



Cohu Reports Second Quarter 2002 Operating Results

July 24, 2002

POWAY, Calif., July 24, 2002 - Cohu, Inc. (NASDAQ:COHU) today announced that sales were \$38.3 million for the second quarter ended June 30, 2002 compared to \$29.3 million for the second quarter of 2001 and \$31.6 million for the first quarter of 2002. Net income for the second quarter of 2002 was \$822,000, or \$.04 per share, compared to a net loss of \$2.8 million or \$.14 per share for the second quarter of 2001 and a net loss of \$579,000 or \$.03 per share in the first quarter of 2002.

Net sales for the first six months of 2002 were \$69.9 million with net income of \$243,000 and net income per share of \$.01 compared to net sales of \$73.0 million with a net loss of \$4.2 million and a net loss per share of \$.20 for the first six months of 2001.

Orders for the second quarter of 2002 were \$37.0 million compared to \$35.1 million for the first quarter of 2002. Backlog was \$40.5 million at June 30, 2002 compared to \$41.8 million at March 31, 2002. Second quarter 2002 sales of semiconductor test handling equipment accounted for 82% of total sales. Sales of television cameras and related equipment were 11% of sales and metal detection and microwave equipment contributed 7% of sales.

Cohu expects Q3 2002 revenue to be approximately the same as Q2 2002. Gross margin in Q3 will be lower than both Q1 and Q2 of 2002 due to a less favorable product sales mix. As a result, Cohu believes that achieving breakeven results in Q3 2002 will be a difficult challenge.

James A. Donahue, President and Chief Executive Officer stated, "We were pleased with our return to profitability in the second quarter. However, we have not yet seen a broadening in orders from our semiconductor customers as they address their own product demand and equipment utilization issues. Forecasting a return to more favorable industry conditions is difficult and many observers have moved out the time horizon. The key to our future success is our ability to introduce cost effective solutions that meet our customers evolving requirements. Accordingly, we continue to commit significant resources to new product development as evidenced by our \$8.4 million in R & D expense in the quarter."

Cohu's Board of Directors approved a quarterly cash dividend of \$.05 per share payable on November 1, 2002 to shareholders of record on September 13, 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 Q3 2002 revenues and results and new product development 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; 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, July 24, 2002 at 2:00 PM PST. The call will be webcast at www.cohu.com. Replays of the call are no longer accessible.

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

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