are removed from the accounts. The resulting gain or loss is included in the determination of income. Major renewals and betterments are capitalized and depreciated over their estimated useful lives while minor expenditures for maintenance and repairs are charged to expense as incurred.

Debt Issuance Costs

Debt issuance costs are amortized to expense over the period of the underlying senior credit facility using the effective interest rate method, adjusted to give effect to any early repayments. During 2004, the Company prepaid indebtedness and wrote off \$55 of unamortized debt issuance costs. During 2005, the Company entered into a new credit agreement and incurred debt issuance costs of \$232.

Goodwill

The Company's goodwill resulted from its acquisition of Power Circuits in July 1999. The Company has three reporting units consistent with the nature of its operations, however, all of its goodwill is allocated to one reporting unit. Goodwill is no longer amortized but is tested for impairment annually or more often if events or circumstances indicate a potential impairment exists. Goodwill is tested for impairment using a two-step process. The first step of the goodwill impairment test, used to identify potential impairment, compares the estimated fair value of the reporting unit containing goodwill with the related carrying amount. If the estimated fair value of the reporting unit exceeds its carrying amount, the reporting unit's goodwill is not considered to be impaired and the second step of the impairment test is unnecessary. If the reporting unit's carrying amount exceeds its estimated fair value, the second step test must be performed to measure the amount of the goodwill impairment loss, if any. The second step of the goodwill impairment test compares the implied fair value of the reporting unit's goodwill, determined in the same manner as the amount of goodwill recognized in a business combination, with the carrying amount of such goodwill. If the carrying amount of the reporting unit's goodwill exceeds the implied fair value of that goodwill, an impairment loss is recognized in an amount equal to that excess.

TTM TECHNOLOGIES, INC.
Notes to Consolidated Financial Statements — (Continued)

The fair value of the Company's Power Circuits reporting unit was determined using a combination of the income approach and the market approach. Under the income approach, the fair value of a reporting unit is calculated based on the present value of estimated future net cash flows. Under the market approach, fair value is estimated based on market multiples of earnings or similar measures for comparable companies and market transactions, when available.

Based on the results of its first step impairment tests, the Company determined that no impairment of goodwill existed as of December 31, 2003, 2004 and 2005. However, future goodwill impairment tests could result in a charge to earnings. The Company will continue to evaluate goodwill on an annual basis as of the end of the fourth quarter and whenever events and changes in circumstances indicate that there may be a potential impairment.

Definite-lived Intangibles

Definite-lived intangibles as of December 31, 2004 and 2005 consist of the following:

	<u>2004</u>	<u>2005</u>
Strategic customer relationships	\$ 18,029	\$ 18,029
Licensing agreement	350	350
	18,379	18,379
Less accumulated amortization	(6,743)	(8,061)
Definite-lived intangibles, net	<u>\$ 11,636</u>	<u>\$ 10,318</u>

Strategic customer relationships are being amortized using the straight-line method over 15 years, and the licensing agreement for a manufacturing process is being amortized using the straight-line method over 3 years. Amortization expense was \$1,260, \$1,319 and \$1,318 in 2003, 2004 and 2005, respectively. Estimated aggregate amortization for definite-lived intangible assets for the next five years is as follows: 2006-\$1,260; 2007-\$1,202; 2008-\$1,202; 2009-\$1,202 and 2010-\$1,202.

Impairment of Long-lived Assets

Long-lived tangible assets and definite lived intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the book value of the asset or asset groups may not be recoverable. The Company evaluates, at each balance sheet date, whether events and circumstances have occurred that indicate possible impairment. The Company uses an estimate of the future undiscounted net cash flows of the related asset or asset group over the remaining life in measuring whether the assets are recoverable. Measurement of the amount of impairment, if any, is based upon the difference between the asset's carrying value and estimated fair value.

When assets are classified as held for sale, the carrying value of these assets is compared to the estimated fair value, less the cost to sell, to determine if recognition of an impairment is required.

Judgments and assumptions are inherent in the Company's estimate of undiscounted future cash flows used to determine recoverability of an asset and the estimate of an asset's fair value used to calculate the amount of impairment to recognize. The use of alternate judgments and assumptions could result in the recognition of different levels of impairment charges in the financial statements.

TTM TECHNOLOGIES, INC.
Notes to Consolidated Financial Statements — (Continued)

Self Insurance

The Company is primarily self insured for group health insurance benefits provided to employees and purchases insurance to protect against annual claims per individual in excess of \$100 and at the aggregate level, which varies with the number of employees and the health plans they select. Self insurance liabilities are estimated for claims incurred but not paid using historical information provided by our insurance carrier and other professionals. The Company accrued \$2,429 and \$2,986 for self insurance liabilities at December 31, 2004 and 2005, respectively, and these amounts are reflected within accrued salaries, wages and benefits in the accompanying December 31, 2004 and 2005 consolidated balance sheets.

Income Taxes

The Company recognizes deferred tax assets or liabilities for expected future tax consequences of events that have been recognized in the financial statements or tax returns. Under this method, deferred tax assets or liabilities are determined based upon the difference between the financial statement and income tax basis of assets and liabilities using enacted tax rates expected to apply when differences are expected to be settled or realized. Deferred tax assets are reviewed for recoverability and the Company records a valuation allowance to reduce its deferred tax assets when it is more likely than not that all or some portion of the deferred tax assets will not be realized.

Earnings Per Share

Basic earnings per common share ("Basic EPS") excludes dilution and is computed by dividing net income by the weighted average number of common shares outstanding during the period. Diluted earnings per common share ("Diluted EPS") reflect the potential dilution that could occur if stock options or other common stock equivalents were exercised or converted into common stock.

The following is a reconciliation of the numerator and denominator used to calculate Basic EPS and Diluted EPS for the years ended December 31, 2003, 2004 and 2005:

	2003			2004			2005		
	Net Income	Shares	Per Share	Net Income	Shares	Per Share	Net Income	Shares	Per Share
Basic EPS	\$ 7,442	39,993	\$ 0.19	\$ 28,330	40,780	\$ 0.69	\$ 30,841	41,232	\$ 0.75
Effect of options and warrants		1,130			1,088			538	
Diluted EPS	\$ 7,442	41,123	\$ 0.18	\$ 28,330	41,868	\$ 0.68	\$ 30,841	41,770	\$ 0.74

Stock options to purchase 381, 1,150 and 1,759 shares of common stock for the years ended December 31, 2003, 2004 and 2005, respectively, were not considered in calculating Diluted EPS because the effect would be anti-dilutive.

TTM TECHNOLOGIES, INC.
Notes to Consolidated Financial Statements — (Continued)

Stock-Based Compensation

The Company accounts for stock options issued to employees, officers and directors under Accounting Principles Board Opinion No. 25 and the related interpretations and provides pro forma disclosures as required by SFAS No. 123. Had compensation cost been determined in accordance with SFAS No. 123, the Company's net income and earnings per share for the years ended December 31, 2003, 2004 and 2005, would have been changed to the following pro forma amounts:

	<u>2003</u>	<u>2004</u>	<u>2005</u>
Net income:			
As reported	\$ 7,442	\$ 28,330	\$ 30,841
Add: Stock-based compensation expense	139	131	—
Deduct: Total stock-based compensation expense determined under fair value based method for all awards, net of related tax effects	(2,482)	(4,249)	(8,872)
Pro forma net income	<u>\$ 5,099</u>	<u>\$ 24,212</u>	<u>\$ 21,969</u>
Basic earnings per share:			
As reported	\$ 0.19	\$ 0.69	\$ 0.75
Pro forma	0.13	0.59	0.53
Diluted earnings per share:			
As reported	0.18	0.68	0.74
Pro forma	0.12	0.58	0.53

For pro forma disclosure purposes, the estimated fair value of each option is amortized over the vesting term of the respective option and is determined on the date of grant using the Black-Scholes option-pricing model. The following weighted average assumptions were used for the grants during 2003, 2004 and 2005:

	<u>2003</u>	<u>2004</u>	<u>2005</u>
Expected dividend yield	—%	—%	—%
Risk-free rate	3.1%	3.4%	4.0%
Expected life in years	5.0	5.0	4.5
Expected volatility	109%	100%	80%

The weighted average per share fair value of options granted was \$9.24, \$7.58 and \$5.14 for options granted in 2003, 2004 and 2005, respectively.

Significant Customers

The Company's customers include both original equipment manufacturers ("OEMs") and electronic manufacturing services companies ("EMS companies"). The Company's OEM customers often direct a significant portion of their purchases through EMS companies.

For the year ended December 31, 2003, two customers accounted for 22% and 14% of the Company's net sales. For the year ended December 31, 2004, two customers accounted for 29% and 17% of the Company's net sales. For the year ended December 31, 2005, two customers accounted for 29% and 17% of the Company's net sales. Sales to our 10 largest customers were 64%, 65% and 66% of net sales for the years ended December 31, 2003, 2004 and 2005, respectively. The loss of one or more major customers or a decline in sales to the Company's major customers would have a material adverse effect on the Company's financial condition and results of operations.

TTM TECHNOLOGIES, INC.
Notes to Consolidated Financial Statements — (Continued)

Concentration of Credit Risk

In the normal course of business, the Company extends credit to its customers, which are concentrated in the computer and electronics instrumentation industries, and some of which are located outside the United States. The Company performs ongoing credit evaluations of customers and does not require collateral. The Company makes judgments as to its ability to collect outstanding trade receivables when collection becomes doubtful. Provisions are made based upon a specific review of significant outstanding invoices, historical collection experience and current economic trends.

For the purposes of evaluating collection risk, the Company considers the credit risk profile of the entity from which the receivable is due. As of December 31, 2004, five customers in the aggregate accounted for 66% of total accounts receivable. As of December 31, 2005, five customers in the aggregate account for 57% of total accounts receivable. If one or more of the Company's significant customers were to become insolvent or were otherwise unable to pay for the manufacturing services provided, it would have a material adverse effect on the Company's financial condition and result of operations.

Conditional Asset Retirement Obligations

The Company adopted Financial Accounting Standards Board Interpretation No. 47, "Accounting for Conditional Asset Retirement Obligations" ("FIN No. 47") on December 31, 2005. The Company identified a conditional retirement obligation at its Redmond, Washington facility related to potentially removing an underground wastewater pipeline which runs between two of its owned buildings. The activities related to changes in the conditional retirement obligation are insignificant for all periods presented.

Other Comprehensive Income

Comprehensive income is defined as the change in equity of a business enterprise during a period from transactions and other events and circumstances from non-owner sources, including unrealized gains and losses on available-for-sale marketable securities. Unrealized gains and losses on available-for-sale securities are immaterial for all periods presented.

Recent Accounting Pronouncements

In November 2005, the Financial Accounting Standards Board ("FASB") issued FASB Staff Position ("FSP") 115-1, which addresses the determination as to when an investment is considered impaired, whether that impairment is other-than-temporary, and the measurement of an impairment loss. This FSP also includes accounting considerations subsequent to the recognition of an other-than-temporary impairment and requires certain disclosures about unrealized losses that have not been recognized as other-than-temporary impairments. The guidance in this FSP amends FASB Statement No. 115, "Accounting for Certain Investments in Debt and Equity Securities" and APB Opinion No. 18, "The Equity Method of Accounting for Investments in Common Stock." The guidance in FSP 115-1 shall be applied to reporting periods beginning after December 15, 2005. The Company is required to adopt FSP 115-1 beginning January 1, 2006. The Company is currently evaluating the effect that the adoption of FSP 115-1 will have on its consolidated results of operations and financial condition but does not expect it to have a material impact.

In May 2005, the FASB issued SFAS No. 154, "Accounting Changes and Error Corrections" ("SFAS 154"), which replaces Accounting Principles Board Opinions No. 20 "Accounting Changes" and SFAS No. 3, "Reporting Accounting Changes in Interim Financial Statements — An Amendment of APB Opinion No. 28." SFAS 154 provides guidance on the accounting for and reporting of accounting changes and error corrections. It establishes retrospective application, or the latest practicable date, as the required method for reporting a change in accounting principle and the reporting of a correction of an error. SFAS 154 is effective for accounting changes and corrections of errors made in fiscal years beginning after December 15,

TTM TECHNOLOGIES, INC.

Notes to Consolidated Financial Statements — (Continued)

2005. The Company is required to adopt SFAS No. 154 beginning January 1, 2006. The Company is currently evaluating the effect that the adoption of SFAS 154 will have on its consolidated results of operations and financial condition but does not expect it to have a material impact.

In December 2004, the FASB issued SFAS No. 123 (revised 2004), "Share-Based Payment" ("SFAS 123R"), which replaces SFAS No. 123, "Accounting for Stock-Based Compensation," ("SFAS 123") and supercedes APB Opinion No. 25, "Accounting for Stock Issued to Employees." SFAS 123R requires all share-based payments to employees, including grants of employee stock options, to be recognized in the financial statements based on their fair values beginning with the first fiscal year beginning after June 15, 2005, with early adoption encouraged. The pro forma disclosures previously permitted under SFAS 123 no longer will be an alternative to financial statement recognition. The Company is required to adopt SFAS 123R beginning January 1, 2006. Under SFAS 123R, the Company must determine the appropriate fair value model to be used for valuing share-based payments, the amortization method for compensation cost and the transition method to be used at date of adoption. The transition methods include prospective and retroactive adoption options. The Company will utilize the Black-Scholes option-pricing model as its fair value model, will use the straight-line method to amortize compensation cost and will use the prospective method, which requires that compensation expense be recorded for all unvested stock options at the beginning of the first quarter of adoption of SFAS 123R. The Company has evaluated the requirements of SFAS 123R and expects that the adoption of SFAS 123R will require the Company to expense approximately \$900 in 2006 for unvested stock options outstanding on January 1, 2006, which would previously have been presented in a pro forma footnote disclosure. In addition, SFAS 123R will require the Company to reflect the tax savings resulting from tax deductions in excess of expense reflected in its financial statements as a financing cash flow, which will impact the Company's future reported cash flows from operating activities.

In November 2004, the FASB issued SFAS No. 151, "Inventory Costs — An Amendment of ARB No. 43, Chapter 4" ("SFAS 151"). SFAS 151 amends the guidance in ARB No. 43, Chapter 4, "Inventory Pricing," to clarify the accounting for abnormal amounts of idle facility expense, freight, handling costs, and wasted material (spoilage). Among other provisions, the new rule requires that items such as idle facility expense, excessive spoilage, double freight, and rehandling costs be recognized as current-period charges regardless of whether they meet the criterion of "so abnormal" as stated in ARB No. 43. Additionally, SFAS 151 requires that the allocation of fixed production overheads to the costs of conversion be based on the normal capacity of the production facilities. SFAS 151 is effective for fiscal years beginning after June 15, 2005 and is required to be adopted by the Company beginning on January 1, 2006. The Company has determined that its adoption of SFAS 151 will not have a material impact on its consolidated results of operations and financial condition.

Fair Value of Financial Instruments

The carrying amounts of assets and liabilities as reported on the balance sheets at December 31, 2004 and 2005, which qualify as financial instruments, approximate fair value.

(3) Restructuring Charges

During the first quarter of 2003, a \$203 restructuring charge was taken for severance and other exit charges primarily in connection with the lay off of 45 employees at the Company's Redmond, Washington facility.

During 2002, the Company designated building and equipment with a remaining net book value of \$2,797 as assets held for sale. During 2003, the Company reviewed the fair value of the remaining assets held for sale for possible impairment and recorded an additional impairment charge of \$446. At December 31, 2003, the carrying value of the remaining assets held for sale was \$2,308. During the second fiscal quarter of 2004, the Company recorded an asset impairment of \$855 to the building held for sale based upon the status of

TTM TECHNOLOGIES, INC.

Notes to Consolidated Financial Statements — (Continued)

negotiations with the lessor of the related land lease to purchase the building and cancel the land lease. On July 30, 2004, the Company entered into a Purchase and Sale agreement with the Port of Skagit County, a Washington municipal corporation (“Port”), to sell its building located in Burlington, Washington on land leased from the Port and to cancel the related lease between the Port and the Company for total consideration of \$1,575, before direct selling costs of \$175. The transaction closed in October 2004. There were no restructuring activities in 2005.

The chart below shows the additions to and utilization of the accrued restructuring charges during the year ended December 31, 2004.

	<u>Severance</u>	<u>Other Exit Charges</u>	<u>Impairment Charge</u>	<u>Total</u>
Accrued at December 31, 2003	\$ —	\$ 90	\$ —	\$ 90
2004 Charge	—	—	855	855
Utilization	—	(90)	(855)	(945)
Accrued at December 31, 2004	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

(4) Credit Agreement

During 2005, the Company entered into a credit agreement with Wachovia Bank, Comerica Bank and Silicon Valley Bank (“Credit Agreement”). The Credit Agreement provides for a \$25,000 revolving credit facility and a \$5,000 letter of credit sub-facility, which mature on July 15, 2008. The Credit Agreement is secured by substantially all the Company’s assets. Borrowings under the Credit Agreement will bear interest at a floating rate of, at the Company’s option, either LIBOR or an alternate base rate, as defined in the agreement, plus a spread which is based on grid pricing determined by the Company’s consolidated leverage ratio, as defined in the Credit Agreement. The rates range between LIBOR plus 1.00% to 1.75% or the alternate base rate plus 0.00% to 0.50%. The Company is subject to financial covenants, including a minimum fixed charge coverage ratio and a maximum leverage ratio. At December 31, 2005 the Company was in compliance with these covenants. The Credit Agreement also contains customary limitations including, but not limited to, limitations on dividends, stock redemptions, limitations on indebtedness and transactions with affiliates. At December 31, 2005, the Company had no outstandings and had available borrowing capacity under the Credit Agreement of \$25,000. The Company has a one-time option to increase the size of its revolving credit facility to \$50,000 provided that no default or event of default exists, as those terms are defined in the Credit Agreement. The Company pays a quarterly commitment fee ranging from 0.20% to 0.35% on the unused revolving commitment amount.

(5) Common Stock Transactions**Secondary Offering**

The Company completed a secondary offering in September 2003 and sold a total of 12,650 shares, including the overallotment option of 1,650 shares, of common stock (200 sold by the Company and 12,450 shares sold by the selling stockholders) at a price of \$12.00 per share. The Company received net proceeds of approximately \$1,724, after the underwriting discounts of \$0.63 per share and other secondary offering expenses of approximately \$550.

Reincorporation

On August 29, 2005, TTM Technologies, Inc., a Washington corporation (“TTM-Washington”), consummated a merger (the “Reincorporation”) with and into its wholly owned subsidiary, TTM Technologies, Inc., a Delaware corporation (“TTM-Delaware”). As a result of the Reincorporation, the Company is now a Delaware corporation.

TTM TECHNOLOGIES, INC.
Notes to Consolidated Financial Statements — (Continued)

As provided by the Agreement and Plan of Merger, (i) each outstanding share of TTM-Washington common stock, no par value per share, was automatically converted into one share of TTM-Delaware common stock, par value \$0.001 per share, and (ii) each option to acquire shares of TTM-Washington common stock outstanding immediately prior to the effective time of the Merger was converted into and became an equivalent option to acquire, upon the same terms and conditions, the equal number of shares of TTM-Delaware common stock (whether or not such option was then exercisable) and the exercise price per share under each respective option remained equal to the exercise price per share immediately prior to the effective time of the Merger at the time the Reincorporation became effective. Each stock certificate representing issued and outstanding shares of TTM-Washington common stock continues to represent the same number of shares of TTM-Delaware common stock. After the Reincorporation, the rights of the Company's stockholders generally will be determined under Delaware corporate law.

The Company has reflected the merger of entities under common control at historical cost and accordingly, there was no change to the carrying value of its assets or liabilities. The applicable components of equity were retroactively adjusted for all periods presented to present the applicable par value of common stock and the related additional paid-in capital.

(6) Income Taxes

The components of the benefit (provision) for income taxes for the years ended December 31, 2003, 2004 and 2005 are:

	<u>2003</u>	<u>2004</u>	<u>2005</u>
Current benefit (provision):			
Federal	\$ 467	\$ (2,841)	\$ (5,376)
State	(141)	(690)	(664)
Total current	<u>326</u>	<u>(3,531)</u>	<u>(6,040)</u>
Deferred benefit (provision):			
Federal	(3,733)	(9,900)	8,886
State	(494)	248	(322)
Total deferred	<u>(4,227)</u>	<u>(9,652)</u>	<u>8,564</u>
Total benefit (provision)	<u>\$ (3,901)</u>	<u>\$ (13,183)</u>	<u>\$ 2,524</u>

The following is a reconciliation between the statutory federal income tax rate and the Company's effective income tax rates for the years ended December 31, 2003, 2004 and 2005 which are derived by dividing the income tax benefit (provision) by the income before income taxes and extraordinary item:

	<u>2003</u>	<u>2004</u>	<u>2005</u>
Statutory federal income tax rate	(34.0)%	(34.0)%	(34.0)%
State income taxes, net of federal benefit and state tax credits	(4.5)	(4.4)	(2.7)
Federal extraterritorial income exclusion and domestic production activities deduction	—	1.3	2.2
Decrease in valuation allowance	—	5.0	42.3
Other	(0.9)	0.3	1.1
Total benefit (provision) for income taxes	<u>(39.4)%</u>	<u>(31.8)%</u>	<u>8.9%</u>

In 2004, the Company derived a tax benefit and is expecting to derive a 2005 tax benefit from an exclusion provided under U.S. income tax laws with respect to certain extraterritorial income. This exclusion

TTM TECHNOLOGIES, INC.

Notes to Consolidated Financial Statements — (Continued)

was repealed as part of the American Jobs Creation Act of 2004 (the “Act”), which was enacted on October 22, 2004. The Act provides for a phase-out such that the exclusion the Company otherwise expects to generate in 2005 and 2006 will be limited to approximately 80% and 60%, respectively. No exclusion will be available in 2007 and thereafter.

The Act makes a number of other changes to the income tax laws which will affect the Company in future years, the most significant of which is a new deduction relating to qualifying domestic production activities. The deduction equals three percent of qualifying income for 2005 and 2006, six percent for 2007 through 2009 and nine percent beginning in 2010. The U.S. Department of the Treasury and Internal Revenue Service issued proposed regulations on October 19, 2005 which provide comprehensive rules, definitions, and examples to assist in the implementation of this new deduction. The proposed regulations are subject to further changes prior to finalization. The Company has analyzed and continues to analyze the proposed regulations and has estimated a tax benefit for 2005. Over time, the Company expects that the benefit it derives from the deduction related to qualifying domestic production activities will be lower than those derived under the extraterritorial income exclusion discussed above.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The significant components of the net deferred tax assets as of December 31, 2004 and 2005 are as follows:

	<u>2004</u>	<u>2005</u>
Deferred tax assets:		
Tax goodwill related to recapitalization	\$ 16,265	\$ 14,428
Property, plant and equipment basis differences	263	59
Reserves and accruals	3,755	4,561
Net operating loss carryforwards	1,015	299
State tax credits carryforwards, net of federal benefit	1,933	2,531
Alternative minimum tax credit carryover	388	39
	<u>23,619</u>	<u>21,917</u>
Less valuation allowance	<u>(14,504)</u>	<u>(2,531)</u>
	9,115	19,386
Deferred tax liabilities:		
Goodwill and intangible asset amortization from Power Circuits, Inc. acquisition	<u>(6,244)</u>	<u>(7,951)</u>
Net deferred income tax assets	<u>\$ 2,871</u>	<u>\$ 11,435</u>
Current portion	\$ 1,820	\$ 4,601
Long-term portion	1,051	6,834

The primary deferred tax asset, tax goodwill related to recapitalization, is being amortized over a 5-year period in accordance with the provisions of the Internal Revenue Code (“Code”). As a result of the Company’s recapitalization in 1998, the Company became a C Corporation and the tax effect of all differences between the tax reporting and financial reporting bases of the Company’s net assets was recorded as a net deferred tax asset. The most significant basis difference resulted from a Code section 338(h)(10) tax election made at the time of the recapitalization. This election had the effect of characterizing the recapitalization and stock purchase as an asset purchase for income tax purposes. Therefore, the consideration paid to the former owner in excess of tax basis of the net assets was recorded as tax-deductible goodwill, even though no goodwill was reported for financial reporting purposes.

TTM TECHNOLOGIES, INC.

Notes to Consolidated Financial Statements — (Continued)

At December 31, 2005 the Company's multiple state net operating loss carryforwards for income tax purposes were approximately \$9,212. If not utilized, the state net operating loss carryforwards will begin to expire in 2007. Approximately \$224 of the state tax credit carryforwards will begin to expire in 2010, with no expirations on the remaining \$3,612.

A valuation allowance is provided when it is more likely than not that all or some portion of the deferred tax assets will not be realized. The net decreases in the valuation allowance during the years ended December 31, 2004 and 2005 were due primarily to improving pre-tax income, which allowed the Company to utilize its federal net operating loss in 2004 and substantial amounts of its multiple state net operating loss carryforwards in 2004 and 2005, as well as changes to estimates of future sources of taxable income. The reduction in valuation allowance in 2005 occurred during the fourth quarter given the additional positive evidence from continued historical earnings and expectations of future earnings which was sufficient for us to conclude that it was more likely than not that most of our deferred income tax assets will be realized.

At December 31, 2005, the Company has determined that a valuation allowance is necessary for its state tax credit carryforwards that are not more likely than not to be realized based on estimates of sources of taxable income and ability to generate new credits. It is possible that the Company's estimates could change in the near term and it may become necessary to record either a full or partial decrease or increase to the valuation allowance in future periods, which would either positively or negatively affect the Company's results of operations, respectively.

(7) Commitments and Contingencies

Operating Leases

The Company leases a sales office and equipment under noncancellable operating leases. As of December 31, 2005, future minimum lease payments totaled \$301 and were due as follows: 2006-\$176; 2007-\$74; and 2008-\$51.

Total rent expense for the years ended December 31, 2003, 2004 and 2005 was approximately \$281, \$352 and \$254, respectively.

Legal Matters

During 2001, the Company was advised that it has been added as a defendant in a patent infringement lawsuit filed in the U.S. District Court for the District of Arizona by Lemelson Medical, Education and Research Foundation, Limited Partnership. The suit alleges that the Company has infringed certain "machine vision" and other patents owned by the plaintiff and seeks injunctive relief, unspecified damages for the alleged infringements and payment of the plaintiff's attorneys' fees. In March 2002, the lawsuit was stayed pending the outcome of *Symbol Technologies, et al. v. Lemelson* in the U.S. District Court for the District Court of Nevada, in which a declaratory relief suit filed by certain manufacturers challenged the validity, enforceability and infringement of Lemelson's "bar code" and "machine vision" patents. As a result of the stay, we have not filed an answer to the complaint nor has any discovery been conducted. In January 2004, the Nevada court found the Lemelson patents, including those patents asserted by the Lemelson Foundation against us in the Arizona case, to be invalid, not infringed and unenforceable. The Lemelson Foundation has the right to appeal the Nevada court's judgment. Although the ultimate outcome of this matter is not currently determinable, management believes the Company has meritorious defenses to these allegations and, based in part on the licensing terms offered by the Lemelson Partnership, does not expect this litigation to materially impact the Company's results of operations, financial condition or liquidity. Accordingly, the Company has not established a reserve. However, there can be no assurance that the ultimate resolution of this matter will not have a material adverse effect. Furthermore, there can be no assurance that the Company will prevail in any such litigation.

TTM TECHNOLOGIES, INC.

Notes to Consolidated Financial Statements — (Continued)

The Company is subject to various other legal matters, which it considers normal for its business activities. While the Company currently believes that the amount of any ultimate potential loss for known matters would not be material to the Company's financial condition, the outcome of these actions is inherently difficult to predict. In the event of an adverse outcome, the ultimate potential loss could have a material adverse effect on the Company's financial condition or results of operations in a particular period. The Company has accrued amounts for its loss contingencies which are probable and estimable at December 31, 2004 and 2005.

Environmental Matters

The process to manufacture printed circuit boards requires adherence to city, county, state and federal environmental regulations regarding the storage, use, handling and disposal of chemicals, solid wastes and other hazardous materials as well as air quality standards. Management believes that its facilities comply in all material respects with environmental laws and regulations. The Company has in the past received certain notices of violations and has been required to engage in certain minor corrective activities. There can be no assurance that violations will not occur in the future.

Dispute Resolution

From time to time, the Company is involved in various claims and legal disputes in the normal course of its business. In October 2005, the Company reached an agreement in principle to resolve an ongoing customer dispute concerning certain printed circuit boards that were shipped between April 2002 and September 2003. A definitive agreement was signed in December 2005. The definitive agreement calls for the Company to pay the customer \$3,150 upon receipt of required documentation from the customer and contains certain mutual and unilateral covenants. A payment of \$1,265 was made to the customer in January 2006, and the remaining \$1,885 is expected to be paid in 2006. The Company's insurance carrier agreed to reimburse the Company approximately \$986 toward the cost of this resolution. The insurance recovery of \$986 is recorded in prepaid expenses and other current assets as of December 31, 2005 and was collected in January 2006. For the year ended December 31, 2005, approximately \$2,219 of expense, which is net of the insurance recovery, is recorded in general and administrative expenses.

TTM TECHNOLOGIES, INC.
Notes to Consolidated Financial Statements — (Continued)

(8) Stock-Based Compensation Plans

The Company has adopted the Management Stock Option Plan (the “Plan”). The Plan, as amended in 2000, provides for issuance of a maximum of 5,600 shares of the Company’s common stock. Stock options may be granted as “Incentive Stock Options,” as defined by the Internal Revenue Code and awards, or nonqualified options. The exercise price is determined by the compensation committee of the Board of Directors and may not be less than the fair market value at the date of the grant. Each option and award shall vest and expire as determined by the compensation committee. Options expire no later than ten years from the grant date. The Plan expires on December 1, 2008. A summary of stock option activity is as follows:

	<u>Options</u>	<u>Weighted Average Exercise Price</u>
Outstanding at December 31, 2002	2,881	\$ 5.49
Granted	1,399	11.73
Exercised	(551)	2.90
Forfeited	(213)	5.76
Outstanding at December 31, 2003	3,516	8.37
Granted	72	10.03
Exercised	(539)	3.32
Forfeited	(204)	8.96
Outstanding at December 31, 2004	2,845	9.32
Granted	642	8.04
Exercised	(297)	2.89
Forfeited	(280)	11.89
Outstanding at December 31, 2005	2,910	\$ 9.45
Exercisable at December 31, 2005	<u>2,168</u>	<u>\$ 10.53</u>

As of December 31, 2005, 2,024, 584 and 20 of the 2,910 options outstanding were originally vesting equally over five years, four years and three years, respectively from the grant date. Options to purchase 44 shares were originally scheduled to vest on the fifth anniversary of the date of grant.

The remaining options to purchase 238 shares were scheduled to vest on the earlier of the eighth anniversary of the date of grant or upon the occurrence of certain events, including a sale of shares by the majority stockholder (“Cliff Vest Options”). During 2003 and 2004, as a result of sales of common stock by the majority stockholders, all but 94 Cliff Vested Options vested. In December 2004, the Board of Directors approved the full vesting of the 94 Cliff Vested Options prior to the scheduled vesting date.

The discretionary acceleration of vesting of the 94 Cliff Vested Options resulted in a new measurement date for determining compensation cost. The intrinsic value of the options on the new measurement date was \$811, which is recognized as expense only if the employees are able to exercise an award that, under the original terms, would have expired unexercisable. The Company estimated and recorded \$96 of compensation expense in 2004 as an estimate of those employees that will benefit from the accelerated vesting. In 2005, one employee benefited from this acceleration in the amount of \$67 of the estimated compensation expense recorded in 2004.

On June 8, 2005, the Compensation Committee of the Board of Directors of the Company approved accelerating the vesting of approximately 986 unvested, “out-of-the-money” stock options awarded to employees, officers and non-employee directors with an exercise price greater than \$10.00. On September 14, 2005, the Compensation Committee of the Board of Directors of the Company approved accelerating the

TTM TECHNOLOGIES, INC.

Notes to Consolidated Financial Statements — (Continued)

vesting of approximately 211 unvested, “out-of-the-money” stock options awarded to employees, officers and non-employee directors with exercise prices between \$8.00 and \$10.00. The June 2005 and September 2005 accelerated options have exercise prices ranging from \$10.15 to \$16.00 and \$8.00 to \$9.75, respectively. The closing price of the Company’s common stock on June 8, 2005 and September 14, 2005 was \$8.48 and \$7.34 per share, respectively. As a result of these accelerated vestings, the Company remeasured compensation expense for the accelerated options under APB No. 25. Since the options for which vestings were accelerated were “out-of-the-money,” no additional compensation expense was recorded.

The Company accelerated these options in advance of the effective date of, and in anticipation of the earnings effect of, SFAS No. 123 (revised 2004) “Share-Based Payment” (“SFAS 123R”). The Company expects the accelerated vesting of these options will enable it to avoid recognizing future compensation cost associated with the accelerated stock options upon the adoption of SFAS 123R. The Company expects the accelerations to reduce the stock option cost it would otherwise be required to record beginning in 2006 by approximately \$8,000, on a pre-tax basis. The accelerated vesting of these options initially increased 2005 pro forma stock-based compensation expense, before related tax effects, by approximately \$9,500 and decreased 2005 pro forma net income and earnings per share, respectively (see Note 2).

A summary of options outstanding and options exercisable as of December 31, 2005 is as follows:

Range of Exercise Prices	Options Outstanding			Options Exercisable	
	Number Outstanding	Weighted Average Remaining Contractual Life (Years)	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price
\$2.63-\$4.99	789	5.3	\$ 3.00	539	\$ 2.74
\$5.00-\$9.99	717	9.1	8.03	225	8.81
\$10.00-\$14.99	1,084	7.7	13.15	1,084	13.15
\$15.00 and over	320	4.7	16.00	320	16.00
	<u>2,910</u>	<u>7.1</u>	<u>\$ 9.45</u>	<u>2,168</u>	<u>\$ 10.53</u>

During the year ended December 31, 2000, the Company granted 268 options with exercise prices of \$2.63 per share, which was less than the fair value of the common stock at the date of the grant. These grants resulted in deferred stock-based compensation of \$322, which was amortized over the vesting terms of the options. During the years ended December 31, 2003 and 2004, the amortization was \$139 and \$35, respectively. The deferred stock-based compensation was fully amortized as of December 31, 2004.

(9) Employee Benefit Plan

The Company has a 401(k) savings plan (“Plan”) under which all eligible full-time employees may participate and contribute a percentage of compensation subject to the maximum allowed by the Code. The Plan provides for a discretionary matching contribution of a uniform percent of each participant’s contribution. However, in applying the uniform percent, only contributions up to 4% of each participant’s compensation shall be considered. The Company accrued contributions under the Plan and predecessor plans of \$293, \$327 and \$360 during the years ended December 31, 2003, 2004 and 2005, respectively.

(10) Related-Party Transactions

The Company had an agreement with TC Management, L.L.C., TC Management IV, L.L.C. and Brockway Moran & Partners Management, L.P. (collectively, “the Equity Sponsors”), entities owned by certain of the Company’s stockholders, which obligated the Company to pay these entities a financial advisory fee of 1.5% of the first \$50,000 of the proceeds or value of any transaction with respect to which the three entities rendered financial advisory services to the Company, and 1% of any amount of proceeds or value in

TTM TECHNOLOGIES, INC.**Notes to Consolidated Financial Statements — (Continued)**

excess of \$50,000 until such time as these entities and their affiliates, on a combined basis, owned less than 25% of the total outstanding voting capital stock of the Company.

In connection with the secondary offering in September 2003 (Note 5), the Equity Sponsors and their affiliates no longer owned 25% of the total outstanding voting capital stock of the Company, and the Company no longer was obligated to pay the financial advisory fee previously discussed.

In connection with a shelf-offering declared effective in June 2004 and completed in November 2004, the Company incurred \$339 of offering related expenses reflected within general and administrative expense. The Company did not sell shares in this offering, but incurred these expenses pursuant to a registration rights agreement between the Equity Sponsors and the Company. Upon the completion of this offering in November 2004, the Equity Sponsors no longer had any equity interest in the Company.

(11) Preferred Stock

The board of directors has the authority, without action to stockholders, to designate and issue preferred stock in one or more series. The board of directors may also designate the rights, preferences and privileges of each series of preferred stock; any or all of which may be superior to the rights of the common stock. As of December 31, 2005, no shares of preferred stock are outstanding.

(12) Foreign Sales

Sales representing more than 1% of the Company's net sales by country for the years ended 2003, 2004 and 2005, are as follows:

	<u>2003</u>	<u>2004</u>	<u>2005</u>
United States	\$ 129,638	\$ 165,237	\$ 149,020
Malaysia	19,985	23,782	39,794
Italy	13,530	18,863	13,399
Canada	9,214	11,977	11,818
Czech Republic	—	6,682	10,408
Singapore	—	—	5,208
China	2,939	3,027	4,196
Other	5,011	11,082	6,366
Total	<u>\$ 180,317</u>	<u>\$ 240,650</u>	<u>\$ 240,209</u>

TTM TECHNOLOGIES, INC.
Notes to Consolidated Financial Statements — (Continued)

(13) Quarterly Financial Information (Unaudited)

The Company uses a 13-week fiscal quarter accounting period with the first quarter ending on the Monday closest to April 1 and the fourth quarter always ending on December 31. The first and fourth quarters of 2004 and 2005 contained 89 and 94 days, and 95 and 89 days, respectively.

	<u>First Quarter</u>	<u>Second Quarter</u>	<u>Third Quarter</u>	<u>Fourth Quarter</u>
Year Ended December 31, 2004:				
Net sales	\$ 57,696	\$ 61,595	\$ 62,195	\$ 59,164
Gross profit	17,280	19,076	17,638	14,553
Net income	6,526	6,910	8,045	6,849
Earnings per share:				
Basic	\$ 0.16	\$ 0.17	\$ 0.20	\$ 0.17
Diluted	\$ 0.15	\$ 0.17	\$ 0.19	\$ 0.16
Year Ended December 31, 2005:				
Net sales	\$ 58,883	\$ 57,216	\$ 60,979	\$ 63,131
Gross profit	13,538	11,037	14,152	15,029
Net income	4,460	3,272	4,061	19,048
Earnings per share:				
Basic	\$ 0.11	\$ 0.08	\$ 0.10	\$ 0.46
Diluted	\$ 0.11	\$ 0.08	\$ 0.10	\$ 0.46

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
TTM Technologies, Inc.:

Under date of March 6, 2006, we reported on the consolidated balance sheets of TTM Technologies, Inc. and subsidiaries as of December 31, 2004 and 2005, and the related consolidated statements of operations, stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2005, which are included in the TTM Technologies, Inc. Annual Report on Form 10-K. In connection with our audits of the aforementioned consolidated financial statements, we also audited the related consolidated financial statement schedule in the Annual Report on Form 10-K. This financial statement schedule is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement schedule based on our audits.

In our opinion, such financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, present fairly, in all material respects, the information set forth therein.

/s/ KPMG LLP
Salt Lake City, Utah
March 6, 2006

SCHEDULE II — VALUATION AND QUALIFYING ACCOUNTS**For the Years Ended December 31, 2005, 2004 and 2003**

<u>Description</u>	<u>Balance at Beginning of Year</u>	<u>Additions Charged to Costs and Expenses</u>	<u>Deductions</u>	<u>Balance at End of Year</u>
(In thousands)				
Year ended December 31, 2005				
Allowance for doubtful accounts	\$ 822	\$ 316	\$ (212)	\$ 926
Allowance for sales credits	3,196	4,004	(4,032)	3,168
Allowance for excess and obsolete inventories	883	400	(247)	1,036
Year ended December 31, 2004				
Allowance for doubtful accounts	\$ 740	\$ 279	\$ (197)	\$ 822
Allowance for sales credits	2,994	3,142	(2,940)	3,196
Allowance for excess and obsolete inventories	1,533	315	(965)	883
Year ended December 31, 2003				
Allowance for doubtful accounts	\$ 927	\$ 262	\$ (449)	\$ 740
Allowance for sales credits	3,081	2,930	(3,017)	2,994
Allowance for excess and obsolete inventories	3,293	649	(2,409)(a)	1,533

(a) Includes reversal of \$692 of reserve established in prior years.

EXHIBIT INDEX

Exhibit Number	Exhibits
2.1	Form of Plan of Reorganization.(1).
2.2	Stock Purchase Agreement between Honeywell Electronic Materials, Inc. and TTM Technologies, Inc. dated as of December 24, 2002.(2)
3.1	Registrant's Certificate of Incorporation.(3)
3.2	Registrant's Bylaws.(3)
4.1	Form of Registrant's common stock certificate.(3)
10.1	Second Amended and Restated Credit Agreement dated as of July 15, 2005 among the Company, the Domestic Subsidiaries of the Company from time to time parties thereto, the Lender Parties thereto, Wachovia Bank, National Association, as Administrative Agent.(4)
10.2	Employment Agreement dated as of December 31, 2005 between the Registrant and Kenton K. Alder.
10.3	Form of Executive Change in Control Severance Agreement and schedule of agreements entered into on December 1, 2005.
10.4	Amended and Restated Management Stock Option Plan.(1)
10.5	Form of Management Stock Option Agreement.(1)
10.6	Form of 2000 Equity Compensation Plan.(1)
10.7	Form of Indemnification Agreement with directors, officers and key employees.(1)
10.8	Statutory Warranty Deeds for Redmond Facility.(1)
21.1	Subsidiaries of the Registrant
23.1	Consent of KPMG LLP, independent registered public accounting firm
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a), promulgated under the Securities Exchange Act of 1934, as amended.
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a), promulgated under the Securities Exchange Act of 1934, as amended.
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

-
- (1) Incorporated by reference to the Registration Statement on Form S-1 (Registration No. 333-39906) declared effective September 20, 2000.
- (2) Incorporated by reference to the Registrant's Form 8-K as filed with the Securities and Exchange Commission (the "Commission") on December 27, 2002.
- (3) Incorporated by reference to the Registrant's Form 8-K as filed with the Commission on August 30, 2005.
- (4) Incorporated by reference to the Registrant's Form 8-K as filed with the Commission on July 21, 2005.

EMPLOYMENT AGREEMENT

This Agreement is made as of the 1st day of December, 2005, between TTM TECHNOLOGIES, INC., a Delaware corporation (the "Company"), and KENTON K. ALDER (the "Executive").

Preliminary Statements:

- A. The Executive serves as President and Chief Executive Officer of the Company.
- B. The Company wishes to continue to retain the services of the Executive as President and Chief Executive Officer of the Company, on the terms and subject to the conditions hereinafter set forth.
- C. The Executive is willing to make his services available to the Company, on the terms and subject to the conditions hereinafter set forth.

Agreement:

NOW THEREFORE, in consideration of (i) the Executive's employment and continued employment with the Company, (ii) the compensation paid to the Executive and the benefits provided to the Executive in connection with such employment, and (iii) the Executive's use of the equipment, supplies, facilities and other resources of the Company and its Subsidiaries and Affiliates, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Interpretation of this Agreement.

(a) Defined Terms. As used herein, the following terms when used in this Agreement have the meanings set forth below:

"Affiliate" has the meaning set forth in Rule 12b-2 of the regulations promulgated under the Securities Exchange Act of 1934, as amended.

"Base Salary" shall have the meaning given to it under §2(b) below.

"Board" means the Board of Directors of the Company.

"Cause" means any of the following: (i) the indictment of the Executive or the Executive's conviction of, or entry of a plea of no contest with respect to, any felony or any crime involving moral turpitude; (ii) the commission by the Executive of any other material act of fraud or intentional dishonesty with respect to the Company or any of its Subsidiaries or Affiliates; (iii) a material breach by the Executive of his fiduciary duties to the Company or any of its Subsidiaries, including the commission by the Executive of an act of fraud or embezzlement against the Company or any of its Subsidiaries or Affiliates; (iv) failure by the Executive to perform in a material manner his properly assigned duties after at least one written warning specifically advising him of such failure and providing him with 10 days to resume performance in accordance with his assigned duties; (v) any breach by the Executive of any of the material terms of (A) this Agreement (including without limitation §§3, 4, 5, 6 or 7 hereof), or (B) any other agreement between the Company and the Executive; (vi) the association, directly or indirectly, of the Executive, for his profit or financial benefit, with any person, firm, partnership, association, entity or corporation that competes, in any material way, with the Company; (vii) the disclosing or using of any material Company Information at any time by the Executive; or (viii) any material breach of a Company policy. Notwithstanding any provision of this Agreement which may be to the contrary, (x) the Executive will not be deemed to have been terminated for Cause unless and until there is delivered to him a copy of a resolution duly adopted by the affirmative vote of not less than a majority of the entire membership of

the Board (excluding the Executive if he is a member of the Board) at a meeting of the Board (after reasonable notice to the Executive and an opportunity for the Executive to be heard before the Board), finding that in the opinion of the Board the Executive was guilty of conduct set forth above in the preceding sentence and specifying the particulars thereof in reasonable detail and (y) if the Company so requests in the notice referred to in the immediately preceding parenthetical phrase, the Executive shall not enter upon the premises of the Company or any of its Subsidiaries or Affiliates unless and until the Board shall have determined not to terminate the Executive's employment for Cause (and during such period the Executive shall continue to be entitled to receive his compensation and benefits hereunder).

“Change in Control” means the consummation of any of the following transactions:

(i) a merger or consolidation in which the Company is not the surviving entity, except for a transaction the principal purpose of which is to change the state of the Company's incorporation or a transaction in which 50% or more of the surviving entity's outstanding voting stock following the transaction is held by holders who held 50% or more of the Company's outstanding voting stock prior to such transaction; or

(ii) the sale, transfer or other disposition of all or substantially all of the assets of the Company; or

(iii) any reverse merger in which the Company is the surviving entity, but in which 50% or more of the Company's outstanding voting stock is transferred to holders different from those who held the stock immediately prior to such merger; or

(iv) the acquisition by any person (or entity), directly or indirectly, of 50% or more of the combined voting power of the outstanding shares of Common Stock.

“Common Stock” means the Company's authorized common stock, no par value.

“Company” shall have the meaning given to it in the first sentence of this Agreement.

“Company Information” means Confidential Information and Trade Secrets.

“Confidential Information” means confidential data and confidential information relating to the business of the Company or any of its Subsidiaries or Affiliates (which does not rise to the status of a Trade Secret under applicable law) which is or has been disclosed to the Executive or of which the Executive became aware as a consequence of or through his employment with the Company and which has economic value, actual or potential, to the Company or any of its Subsidiaries or Affiliates and is not generally known to the competitors of the Company or any of its Subsidiaries or Affiliates. Confidential Information does not include any data or information that (i) is publicly disclosed by law or in response to an order of a court of competent jurisdiction or governmental agency, (ii) becomes publicly available through no fault of the Executive, (iii) becomes known to the Executive from a source outside the scope of his employment with the Company and its Subsidiaries not known to the Executive to be bound by a confidentiality agreement with respect to such information or (iv) has been published in a form generally available to the public prior to the date the Executive proposes to disclose or use such information. Information will not be deemed to have been published merely because individual portions of the information have been separately published, but only if all material features comprising such information have been published in combination.

“Disability” means the Executive becomes incapacitated due to physical or mental illness and, in the good faith determination of the Board, is unable to perform his assigned duties and responsibilities and such condition continues, or, in the opinion of a physician selected by the Board, is reasonably likely to continue, for six consecutive months or for periods aggregating six months during any twelve-month period.

“Employment Period” shall have the meaning given to it in §2(a) below.

“Executive” shall have the meaning given to it in the first sentence of this Agreement.

“Good Reason” means, without the Executive’s express written consent, (i) a materially adverse alteration in the nature or status of the Executive’s responsibilities (excluding any isolated, insubstantial and inadvertent action not taken in bad faith and which is remedied by the Company within 14 days of receipt of written notice thereof from the Executive), (ii) a reduction by the Company in the Executive’s annual base salary without the Executive’s consent, (iii) the failure by the Company to continue to provide the Executive with benefits substantially similar to those enjoyed by him under any of the Company’s retirement, life insurance, medical, dental, accident or disability plans in which he is participating as of the date of this Agreement (or, in the event of the Executive’s resignation at any time following the occurrence of a Change in Control, as of the time immediately preceding such Change in Control), or the taking of any action by the Company which would directly or indirectly materially reduce such benefits, taken as a whole or (iv) a breach by the Company of any of the material terms of this Agreement (excluding any breach that is remedied by the Company within 14 days of receipt of written notice thereof from the Executive).

“Notice of Termination” shall have the meaning given to it in §2(a) below.

“Person” means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization or a governmental entity (or any department, agency or political subdivision thereof).

“Severance Period” means the period for which the Company is required to make payments under §2(d) below.

“Subsidiary” when used with respect to any Person means any other Person, whether incorporated or unincorporated, of which (i) more than 50% of the securities or other ownership interests or (ii) securities or other interests having by their terms ordinary voting power to elect more than 50% of the board of directors or others performing similar functions with respect to such corporation or other organization, is directly owned or controlled by such Person or by any one or more of its Subsidiaries.

“Termination Date” shall have the meaning given to it in §2(a) below.

“Trade Secrets” means information of the Company or any of its Subsidiaries or Affiliates including, but not limited to, technical or nontechnical data, formulas, patterns, compilations, programs, financial data, financial plans, product or service plans or lists of actual or potential customers or suppliers which (i) derives economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use, and (ii) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

(b) Interpretation. The words “herein,” “hereof,” “hereunder” and other words of similar import refer to this Agreement as a whole, as the same from time to time may be amended or supplemented and not any particular section, paragraph, subparagraph or clause contained in this Agreement. Wherever from the context it appears appropriate, each term stated in either the singular or plural shall include the singular and the plural, and pronouns stated in masculine, feminine or neuter gender shall include the masculine, feminine and the neuter.

2. Employment.

(a) Duration. The Company agrees to employ the Executive and the Executive accepts such employment for the period beginning on the date hereof and ending on the third anniversary of the date hereof, unless sooner terminated as hereinafter set forth; *provided, however*, that the term of

this Agreement automatically shall be renewed for one additional year effective as of each anniversary of the date hereof beginning with the third anniversary, unless either the Company or the Executive provides written notice to the other that the term of this Agreement shall terminate on the upcoming anniversary of the date hereof, *provided* such notice is received by the receiving party not less than ninety (90) days prior to the intended date of termination and *provided further* that the Company shall not be entitled to deliver to the Executive such notice within sixty (60) days prior to a Change in Control. If this Agreement is terminated prior to the third anniversary of the date hereof (or any automatic renewal period), the Executive's employment shall end on (i) the date specified in a Notice of Termination given by the Executive in connection with his resignation (which, (A) in the case of resignation for Good Reason shall be not less than 30 days from the date such Notice of Termination is given and (B) in the case of resignation for any other reason, shall not be less than 90 days from the date such Notice of Termination is given), (iii) the date on which the Executive's employment is terminated for Cause, (iv) the date specified in a Notice of Termination given by the Company at any time stating that the Board has determined that the Executive shall be terminated without Cause (termination pursuant to this clause (iv) is sometimes referred to in this Agreement as "termination without Cause"), (v) the date of the Executive's death, or (vi) the date specified in a Notice of Termination given by the Company in connection with a termination of the Executive's employment by reason of his Disability; For purposes of this Agreement, the term "Employment Period" shall mean such period of employment and the term "Termination Date" shall mean the date on which the Executive's employment with the Company is terminated for any reason. Subject to the last sentence contained in the definition of "Cause," above, any purported termination of the Executive's employment by the Company or by the Executive shall be communicated by written Notice of Termination to the other party hereto in accordance with §8 below, which notice shall indicate the specific termination provision in this §2(a) relied upon (and, in the case of the Executive's resignation for Good Reason, shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment for Good Reason) (a "Notice of Termination").

(b) Salary and Benefits. During the Employment Period, in consideration for the Executive agreeing to devote his full business time and attention to the affairs of the Company, the Company will pay the Executive a base salary at the rate of \$350,000 per annum or at such higher rate as the Board designates in its sole discretion from time to time ("Base Salary"), payable in installments consistent with the Company's normal payroll schedule, subject to applicable withholding and other taxes. In addition to the Base Salary payable to Executive pursuant to this §2(b), the Executive will be entitled to the following benefits during the Employment Period:

(i) the Executive will be entitled to participate in all medical and hospitalization, group life insurance, and any and all other fringe benefit plans as are from time to time provided by the Company to its executives;

(ii) the Executive will be entitled to a maximum of four weeks paid vacation each year (paid an Executive's base salary), accrued up to a maximum cap of 320 hours, after which Executive shall not accrue any additional vacation until Executive takes vacation; *provided, however*, that in no event may a vacation be taken at a time when to do so could, in the reasonable judgment of the Chairman of the Board, adversely affect the business of the Company and its Subsidiaries; and

(iii) the Executive will be entitled to reimbursement for reasonable business expenses (excluding commuting expenses) incurred by the Executive (subject to submission of appropriate substantiation by the Executive).

The Executive's accrual of or participation in plans providing for benefits will cease on the Termination Date, and the Executive will be entitled to accrued benefits pursuant to such plans only as provided in such plans or as required by law; *provided, however*, that the Executive will receive, in addition to his severance pay pursuant to §2(d) below, the amount of any accrued benefits in respect of vacation, holiday, sick leave, or other leave unused as of the Termination Date.

(c) Services. During the Employment Period, the Executive will serve as the President and Chief Executive Officer of the Company and shall have the normal duties, responsibilities and authority of such office, subject to the power of the Chairman of the Board to reasonably expand or reasonably limit such duties, responsibilities and authority and to override actions of the Executive. The Executive shall serve on the Board for so long as the Executive is President and Chief Executive Officer of the Company. The Executive will devote his best efforts and substantially all of his business time and attention (except for vacation periods and reasonable periods of illness or other incapacity) to the business of the Company and its Subsidiaries, and shall perform the duties and carry out the responsibilities assigned to him, to the best of his ability, in a diligent, trustworthy, businesslike and efficient manner for the purpose of advancing the business of the Company and its Subsidiaries. The Executive shall use his best efforts to comply with all material applicable laws, rules and regulations relating to the conduct and operation of the business of the Company and its Subsidiaries and will comply with all material policies and procedures adopted by the Board, as in effect from time to time, to govern the operations of the Company and its Subsidiaries.

(d) Severance Pay.

(i) In the event that the Executive's employment is terminated (A) by the Company without Cause at any time other than in connection with a Change in Control as described in §2(d)(ii), or (B) by the Executive for Good Reason at any time other than in connection with a Change in Control as described in §2(d)(ii), the Company shall pay to the Executive, as severance pay, all amounts due to the Executive as Base Salary pursuant to §2(b) above for the period beginning on the Termination Date and ending 18 months thereafter, in installments on the payment dates on which such Base Salary would have been paid if the Employment Period had continued for such period and, as of the date of the last such payment, the Company will have no further obligation to the Executive.

(ii) In the event that the Executive's employment is terminated (A) by the Company without Cause within 60 days prior to, or within one year after, the occurrence of a Change in Control, or (B) by the Executive for Good Reason within 60 days prior to, or within one year after, the occurrence of a Change in Control, the Company shall pay to the Executive, as severance pay, all amounts due to the Executive as Base Salary pursuant to §2(b) above for the period beginning on the Termination Date and ending 18 months thereafter, in installments on the payment dates on which such Base Salary would have been paid if the Employment Period had continued for such period and, as of the date of the last such payment, the Company will have no further obligation to the Executive.

(iii) In the event of a Change in Control as described in §2(d)(ii), if any Company stock options held by the Executive are assumed by the surviving entity in connection with such Change in Control, the vesting of any and all such assumed options held by the Executive shall be accelerated so that all unexpired options then held by the Executive shall be fully vested and exercisable immediately upon such termination.

(iv) In no event shall termination of the Executive's employment for any other reason (including upon or following the expiration of this Agreement on the third anniversary hereof or any extension date) entitle the Executive to severance pay or benefits from the Company or any of its Subsidiaries or Affiliates.

(iv) The Executive's right to receive, and the Company's obligation to pay and provide, any of the payments and benefits provided for in this §2(d) shall be subject to (A) the Executive's compliance with, and observance of, all of the Executive's obligations under this Agreement that continue beyond the Termination Date and (B) the Executive's execution, delivery and non-revocation of, and performance under, a release in favor of the Company and its Affiliates and Subsidiaries in the form attached hereto as Exhibit A (as such form may be modified

by the Company so as to comply with all applicable laws as then in effect) within thirty (30) days of the Termination Date.

(e) Incentive Compensation. During the Employment Period, the Executive shall be entitled to receive incentive compensation with respect to each fiscal year of the Company pursuant to the terms of the Company's annual incentive compensation plan, as approved, in good faith, by the Board.

3. Nondisclosure. During the Employment Period and during the periods described in the last sentence of this §3, the Executive (a) will receive and hold all Company Information in trust and in strictest confidence, (b) will use commercially reasonable efforts to protect the Company Information from disclosure, and (c) except as required by the Executive's duties in the course of his employment by the Company, will not, directly or indirectly, use, disseminate or otherwise disclose any Company Information to any third party without the prior written consent of the Company, which may be withheld in the Company's absolute discretion. The provisions of this §3 shall survive the termination of the Executive's employment with respect to Confidential Information, for so long as any such information remains confidential through no breach of these obligations by Executive or until it becomes known by the general public, and with respect to Trade Secrets, for so long as any such information qualifies as a Trade Secret under applicable law.

4. Books and Records. All books, records, reports, writings, notes, notebooks, computer programs, sketches, drawings, blueprints, prototypes, formulas, photographs, negatives, models, equipment, chemicals, reproductions, proposals, flow sheets, supply contracts, customer lists and other documents and/or things relating in any manner to the business of the Company (including but not limited to any of the same embodying or relating to any Company Information), whether prepared by the Executive or otherwise coming into the Executive's possession, shall be the exclusive property of the Company and shall not be copied, duplicated, replicated, transformed, modified or removed from the premises of the Company except pursuant to the business of the Company and its Subsidiaries and shall be returned immediately to the Company on termination of the Executive's employment hereunder or on the Company's request at any time.

5. Inventions and Patents. Subject to California Labor Code Section 2870, et seq., the Executive agrees that all inventions, innovations or improvements in the Company's (or any of its Subsidiaries') method of conducting its business (including new contributions, improvements, ideas and discoveries, whether patentable or not) conceived or made by him during his employment with the Company, solely or jointly with others belong to the Company, provided that this section shall not apply to an invention that the Executive developed entirely on his own time without using the Company's equipment, supplies, facilities, or trade secret information, except for those inventions that either: (i) relate at the time of conception or reduction to practice of the invention to the Company's business, or actual or demonstrably anticipated research or development of the Company; or (ii) result from any work performed by the Executive for the Company. Further, the Executive will promptly disclose such inventions, innovations or improvements (whether made solely by Executive or jointly with others during the term of his employment) to the Board and shall perform all actions reasonably requested by the Board to establish and confirm the Company's ownership of said inventions, innovations or improvements, including, but not limited to the execution of assignments and/or patent applications.

6. Other Businesses. During the Employment Period, the Executive shall not, except with the express consent of the Board (which may be withheld in the Board's absolute discretion), become engaged in, render services for, or permit his name to be used in connection with, any business other than the business of the Company and its Subsidiaries and Affiliates nor shall the Executive serve on the board of directors of any other business, trade association, organization or entity (whether public or private) *provided, however*, that this sentence shall not prohibit the Executive from serving as a member of the board of directors of Innovar, Inc. ("Innovar") (or any successor thereto), so long as the Executive's activities as a director of Innovar (or any such successor) do not, in the reasonable judgment of the Board, adversely affect the business of the Company and its Subsidiaries.

7. Non-Competition; Nonsolicitation and Noninterference.

(a) Non-Competition. The Executive acknowledges that there is a worldwide market for the products of the Company and its Subsidiaries, that the Company and its Subsidiaries engage in one or more facets of their respective businesses throughout the world, and that the Company and its Subsidiaries compete with other Persons in the business of the Company and its Subsidiaries located in jurisdictions throughout the world, including, without limitation, the territorial United States. During the Employment Period and for a period of 12 months thereafter or the Severance Period, whichever is longer, the Executive agrees that he will not, directly or indirectly, engage in or have any interest in any sole proprietorship, partnership, corporation, limited liability company or business or any other Person (other than the Company and its Subsidiaries), whether as an employee, officer, director, partner, agent, security holder, consultant or otherwise, that directly or indirectly is engaged in any business in which the Company or any of its Subsidiaries is then engaged, in the territorial United States; *provided, however*, that (i) the provisions of this §7(a) shall not apply in the event that the Employment Period is terminated by reason of the expiration of this Agreement on the third anniversary hereof or any extension date agreed to by the Executive and the Company, and (ii) nothing herein shall be deemed to prevent the Executive from acquiring through market purchases and owning, solely as an investment, less than one percent in the aggregate of the equity securities of any class of any issuer whose shares are registered under Section 12(b) or 12(g) of the Securities Exchange Act, and are listed or admitted for trading on any United States national securities exchange or are quoted on the National Association of Securities Dealers Automated Quotations System, or any similar system of automated dissemination of quotations of securities prices in common use, so long as he is not a member of any "control group" (within the meaning of the rules and regulations of the United States Securities and Exchange Commission).

(b) Nonsolicitation. During the Employment Period and for a period of 12 months thereafter or the Severance Period, whichever is longer, the Executive will not, directly or indirectly, (i) solicit for employment or employ or engage as an agent or independent contractor (or attempt to solicit for employment or employ or engage as an agent or independent contractor), for himself or on behalf of any Person (other than the Company or any of its Subsidiaries), any employee, agent or independent contractor of the Company or any of its Subsidiaries or any Person who was an employee, agent or independent contractor of the Company or any of its Subsidiaries at any time during the one-year period preceding the later of (A) the date of this Agreement and (B) the date of such solicitation, employment, engagement or attempted solicitation, employment or engagement, (ii) encourage any such employee to leave his or her employment with the Company or any of its Subsidiaries or (iii) encourage any such agent or independent contractor to terminate his, her or its engagement with the Company or any of its Subsidiaries.

(c) Noninterference. During the Employment Period and for a period of 12 months thereafter or the Severance Period, whichever is longer, the Executive will not induce or attempt to induce any customer, licensee, licensor or other business relation of the Company or any of its Subsidiaries or Affiliates to cease doing business with them, or in any way interfere with the relationship between such customer, licensee, licensor or other business relation of the Company or any of its Subsidiaries or Affiliates.

(d) Reasonableness. The Executive acknowledges and agrees that the covenants provided for in this §7 are reasonable and necessary in terms of time, area and line of business to protect the legitimate business interests of the Company and its Subsidiaries, which include their respective interests in protecting their (i) valuable confidential business information, (ii) substantial relationships with customers throughout such geographical area and (iii) customer goodwill associated with their ongoing business. To the extent that any of the covenants provided for in this §7 may later be deemed by a court to be too broad to be enforced with respect to its duration or with respect to any particular activity or geographic area, the court making such determination shall have the power to reduce the duration or scope of the provision, and to add or delete specific words or phrases to or from the provision. The provision as modified shall then be enforced. Further, to the extent a court issues an

injunctive relief under this Section 9 of the Agreement, the covenant shall be extended by the period of time from the date of the violation of the covenants herein until the issuance of the injunctive relief.

8. Notices. All notices, requests, demands, claims and other communications hereunder will be in writing. Any notice, request, demand, claim or other communication hereunder shall be deemed duly given if (and then five business days after) it is sent by registered or certified mail, return receipt requested, postage prepaid, and addressed to the intended recipient as set forth below:

If to the Executive:

Kenton K. Alder
3080 North 1400 East
North Logan, UT 84341
Fax: (435) 752-2260

If to the Company:

TTM Technologies, Inc.
2630 South Harbor Boulevard
Santa Ana, CA 92704
Attention: Chief Financial Officer
Tel: (714) 327-3000
Fax: (714) 241-1668

With copies to:

Greenberg Traurig, LLP
2375 E. Camelback Road, Suite 700
Phoenix, AZ 85016
Attention: Michael L. Kaplan, Esq.
Tel: (602) 445-8000
Fax: (602) 445-8100
email: kaplanm@gtlaw.com

Either party hereto may send any notice, request, demand, claim or other communication hereunder to the intended recipient at the address set forth above using any other means (including personal delivery, expedited courier, messenger service, telecopy, telex, ordinary mail or electronic mail), but no such notice, request, demand, claim or other communication shall be deemed to have been duly given unless and until it actually is received by the intended recipient. Either party hereto may change the address to which notices, requests, demands, claims and other communications hereunder are to be delivered by giving the other party notice in the manner herein set forth.

9. Severability. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or any other jurisdiction, but this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

10. Complete Agreement. This Agreement, those documents expressly referred to herein and other documents of even date herewith embody the complete agreement and understanding among the parties and supersede and preempt any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way.

11. Counterparts. This Agreement may be executed on separate counterparts, each of which is deemed to be an original and all of which taken together constitute one and the same agreement. Any telecopied signature shall be deemed a manually executed and delivered original.

12. Successors and Assigns. This Agreement is intended to bind and inure to the benefit of and be enforceable by the Executive and the Company and their respective successors and assigns (and, in the case of the Executive, heirs and personal representatives), except that Executive may not assign any of his rights or delegate any of his obligations hereunder.

13. Damages. Nothing contained herein shall be construed to prevent either party hereto from seeking and recovering from the other damages sustained by either or both of them as a result of its or his breach of any term or provision of this Agreement. In the event that either party hereto brings suit for the collection of any damages resulting from, or for the injunction of any action constituting, a breach of any of the terms or provisions of this Agreement, then the party found to be at fault shall pay all reasonable costs, fees (including reasonable attorneys' fees) and expenses of the other party.

14. Equitable Remedies. The Executive acknowledges and agrees that the Company would not have an adequate remedy at law in the event any of the provisions of §§3, 4, 5, 6 and 7 of this Agreement are not performed in accordance with their specific terms or are breached. Accordingly, the Executive agrees that the Company shall be entitled to an injunction or injunctions to prevent breaches of §§3, 4, 5, 6 and 7 of this Agreement and to enforce specifically the terms and provisions thereof in any action instituted in any court of competent jurisdiction, in addition to any other remedies that may be available to it.

15. Choice of Law. This Agreement shall be governed and construed in accordance with the laws of the State of California without regard to conflicts of laws principles thereof and all questions concerning the validity and construction hereof shall be determined in accordance with the laws of said state. By execution and delivery of this Agreement, each party irrevocably submits to the personal and non-exclusive jurisdiction of any federal or state court of competent jurisdiction located in the City of Santa Ana, Orange County, State of California, for himself or itself to enforce this Agreement. Each party agrees that venue would be proper in any of such courts, and hereby waives any objection that any such court is an improper or inconvenient forum for the resolution of any such action. The parties further agree that the mailing by certified or registered mail, return receipt requested, to the addresses specified for notice in this Agreement, of any process or summons required by any such court shall constitute valid and lawful service of process against them, without the necessity for service by any other means provided by statute or rule of court. Notwithstanding the foregoing, the request by the Company for preliminary or permanent injunctive relief, whether prohibitive or mandatory, may be adjudicated in any jurisdiction where the Executive is subject to personal jurisdiction and where venue is proper.

16. Waiver of Jury Trial. THE PARTIES HERETO HEREBY WAIVE TRIAL BY JURY IN ANY JUDICIAL PROCEEDING INVOLVING, DIRECTLY OR INDIRECTLY, ANY MATTER (WHETHER IN TORT, CONTRACT OR OTHERWISE) IN ANY WAY ARISING OUT OF, RELATED TO, OR CONNECTED WITH THIS AGREEMENT OR THE RELATIONSHIP ESTABLISHED HEREUNDER.

17. Amendments and Waivers. No provision of this Agreement may be amended or waived without the prior written consent of the parties hereto.

18. Business Days. Whenever the terms of this Agreement call for the performance of a specific act on a specified date, which date falls on a Saturday, Sunday or legal holiday, the date for the performance of such act shall be postponed to the next succeeding regular business day following such Saturday, Sunday or legal holiday.

19. No Third Party Beneficiary. Except for the parties to this Agreement and their respective successors and assigns, nothing expressed or implied in this Agreement is intended, or will be construed, to confer upon or give any person other than the parties hereto and their respective successors and assigns any rights or remedies under or by reason of this Agreement.

20. Survival. Sections 3, 4 and 5, 7 through 19 (inclusive), this §20 and §21 shall survive and continue in full force and in accordance with their terms notwithstanding any termination of the Employment Period.

21. Dispute Resolution. If the parties should have a material dispute arising out of or relating to this Agreement or the parties' respective rights and duties hereunder, then the parties will resolve such dispute in the following manner: (a) either party may at any time deliver to the other a written dispute notice setting forth a brief description of the issue for which such notice initiates the dispute resolution mechanism contemplated by this §21, (b) during the 30 day period following the delivery of the notice described in clause (a) above, appropriate representatives of the various parties will meet and seek to resolve the disputed issue through negotiation, (c) if representatives of the parties are unable to resolve the disputed issue through negotiation, then within 10 days after the period described in clause (b) above, the parties will refer the issue (to the exclusion of a court of law) to final and binding arbitration in Santa Ana, California in accordance with the then existing rules (the "Rules") of the American Arbitration Association ("AAA"), and judgment upon the award rendered by the arbitrators may be entered in any court having jurisdiction thereof *provided, however*, that the law applicable to any controversy shall be the law of the State of California, regardless of principles of conflicts of laws. In any arbitration pursuant to this Agreement, (x) discovery shall be allowed and governed by the California Code of Civil Procedure and (y) the award or decision shall be rendered by a majority of the members of a Board of Arbitration consisting of three members, one of whom shall be appointed by the Executive, one of whom shall be appointed by the Company and the third of whom shall be the chairman of the panel and be appointed by mutual agreement of said two party-appointed arbitrators. In the event of failure of said two arbitrators to agree within 30 days after the commencement of the arbitration proceeding upon the appointment of the third arbitrator, the third arbitrator shall be appointed by the AAA in accordance with the Rules. In the event that either party shall fail to appoint an arbitrator within 10 days after the commencement of the arbitration proceedings, such arbitrator and the third arbitrator shall be appointed by the AAA in accordance with the Rules. Nothing set forth above shall be interpreted to prevent the parties from agreeing in writing to submit any dispute to a single arbitrator in lieu of a three member Board of Arbitration. Upon the completion of the selection of the Board of Arbitration (or if the parties agree otherwise in writing, a single arbitrator), an award or decision shall be rendered within no more than 30 days. Notwithstanding the foregoing, the request by either party for preliminary or permanent injunctive relief, whether prohibitive or mandatory, shall not be subject to arbitration and may be adjudicated only by the courts permitted under §15 above.

SIGNATURES APPEAR ON FOLLOWING PAGE

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year above written.

TTM TECHNOLOGIES, INC.

By: /s/ Robert E. Klatell
Robert E. Klatell
Chairman of the Board

/s/ Kenton K. Alder
KENTON K. ALDER

**FORM OF
EXECUTIVE CHANGE IN CONTROL SEVERANCE AGREEMENT**

This Executive Change in Control Severance Agreement (this "*Agreement*"), is made as of the ___ day of _____, 200___ (the "*Effective Date*"), by and between TTM Technologies, Inc., a Delaware corporation (the "*Company*"), and _____ (the "*Executive*").

Recitals

A. The Executive currently serves as [INSERT TITLE] of the Company.

B. The Board of Directors of the Company (the "*Board*") acknowledges that the potential for a change in control of the Company, whether friendly or hostile, currently exists and from time to time in the future will exist, which potential can give rise to uncertainty among the senior executives of the Company. The Board considers it essential to the best interests of the Company to reduce the risk of the Executive's departure and the inevitable distraction of the Executive's attention from his or her duties to the Company, which are normally attendant to such uncertainties.

C. The Executive confirms that the terms of this Agreement reduce the risks of his or her departure and distraction of his or her attention from his or her duties to the Company and, accordingly, desires to enter into this Agreement.

Agreement

In consideration of the foregoing and the mutual covenants contained herein, the Company and the Executive agree as follows:

1. Definitions. Capitalized terms used herein shall have the meanings given to them in Appendix I attached hereto, except where the context requires otherwise.

2. Term of Agreement. This Agreement shall be effective as of the Effective Date and shall continue in effect until the second anniversary of the Effective Date, *provided, however*, that the term of this Agreement automatically shall be extended for one additional year effective as of each anniversary of the Effective Date beginning with the second anniversary, unless either the Company or the Executive provides written notice to the other that the term of this Agreement shall terminate on the upcoming anniversary of the Effective Date, *provided* such notice is received by the receiving party not less than ninety (90) days prior to the intended date of termination and *provided further* that the Company shall not be entitled to deliver to the Executive such notice in the event of a Change in Control or a Pending Change in Control. Notwithstanding the foregoing, this Agreement shall terminate immediately upon the later to occur of (a) the termination of the Executive's employment other than in the event of a Change in Control or a Pending Change in Control or (b) 12 months following a Change in Control.

3. At Will Employment; Reasons for Termination. The Executive's employment shall continue to be at-will, as defined under applicable law. If the Executive's employment terminates for any reason or no reason, the Executive shall not be entitled to any compensation, benefits, damages, awards or other payments in respect of such termination, except as provided in this Agreement or pursuant to the terms of any Applicable Benefit Plan. The Executive's employment shall be deemed to be terminated upon the first to occur of the following: (a) the Executive's voluntary resignation; (b) termination by the Company for any reason; (c) the Executive's death or Long-Term Disability; and (d) termination by the Executive for Good Reason following a Change in Control.

4. Severance Benefits.

(a) Compensation and Benefits Required by Law or Applicable Benefit Plan Notwithstanding anything to the contrary herein, the Executive or his or her estate shall be entitled to any and all compensation, benefits, awards and other payments required by any Applicable Benefit Plan, the COBRA Act or other applicable law, after taking into account the agreements set forth herein.

(b) No Payments Without Release. The Executive shall not be entitled to any of the compensation, benefits or other payments provided herein in respect of the termination of his or her employment, unless and until he or she has provided to the Company a full release of claims, substantially in the form of Appendix II attached hereto, which release shall be dated not earlier than the date of the termination of his or her employment and shall release the Company of any claims that the Executive may have in respect of his or her employment with the Company or the termination thereof.

(c) Involuntary Termination. In the event Executive's employment is terminated under circumstances constituting an Involuntary Termination, the Executive shall be entitled to receive:

- (i) within 15 calendar days after the Date of Termination, the Executive's Accrued Compensation and Pro-Rata Bonus through the Date of Termination; and
- (ii) within 15 calendar days after the Date of Termination, the amount in cash equal to 12 months of the Executive's annual Base Salary.

5. Effect on Option and Restricted Stock Agreements

(a) In the event options held by the Executive are assumed by the surviving entity in connection with a Change in Control, if an Involuntary Termination of Executive's employment occurs, vesting of any and all assumed options held by the Executive shall be accelerated so that all unexpired options then held by the Executive shall be fully vested and exercisable immediately upon the Involuntary Termination.

(b) In the event Restricted Stock held by the Executive is assumed by the surviving entity in connection with a Change in Control, if an Involuntary Termination of Executive's employment occurs, vesting of any and all assumed Restricted Stock held by the Executive shall be accelerated so that all Restricted Stock then held by the Executive shall be fully vested and exercisable immediately upon the Involuntary Termination.

(c) The termination of the Executive's employment by the Company without Cause during a Pending Change in Control shall have no effect on the vesting of the options or Restricted Stock then held by the Executive. If the Change in Control is effected, then the options and Restricted Stock held by the Executive as of the Date of Termination shall be treated as if the Executive's employment had not been terminated and the Executive shall have rights as set forth under Sections 5(a) and 5(b) above. If the Change in Control is not effected within three months following the Date of Termination, then the options and Restricted Stock held by the Executive as of the Date of Termination shall be treated as if the Executive's employment had been terminated as of such three-month anniversary of the Date of Termination.

(d) In the event the Executive's employment is terminated by the Company under any circumstances other than those described in paragraphs (a) through (c) of this Section 5, the effect of such termination of employment on the options or Restricted Stock then held by the Executive shall be as set forth in the agreements representing such options or Restricted Stock.

6. Mitigation. In no event shall the Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Executive under any of the provisions of this Agreement, and except as set forth in Section 4, such amounts shall not be reduced whether or not the Executive obtains other employment.

7. Successors.

(a) This Agreement is personal to the Executive, and, without the prior written consent of the Company, shall not be assignable by the Executive other than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Executive's legal representatives.

(b) This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns.

(c) The Company shall use reasonable efforts to require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Company to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place.

8. Miscellaneous.

(a) The captions of this Agreement are not part of the provisions hereof and shall have no force or effect. This Agreement constitutes the entire agreement and understanding of the parties in respect of the subject matter hereof and supersedes all prior understanding, agreements, or representations by or among the parties, written or oral, to the extent they relate in any way to the subject matter hereof; *provided, however*, this Agreement shall have no effect on any confidentiality agreements or assignment of inventions agreements between the parties. This Agreement may not be amended or modified other than by a written agreement executed by the parties hereto or their respective successors and legal representatives.

(b) All notices and other communications hereunder shall be in writing and shall be given by hand delivery to the other party or by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

if to the Executive:

if to the Company:

TTM Technologies, Inc.
2630 S. Harbor Boulevard
Santa Ana, CA 92704
Attn: Chief Executive Officer

With a copy to:

Greenberg Traurig, LLP
2375 E. Camelback Road, Suite 700
Phoenix, Arizona 85016
Attention: Michael L. Kaplan, Esq.

or to such other address as either party shall have furnished to the other in writing in accordance herewith. Notice and communications shall be effective when actually received by the addressee.

(c) The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

(d) The Company may withhold from any amounts payable under this Agreement such federal, state or local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation.

(e) The Executive's or the Company's failure to insist upon strict compliance with any provision of this Agreement or the failure to assert any right the Executive or the Company may have hereunder shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement.

(f) All claims by the Executive for payments or benefits under this Agreement shall be promptly forwarded to and addressed by the Compensation Committee and shall be in writing. Any denial by the Compensation Committee of a claim for benefits under this Agreement shall be delivered to the Executive in writing and shall set forth the specific reasons for the denial and the specific provisions of this Agreement relied upon. The

Compensation Committee shall afford the Executive a reasonable opportunity for a review of the decision denying a claim and shall further allow the Executive make a written demand upon the Company to submit the disputed matter to arbitration in accordance with the provisions of paragraph (g) below. The Company shall pay all expenses of the Executive, including reasonable attorneys and expert fees, in connection with any such arbitration. If for any reason the arbitrator has not made his or her award within one hundred eighty (180) days from the date of Executive's demand for arbitration, such arbitration proceedings shall be immediately suspended and the Company shall be deemed to have agreed to Executive's position. Thereafter, the Company shall, as soon as practicable and in any event within 10 business days after the expiration of such 180-day period, pay Executive his or her reasonable expenses and all amounts reasonably claimed by him or her that were the subject of such dispute and arbitration proceedings.

(g) Subject to the terms of paragraph (f) above, any dispute arising from, or relating to, this Agreement shall be resolved at the request of either party through binding arbitration in accordance with this paragraph (g). Within 10 business days after demand for arbitration has been made by either party, the parties, and/or their counsel, shall meet to discuss the issues involved, to discuss a suitable arbitrator and arbitration procedure, and to agree on arbitration rules particularly tailored to the matter in dispute, with a view to the dispute's prompt, efficient, and just resolution. Upon the failure of the parties to agree upon arbitration rules and procedures within a reasonable time (not longer than 15 business days from the demand), the Commercial Arbitration Rules of the American Arbitration Association shall be applicable. Likewise, upon the failure of the parties to agree upon an arbitrator within a reasonable time (not longer than 15 business days from demand), there shall be a panel comprised of three arbitrators, one to be appointed by each party and the third one to be selected by the two arbitrators jointly, or by the American Arbitration Association, if the two arbitrators cannot decide on a third arbitrator. At least 30 days before the arbitration hearing (which shall be set for a date no later than 60 days from the demand), the parties shall allow each other reasonable written discovery including the inspection and copying of documents and other tangible items relevant to the issues that are to be presented at the arbitration hearing. The arbitrator(s) shall be empowered to decide any disputes regarding the scope of discovery. The award rendered by the arbitrator(s) shall be final and binding upon both parties. The arbitration shall be conducted in Orange County in the State of California. The California District Court located in Orange County shall have exclusive jurisdiction over disputes between the parties in connection with such arbitration and the enforcement thereof, and the parties consent to the jurisdiction and venue of such court for such purpose.

(h) This Agreement shall be governed by the laws of the State of California, without giving effect to any choice of law provision or rule (whether of the State of California or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of California.

(i) If the Company determines that any payment obligation pursuant to this Agreement will trigger tax obligations under Section 409A of the Code, then the parties shall use their commercially reasonable efforts to structure an alternative payment mechanism consistent with the parties' objectives, to the extent reasonably practicable, that will not trigger such tax obligations under Section 409A of the Code.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date set forth in the Preamble hereto.

TTM TECHNOLOGIES, INC.

By: _____

Name: _____

Title: _____

[Name of Executive]

APPENDIX I

DEFINITIONS

(a) “**Accrued Compensation**” means an amount including all amounts earned or accrued through the Date of Termination but not paid as of the Date of Termination including (i) Base Salary, (ii) reimbursement for reasonable and necessary expenses incurred by the Executive on behalf of the Company during the period ending on the Date of Termination, (iii) vacation and sick leave pay (to the extent provided by Company policy or applicable law), and (iv) incentive compensation (if any) earned in respect of any period ended prior to the Date of Termination. It is expressly understood that incentive compensation shall have been “earned” as of the time that the conditions to such incentive compensation have been met, even if not calculated or payable at such time.

(b) “**Affiliate**” shall have the meaning set forth in Rule 12b-2 of the regulations promulgated under the Securities Exchange Act of 1934, as amended.

(c) “**Agreement**” means this Executive Change in Control Severance Agreement, as set forth in the Preamble hereto.

(d) “**Applicable Benefit Plan**” means any written employee benefit plan in effect and in which the Executive participates as of the time of the termination of his or her employment.

(e) “**Base Salary**” means the Executive’s annual base salary at the rate in effect during the last regularly scheduled payroll period immediately preceding the occurrence of the Change in Control or termination of employment and does not include, for example, bonuses, overtime compensation, incentive pay, fringe benefits, sales commissions or expense allowances.

(f) “**Benefits**” means the benefits for the Executive and/or the Executive’s family that are being provided to the Executive and/or the Executive’s family immediately prior to the Date of Termination, including the welfare benefit plans, practices, policies and programs provided by the Company (including, without limitation, medical, prescription, dental, disability, employee life, group life, accidental death and travel accident insurance plans and programs) and, if applicable, car allowance, as set forth in Section 4 hereof.

(g) “**Board**” means the Board of Directors of the Company, as set forth in the Recitals hereto.

(h) “**Cause**” means any of the following:

(i) the charging or indictment of the Executive or the Executive’s conviction of, or entry of a plea of no contest with respect to, any felony or any crime involving moral turpitude;

(ii) the commission by the Executive of any other material act of fraud or intentional dishonesty with respect to the Company or any of its Subsidiaries or Affiliates;

(iii) a material breach by the Executive of his or her fiduciary duties to the Company or any of its Subsidiaries, including the commission by the Executive of an act of fraud or embezzlement against the Company or any of its Subsidiaries or Affiliates;

(iv) failure by the Executive to perform in a material manner his or her properly assigned duties after at least one written warning specifically advising him or her of such failure and providing him or her with 10 days to resume performance in accordance with his or her assigned duties;

(v) any breach by the Executive of any of the material terms of (A) this Agreement, or (B) any other agreement between the Company and the Executive;

(vi) the association, directly or indirectly, of the Executive, for his or her profit or financial benefit, with any person, firm, partnership, association, entity or corporation that competes, in any material way, with the Company;

(vii) the disclosing or using of any material Company Information at any time by the Executive; or

(viii) any material breach of a Company policy.

(i) "**Change in Control**" shall be deemed to occur upon the consummation of any of the following transactions:

(i) a merger or consolidation in which the Company is not the surviving entity, except for a transaction the principal purpose of which is to change the state of the Company's incorporation or a transaction in which 50% or more of the surviving entity's outstanding voting stock following the transaction is held by holders who held 50% or more of the Company's outstanding voting stock prior to such transaction; or

(ii) the sale, transfer or other disposition of all or substantially all of the assets of the Company; or

(iii) any reverse merger in which the Company is the surviving entity, but in which 50% or more of the Company's outstanding voting stock is transferred to holders different from those who held the stock immediately prior to such merger; or

(iv) the acquisition by any person (or entity), directly or indirectly, of 50% or more of the combined voting power of the outstanding shares of Common Stock.

(j) "**Code**" means the Internal Revenue Code of 1986, as amended.

(k) "**Common Stock**" means common stock, par value \$0.001, of the Company.

(l) "**Company**" means TTM Technologies, Inc., a Delaware corporation, as set forth in the Preamble hereto.

(m) “**Date of Termination**” means (i) if the Executive’s employment is terminated for Cause, the date of receipt by the Executive of written notice from the Board or the Chief Executive Officer that the Executive has been terminated, or any later date specified therein, as the case may be, (ii) if the Executive’s employment is terminated by the Company other than for Cause, death or Long-Term Disability, the date specified in the Company’s written notice to the Executive of such termination, (iii) if the Executive’s employment is terminated by reason of the Executive’s death or Long-Term Disability, the date of such death or the effective date of such Long-Term Disability, (iv) if the Executive’s employment is terminated by Executive’s resignation that constitutes Involuntary Termination under this Agreement, the date of the Company’s receipt of the Executive’s notice of termination or any later date specified therein.

(n) “**Effective Date**” means the date set forth in the Preamble hereto.

(o) “**Executive**” means the individual identified in the Preamble hereto.

(p) “**Good Reason**” means any of the following:

(i) a material reduction in the Executive’s duties, level of responsibility or authority, other than (A) reductions solely attributable to the Company ceasing to be a publicly held company or becoming a subsidiary or division of another company, or (B) isolated incidents that are promptly remedied by the Company; or

(ii) a reduction in the Executive’s Base Salary (other than in connection with a salary reduction plan that applies proportionately to all officers of the Company, including the Chief Executive Officer), without (A) the Executive’s express written consent or (B) an increase in the Executive’s benefits, perquisites and/or guaranteed bonus, which increase(s) have a value reasonably equivalent to the reduction in Base Salary; or

(iii) a material reduction in the Benefits, taken as a whole, without the Executive’s express written consent, that does not apply proportionately to all officers of the Company, including the Chief Executive Officer; or

(iv) the relocation of the Executive’s principal place of business to a location more than thirty-five (35) miles from the Executive’s principal place of business immediately prior to the Change in Control, without the Executive’s express written consent; or

(v) the Company’s (or its successor’s) material breach of this Agreement.

(q) “**Involuntary Termination**” means the termination of Executive’s employment with the Company:

(i) by the Company without Cause during a Pending Change in Control or within 12 months following a Change in Control, or

(ii) by the Executive for Good Reason within in 12 months following a Change in Control.

(r) “**Long-Term Disability**” is defined according to the Company’s insurance policy regarding long-term disability for its employees.

(s) “**Pending Change in Control**” means that one or more of the following events has occurred and a Change in Control pursuant thereto is reasonably expected to be effected within 90 days of the date as of the determination as to whether there is a Pending Change in Control: (i) the Company executes a letter of intent, term sheet or similar instrument with respect to a transaction or series of transactions, the consummation of which transaction(s) would result in a Change in Control; (ii) the Board approves a transaction or series of transactions, the consummation of which transaction(s) would result in a Change in Control; or (iii) a person makes a public announcement of tender offer for the Common Stock, the completion of which would result in a Change in Control. A Pending Change in Control shall cease to exist upon a Change in Control.

(t) “**Pro Rata Bonus**” means an amount equal to 100% of the Bonus that the Executive would have been eligible to receive for the Company’s fiscal year in which the Executive’s employment terminates following a Change in Control, multiplied by a fraction, the numerator of which is the number of days in such fiscal year through the Termination Date and the denominator of which is 365.

(u) “**Restricted Stock**” means Common Stock issued by the Company with vesting restrictions and subject to an award agreement pursuant to a stock plan of the Company.

(v) “**Subsidiary**” when used with respect to any Person means any other Person, whether incorporated or unincorporated, of which (i) more than 50% of the securities or other ownership interests or (ii) securities or other interests having by their terms ordinary voting power to elect more than 50% of the board of directors or others performing similar functions with respect to such corporation or other organization, is directly owned or controlled by such Person or by any one or more of its Subsidiaries.

**SCHEDULE TO
FORM OF EXECUTIVE CHANGE IN CONTROL SEVERANCE AGREEMENT**

The form of Executive Change in Control Severance Agreement was executed by the following persons on the dates indicated:

<u>Name</u>	<u>Title</u>	<u>Date of Execution</u>
Steven W. Richards	Vice President and Chief Financial Officer	December 1, 2005
Shane Whiteside	Senior Vice President and Chief Operating Officer	December 1, 2005
O. Clay Swain	Senior Vice President — Marketing	December 1, 2005

SUBSIDIARY LIST
TTM TECHNOLOGIES, INC.

<u>Name of Subsidiary</u>	<u>State or Sovereign Power of Incorporation</u>
Power Circuits, Inc.	California
TTM Advanced Circuits, Inc.	Minnesota
TTM Technologies International, Inc. (Wholly owned subsidiary)	Delaware

Consent of Independent Registered Public Accounting Firm

The Board of Directors
TTM Technologies, Inc.

We consent to the incorporation by reference in the registration statement (Registration No. 333-46454) on Form S-8 of TTM Technologies, Inc. of our reports dated March 6, 2006, with respect to the consolidated balance sheets of TTM Technologies, Inc. as of December 31, 2004 and 2005, and the related consolidated statements of operations, stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2005 and the related financial statement schedule, management's assessment of the effectiveness of internal control over financial reporting as of December 31, 2005 and the effectiveness of internal control over financial reporting as of December 31, 2005, which reports appear in the December 31, 2005, Annual Report on Form 10-K of TTM Technologies, Inc.

/s/ KPMG LLP
Salt Lake City, Utah
March 13, 2006

**CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Kenton K. Alder, certify that:

1. I have reviewed this report on Form 10-K of TTM Technologies, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statement for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Kenton K. Alder

Kenton K. Alder

President and Chief Executive Officer

Date: March 14, 2006

**CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Steven W. Richards, certify that:

1. I have reviewed this report on Form 10-K of TTM Technologies, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statement for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 14, 2006

/s/ Steven W. Richards
Steven W. Richards
Chief Financial Officer and Secretary

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report on Form 10-K of TTM Technologies, Inc. (the "Company") for the year ended December 31, 2005, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Kenton K. Alder, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a) or 78o(d)); and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

March 14, 2006

By: /s/ Kenton K. Alder
Kenton K. Alder
President and Chief Executive Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report on Form 10-K of TTM Technologies, Inc. (the "Company") for the year ended December 31, 2005, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Steven W. Richards, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a) or 78o(d)); and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

March 14, 2006

By: /s/ Steven W. Richards _____
Steven W. Richards
Chief Financial Officer and Secretary