



Cohu's Delta Design Unit to Further Consolidate Locations to Reduce Costs

April 10, 2003

POWAY, Calif., April 10, 2003 -- Cohu, Inc. (NASDAQ:COHU) today announced that its wholly owned subsidiary, Delta Design, is relocating its Littleton, Massachusetts operation to its headquarters facility in Poway, California. The Company expects the consolidation to be completed in approximately six months.

Delta Design has approximately 570 employees, 70 of which are based in Littleton. A number of the employees in Littleton will be offered relocation to California.

The Company expects to incur charges in 2003 totaling approximately \$2.5 million for severance and other related consolidation costs. Beginning in the fourth fiscal quarter, which commences on October 1, 2003, the Company expects to save approximately \$3.5 million annually as a result of the facilities consolidation and employment reductions.

James A. Donahue, President and Chief Executive Officer of Cohu stated, "The extended downturn in the semiconductor equipment industry requires that we further reduce our costs, but without affecting customer support and important new product development programs. We have sufficient available space at Delta Design's 338,000 square foot Poway headquarters facility to absorb Littleton's operations, and eliminate duplicate functions. Over the next few months we will focus on making this transition transparent to our customers and to providing outplacement assistance to our Littleton employees."

Certain matters discussed in this release, including statements concerning charges for severance and other related consolidation costs and future cost savings, are forward looking statements that are subject to risks and uncertainties that could cause actual results to differ materially from those projected or forecasted. Such risks and uncertainties include, but are not limited to, the cyclical and unpredictable nature of capital expenditures by semiconductor manufacturers; the concentration of revenues in a limited number of customers; our ability to develop commercially viable products that meet customer acceptance requirements and convert new products under development into production on a timely basis; the effect of competitive products and technologies; and other risks addressed in Cohu's filings with the Securities and Exchange Commission including the most recently filed Form 10-K and Form 10-Q. Cohu assumes no obligation to update the information in this release.

Cohu, through its Delta Design subsidiary, is a leading supplier of test handling solutions used by the global semiconductor industry, as well as a supplier of closed circuit television, metal detection and microwave communications equipment.

For press releases and other information of interest to investors, please visit Cohu's website at www.cohu.com. Contact: John Allen - Investor Relations (858) 848-8106.