



Delta Design Announces Strategic Relationship with KryoTech

December 16, 2002

POWAY, Calif., December 16, 2002 -- Cohu, Inc. (NASDAQ:COHU) today announced that its wholly owned subsidiary, Delta Design, entered into a strategic relationship with KryoTech, Inc. based in West Columbia, South Carolina. KryoTech designs, develops, manufactures and markets advanced thermal solutions for electronic systems and products, including semiconductor equipment. The agreements underlying the relationship provide for, among other things, a cash investment of up to \$5 million in KryoTech Series D Preferred Stock and an exclusive development and distribution agreement to jointly develop and sell certain products.

James A. Donahue, President and Chief Executive Officer of Cohu stated, "We are excited about the opportunity to work with KryoTech, an innovator in the use of vapor phase compression refrigeration technology for thermal conditioning and control of electronic systems. This agreement is intended to enable us to integrate existing KryoTech thermal systems into Delta Design's test handlers and combine proprietary technologies from our two companies to co-develop advanced thermal control systems for exclusive use by Delta. We believe that this arrangement will enhance our ability to provide customers with high-performance, cost-effective solutions for temperature testing of ICs."

Allan M. Quick, Chairman and Chief Executive Officer of KryoTech commented, "KryoTech is pleased to work in partnership with Delta Design, a recognized leader in conductive thermal solutions for IC test, in the development of next generation IC test handling equipment. The methods and technology traditionally used for IC test are reaching the upper limits of their capability. We believe the combination of KryoTech's Accu°Kool™ thermal management and control technology with Deltas test handler technology will set a new standard for the test handler industry."

Certain matters discussed in this release, including statements concerning the joint product development efforts of Delta Design and KryoTech, 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, 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 Cohus 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.

KryoTech designs, manufactures and markets innovative, active thermal management and cooling products and services for the electronics, computer and semiconductor industries.

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.