



Cohu Reports Fourth Quarter and Full Year 2002 Operating Results

January 29, 2003

(Available until April 20)

POWAY, Calif., January 29, 2003 -- Cohu, Inc. (NASDAQ:COHU) today announced that sales were \$28.0 million for the fourth quarter ended December 31, 2002 compared to \$28.1 million for the fourth quarter of 2001 and \$36.8 million for the third quarter of 2002. The net loss for the fourth quarter of 2002 was \$566,000, or \$.03 per share compared to a net loss of \$852,000 or \$.04 per share for the fourth quarter of 2001 and a net loss of \$555,000 or \$.03 per share for the third quarter of 2002.

Sales for the year ended December 31, 2002, were \$134.7 million with a net loss of \$878,000 or \$.04 per share. This compares to sales of \$126.6 million and a net loss of \$6.5 million or \$.32 per share in 2001.

Orders for the fourth quarter of 2002 were \$28.1 million compared to \$26.8 million, net of cancellations of \$2.5 million, for the third quarter of 2002. Backlog was \$30.6 million at December 31, 2002 compared to \$30.5 million at September 30, 2002. Fourth quarter 2002 sales of semiconductor test handling equipment accounted for 70% of total sales. Sales of television cameras and related equipment were 15% of sales and metal detection and microwave communications equipment contributed 15% of sales. A substantial portion of our shipments in Q1 2003 are expected to include new IC test handler products that are subject to normal customer acceptance procedures. As is common in the industry, the precise timing of customer acceptance is not known and as a result we are unable to reliably estimate Q1 revenue at this time.

James A. Donahue, President and Chief Executive Officer stated, "Sales for the fourth quarter were slightly better than we expected. However, throughout 2002 our operations were affected by weak economic conditions and the prolonged downturn in the semiconductor equipment industry. Despite the difficult business environment, we made near record investments in new product development, continued to provide our customers with excellent support, reduced our loss and ended 2002 with cash of \$107 million and a strong balance sheet. In January 2003, we announced plans to relocate our Columbus operation to our Poway headquarters and we made additional headcount reductions throughout our IC test handler business. We do not expect that conditions in the semiconductor equipment industry will change much over the next several quarters and we will continue to work hard to strike the right balance between short-term capacity, output and financial performance. I'm confident that Cohu is in an excellent position to benefit from the recovery, when it occurs."

Cohu's Board of Directors approved a quarterly cash dividend of \$.05 per share payable on May 2, 2003 to shareholders of record on March 18, 2003. Cohu has paid consecutive quarterly cash dividends since 1977.

Certain matters discussed in this release including statements concerning Cohu's expectations of industry conditions and Q1 2003 operations 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; goodwill, investment and intangible asset writedowns due to impairment testing required by accounting standards; Cohu's ability to convert new products under development into production on a timely basis, support product development and meet customer delivery and acceptance requirements for next generation equipment; the effect of competitive products; the concentration of revenues in a limited number of customers; inventory write-offs; order cancellations; failure to obtain customer acceptance and recognize revenue; difficulties in integrating acquisitions; 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 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.

Cohu conducted their conference call on Wednesday, January 22, 2003 at 2:00 PM PST. Replays of the call are no longer accessible.

If you have any questions please call John Allen at 858-848-8100 ext. 1501 or Kitty Wicklund at 858-848-8100 ext. 1505.

[Full Press Release including Consolidated Statements of Operations and Consolidated Balance Sheets](#)

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