

# COHUnews

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## Cohu Reports Second Quarter 2002 Operating Results

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 will be conducting their conference call on Wednesday, July 24, 2002 at 2:00 PM PST. The call will be webcast at [www.cohu.com](http://www.cohu.com). Replays of the call can be accessed at [www.cohu.com](http://www.cohu.com).

**Cohu, Inc.**  
**Condensed Consolidated Statements of Operations**

(in thousands, except per share amounts) (unaudited)

	Three Months Ended June 30		Six Months Ended June 30	
	2002	2001	2002	2001
Net sales	\$38,307	\$29,281	\$69,895	\$72,999
Cost and expenses:				
Cost of sales (1)	22,920	21,686	42,467	53,919
Research and development	8,387	6,637	15,958	15,067
Selling, general and administrative	6,400	6,706	12,515	13,220
	37,707	35,029	70,940	82,206
Income (loss) from operations	600	(5,748)	(1,045)	(9,207)
Interest income	722	1,117	1,488	2,434
Income (loss) before income taxes	1,322	(4,631)	443	(6,773)
Income tax provision (benefit)	500	(1,800)	200	(2,600)
Net income (loss)	\$ 822	\$ (2,831)	\$ 243	\$ (4,173)
Income (loss) per share:				
Basic	\$ .04	\$ (.14)	\$ .01	\$ (.20)
Diluted	\$ .04	\$ (.14)	\$ .01	\$ (.20)
Weighted average shares used in computing income (loss) per share:				
Basic	20,750	20,417	20,685	20,379
Diluted	21,690	20,417	21,626	20,379

(1) Includes inventory related charges of \$4.6 million and \$8.8 million in the three and six months ended June 30, 2001, respectively.

**Condensed Consolidated Balance Sheets**

(in thousands) (unaudited)

	June 30, 2002	December 31, 2001
Assets:		
Current assets:		
Cash and investments	\$ 95,775	\$ 89,967
Accounts receivable	29,173	25,904
Note receivable	9,184	9,375
Inventories	29,648	30,404
Deferred taxes and other	21,056	20,773
	184,836	176,423
Property, plant & equipment, net	34,383	35,849
Other assets, primarily goodwill	9,196	9,287
Total assets	\$228,415	\$221,559
Liabilities & Stockholders' Equity:		
Current liabilities:		
Deferred profit	\$ 5,332	\$ 3,108
Other current liabilities	26,207	22,511
	31,539	25,619
Deferred taxes and other noncurrent liabilities	5,404	5,409
Stockholders' equity	191,472	190,531
Total liabilities & equity	\$228,415	\$221,559

For press releases and other information of interest to investors, please visit Cohu's website at [www.cohu.com](http://www.cohu.com)  
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