



Cohu Reports Third Quarter 2002 Operating Results

October 23, 2002

POWAY, Calif., October 23, 2002 -- Cohu, Inc. (NASDAQ:COHU) today announced that sales were \$36.8 million for the third quarter ended September 30, 2002 compared to \$25.4 million for the third quarter of 2001 and \$38.3 million for the second quarter of 2002. The net loss for the third quarter of 2002 was \$555,000, or \$.03 per share, compared to a net loss of \$1.4 million or \$.07 per share for the third quarter of 2001 and net income of \$822,000 or \$.04 per share in the second quarter of 2002.

Net sales for the first nine months of 2002 were \$106.7 million with a net loss of \$312,000 and a net loss per share of \$.02 compared to net sales of \$98.4 million with a net loss of \$5.6 million and a net loss per share of \$.28 for the first nine months of 2001.

Orders for the third quarter of 2002, net of cancellations of \$2.5 million, were \$26.8 million compared to \$37.0 million for the second quarter of 2002. Backlog was \$30.5 million at September 30, 2002 compared to \$40.5 million at June 30, 2002. Third quarter 2002 sales of semiconductor test handling equipment accounted for 79% of total sales. Sales of television cameras and related equipment were 12% of sales and metal detection and microwave equipment contributed 9% of sales. Cohu expects Q4 2002 revenue to be approximately \$26 million, resulting in a pretax loss for the quarter.

James A. Donahue, President and Chief Executive Officer stated, "Our results during the third quarter reflect continued weakness in the technology sector, particularly in the semiconductor equipment industry. Based on preliminary data last week from Semiconductor Equipment and Materials International (SEMI), new orders in September for Test/Assembly equipment were \$138.1 million, the lowest since January. SEMI reports that Test/Assembly orders have decreased each month since May, when they reached \$220.6 million. We expect these difficult conditions to continue for the foreseeable future and we will continue to balance further cost reductions with the need to develop new products and provide excellent support to our customers. In September and October, we implemented further headcount reductions in our IC test handling operations, that are expected to result in annual savings of approximately \$3 million."

Cohu's Board of Directors approved a quarterly cash dividend of \$.05 per share payable on January 10, 2003 to shareholders of record on December 6, 2002. 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 Q4 2002 operating results 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 and intangible asset writedowns due to impairment testing required by recently issued accounting standards that may result in a charge to operating results in the fourth quarter of 2002 of up to \$9 million; 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, October 23, 2002 at 2:00 PM PST. Replays of the call are no longer accessible.

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

You will need Adobe Acrobat Reader to view the above PDF documents. [You may download Adobe Acrobat Reader here.](#)