



Cohu Reports Fourth Quarter and Full Year 2000 Operating Results

February 1, 2001

SAN DIEGO, Calif., February 1, 2001 -- Cohu, Inc. (NASDAQ:COHU) today announced that, excluding the impact of the adoption of SEC Staff Accounting Bulletin 101 ("SAB 101"), sales were \$57.0 million for the fourth quarter ended December 31, 2000 compared to \$74.1 million for the fourth quarter of 1999 and \$77.2 million for the third quarter of 2000. Net income for the fourth quarter of 2000, excluding the impact of SAB 101, was \$4.9 million or \$.23 per share, compared to net income of \$12.2 million or \$.58 per share for the fourth quarter of 1999 and net income of \$9.8 million or \$.47 per share for the third quarter of 2000.

SAB 101 became effective in the fourth quarter of 2000 and sets forth guidelines on the timing of revenue recognition based upon factors such as passage of title, installation, payment and customer acceptance. Prior to SAB 101 revenue was generally recognized upon shipment once customer acceptance provisions had been met. SAB 101 adjusted amounts are included in the financial tables below.

Excluding the impact of SAB 101, sales for 2000 were a record \$293.4 million with record net income of \$37.7 million and record earnings per share of \$1.79. This compares to sales of \$208.8 million with net income of \$25.9 million and earnings per share of \$1.26 in 1999.

New orders for the fourth quarter of 2000 were \$43.3 million compared to \$60.2 million for the third quarter of 2000. New orders for 2000 were \$258.6 million versus \$253.6 million in 1999. Backlog was \$38.1 million at December 31, 2000 (\$50.9 million at December 31, 2000 as adjusted for revenue deferred under SAB 101). Fourth quarter 2000 sales of test handling equipment accounted for 83% of total sales. Sales of television cameras and related equipment were 12% of sales and metal detection and microwave equipment contributed 5% of sales.

James A. Donahue, President and Chief Executive Officer, stated, "We are pleased that during the year 2000 Cohu achieved record sales and net income. Our semiconductor test handling business grew rapidly at the beginning of the year, as we successfully met the challenge of high growth in the semiconductor industry and strong demand for our IC test handlers."

Continued Donahue, "By the end of the year, the semiconductor equipment industry had softened significantly, amid widespread concerns about the PC and wireless markets and general economic conditions. Currently, our customers are only able to give us limited visibility, driven as they are to a great extent by consumer end markets which have a high degree of uncertainty at the moment. While we remain highly optimistic about the long-term growth of the semiconductor equipment industry, and Cohu's competitive position, we are preparing for reduced orders and production-run rates during the first half of 2001. We intend to maintain momentum on new product development programs, while carefully monitoring costs throughout the business. We have reduced our manufacturing capacity and plan to adjust it further as business conditions warrant. Conditions in the semiconductor industry can change suddenly, and we must remain flexible to respond rapidly to our customers' requirements."

The Company's Board of Directors announced that it has approved a quarterly cash dividend of \$.05 per share payable on April 27, 2001 to shareholders of record on March 19, 2001. The Company has paid consecutive quarterly cash dividends since 1977.

Certain matters discussed in this report including statements concerning the long-term growth of the semiconductor equipment industry and the Company's expectations of industry conditions and its potential responses 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 Company'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; inventory write-offs; the effect of competitive products; the concentration of revenues in a limited number of customers; and other risks addressed in the Company's filings with the Securities and Exchange Commission including the most recently filed Form 10-K and Form 10-Q. The Company assumes no obligation to update the information in this report.

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 radio equipment.

Cohu will be conducting their conference call on Thursday, February 1, 2001 at 2:00 PM PST. The call will be webcast at www.cohu.com. Replays of the call can be accessed at www.cohu.com.

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

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