

**Cohu, Inc.****Condensed Consolidated Statements of Income***(in thousands, except per share amounts) (unaudited)*

	Three Months Ended June 30		Six Months Ended June 30	
	2003	2002	2003	2002
Net sales	\$32,084	\$38,307	\$63,163	\$69,895
Cost and expenses:				
Cost of sales	21,109	22,920	41,805	42,467
Research and development	5,556	8,387	12,494	15,958
Selling, general and administrative	6,028	6,400	11,943	12,515
	32,693	37,707	66,242	70,940
Income (loss) from operations	(609)	600	(3,079)	(1,045)
Gain from sale of land	7,873	–	7,873	–
Investment impairment writedown	(2,500)	–	(2,500)	–
Interest income	442	722	1,142	1,488
Income before income taxes	5,206	1,322	3,436	443
Income tax provision	1,100	500	700	200
Net income	\$ 4,106	\$ 822	\$ 2,736	\$ 243
Income per share:				
Basic	\$ .19	\$ .04	\$ .13	\$ .01
Diluted	\$ .19	\$ .04	\$ .13	\$ .01
Weighted average shares used in computing income per share:				
Basic	21,098	20,750	21,005	20,685
Diluted	21,631	21,690	21,457	21,626

**Condensed Consolidated Balance Sheets***(in thousands) (unaudited)*

	June 30, 2003	December 31, 2002
Assets:		
Current assets:		
Cash and investments	\$111,199	\$ 107,184
Accounts receivable	18,792	18,267
Inventories	30,110	24,317
Deferred taxes and other	16,030	16,530
	176,131	166,298
Note receivable	8,978	9,184
Property, plant & equipment, net	31,229	33,770
Other assets, primarily goodwill	9,828	12,551
Total assets	\$226,166	\$221,803
Liabilities & Stockholders' Equity:		
Current liabilities:		
Deferred profit	\$ 6,177	\$ 5,231
Other current liabilities	19,503	20,528
	25,680	25,759
Deferred taxes and other noncurrent liabilities	5,944	5,950
Stockholders' equity	194,542	190,094
Total liabilities & equity	\$226,166	\$221,803

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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