

UBS Global Technology and Services Conference

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June 9, 2009

Forward Looking Statements and Regulation FD

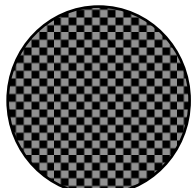
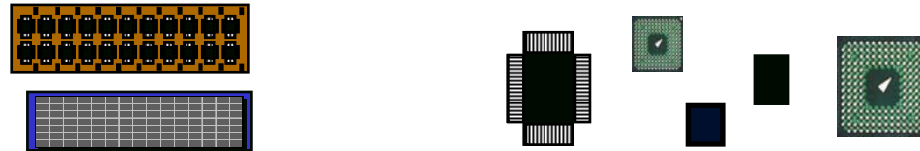
Certain matters discussed in this presentation, including statements concerning expectations of Cohu's future operating performance, are forward-looking statements that are subject to risks and uncertainties that could cause actual results to differ materially from those projected or forecasted. Such risks and uncertainties include, but are not limited to; expected synergies and cost savings from the Rasco acquisition may not be realized; market opportunities as a result of the acquisition may be smaller than anticipated or may not be realized; reduced demand for our products as a result of the global economic crisis; our 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, goodwill, other intangible asset and deferred tax asset write-downs, and compliance with U.S. export regulations. These and other risks are discussed more fully 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 presentation.

Cohu Investment Summary

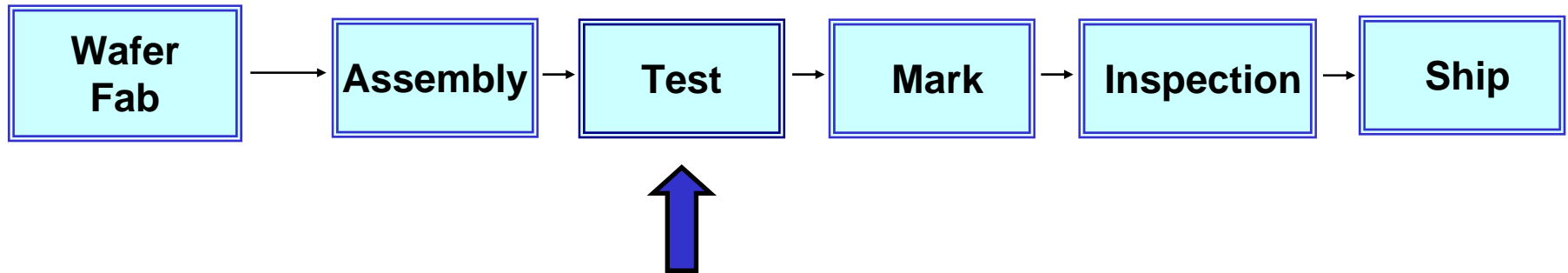
- ◆ ***Market leader*** in semiconductor test handling equipment
- ◆ ***Key proprietary technology*** for temperature control: improves IC yield and ASPs
- ◆ ***Financial strength:*** strong, debt-free balance sheet
- ◆ ***Significant operating leverage:*** boosted by gross margin expansion plans
- ◆ ***Rasco Acquisition*** in December 2008 extends market leadership and expands TAM
- ◆ ***New products:*** 3 new handlers to drive growth as semiconductor industry recovers

Semiconductor Manufacturing Process

The "Front-End"



Final Manufacturing Processes
The "Back-End"



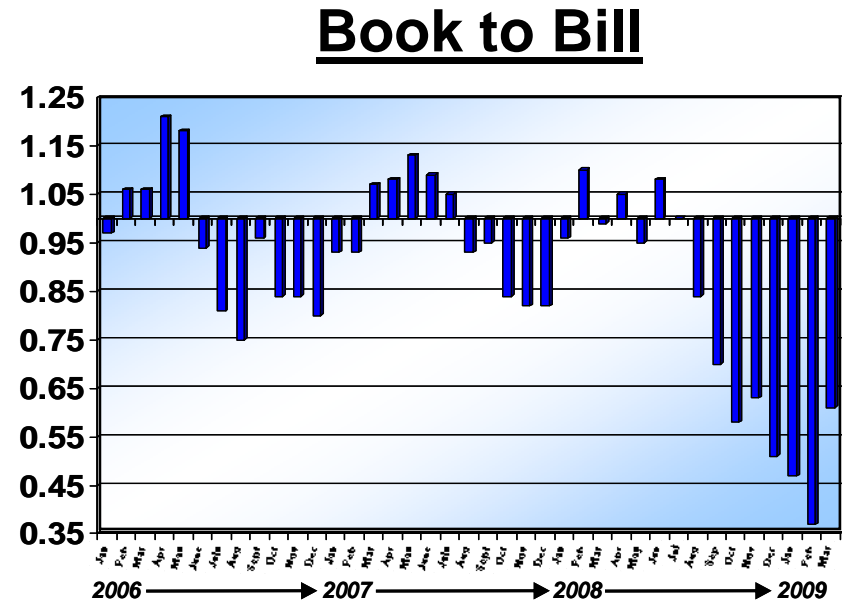
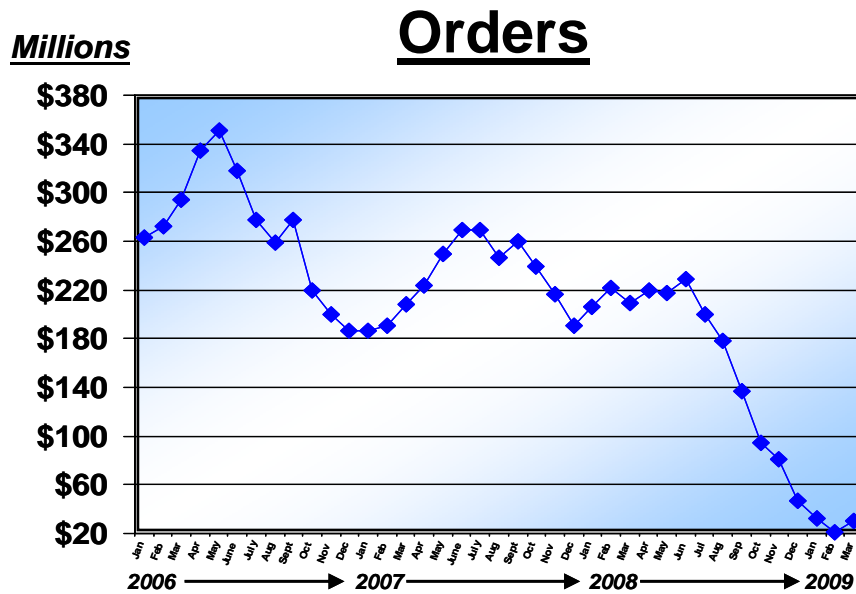
Cohu handlers, burn-in thermal subsystems and equipment are an essential part of the IC manufacturing process - used with ATE to cost-effectively test ICs for quality and functionality

Q1 2009 Results

- ◆ **Sales \$36.6M**
- ◆ **Non-GAAP EPS (\$0.20)**
- ◆ **Orders \$34.4M**
- ◆ **Cash and Investments: \$83M**
- ◆ **\$0.06 Cash dividend (continuous quarterly dividend since 1977)**
- ◆ **Q2 '09 guidance: sales approx. \$31M**

Semi/Semi Equipment Update

- ◆ Worldwide chip sales are down 30% YoY (WSTS)
- ◆ "This is the worst recession the semiconductor industry has seen since its inception" *Sean Maloney, EVP Sales and Marketing, Intel March 2, 2009*
- ◆ Backend equipment orders in March were \$30.2M, down 85% YoY



Source: SEMI 2009

Semi/Semi Equipment Outlook

- ◆ **Businesses and consumers remain cautious and are not spending**
- ◆ **This recession is not semi industry specific:**
 - **Unlike previous semi downturns, that were all tied to the electronics industry**
 - **Recovery depends on macroeconomic factors and consumer/business confidence**
- ◆ **Small indications of improvement:**
 - **Orders leveling off**
 - **Equipment utilization trending up slightly on Asia test floors**
 - **Some customers increasing forecasts**

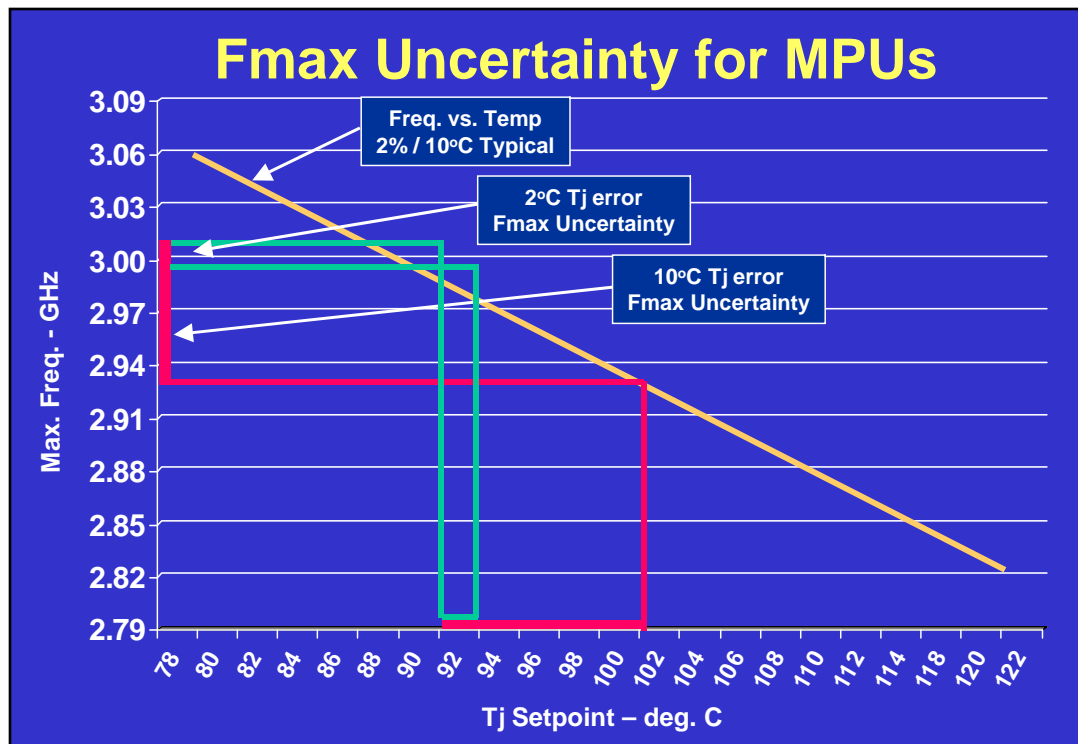
Key Competitive Advantage

Proprietary Temperature Control Technology

- ◆ **Our Summit Test Handler pioneered use of conductive thermal control for testing MPUs**
- ◆ **Significant IP assembled through organic development and acquisitions**
- ◆ **Enabling capability that optimizes speed grading**
- ◆ **New MATRiX handler incorporates conductive temp technology in high speed handling product line – increased productivity**
- ◆ **Next-Gen Thermal Handler, Pyramid, in qualification**

Cohu's Thermal Technology Solves a Growing Problem in IC Test

- ◆ Delta Design is the industry leader in high-power/DUT thermal management
- ◆ Limiting die Tj rise is a key customer requirement – now an issue with high-performance graphics ICs



Speed = \$

Core 2 Duo 3.1 Ghz \$189

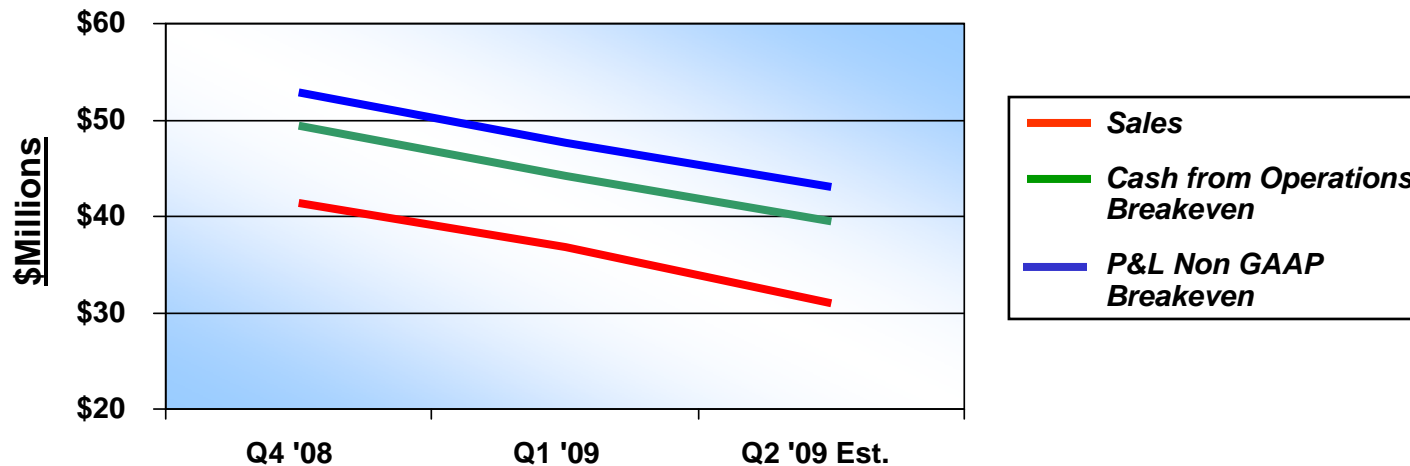
Core 2 Duo 3.3 Ghz \$269 (+42%)

Source: Computeredge.com
(May 13, 2009)

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Financial Highlights

Cash and P&L Breakeven



- ◆ **\$17M in savings in 2009**
- ◆ **Cost reduction actions have lowered quarterly breakeven approx. \$10M from Q4**
- ◆ **Maintaining resources to complete key initiatives**
 - New Product development
 - Gross margin expansion
- ◆ **Re-evaluate cost structure based on business outlook**

Gross Margin Expansion

Pick-and-Place Handler Mfg Strategy

- ◆ Transition of handler mfg to outsourced Asia-based CM
- ◆ Transfer of initial handler, *EDGE* – complete
- ◆ New MATRiX and Pyramid handlers will transition to CM in 2H 2009 and begin volume shipments in 2010

Pick-and-Place Handler Tooling (Conversion Kits)

- ◆ Currently designing ~ 50% and mfg 60% of kits in the Philippines
- ◆ Gross margin benefit vs. U.S. = 10+ pts per kit
- ◆ Capacity expansion underway

Estimate 8-10 point GM improvement when fully implemented

Target Operating Model

- ◆ Sales increase driven by industry recovery and TAM expansion from Rasco acquisition
- ◆ Earnings growth driven by:
 - Gross margin expansion
 - Asia manufacturing strategy for pick-and-place handlers & kits
 - Extend Asia strategy to gravity feed handlers & kits (Rasco)
 - Estimate ultimate 8 – 10 point gross margin improvement
 - Op Ex - cost savings from Rasco synergies

	Quarterly Pro-Forma P&L*
Sales	\$65M - \$75M
Gross Margin	~ 45%
Operating Expense	28% - 30%
Operating Income	15% +

* Excludes stock compensation expense and amortization of purchased intangibles

Strong Balance Sheet

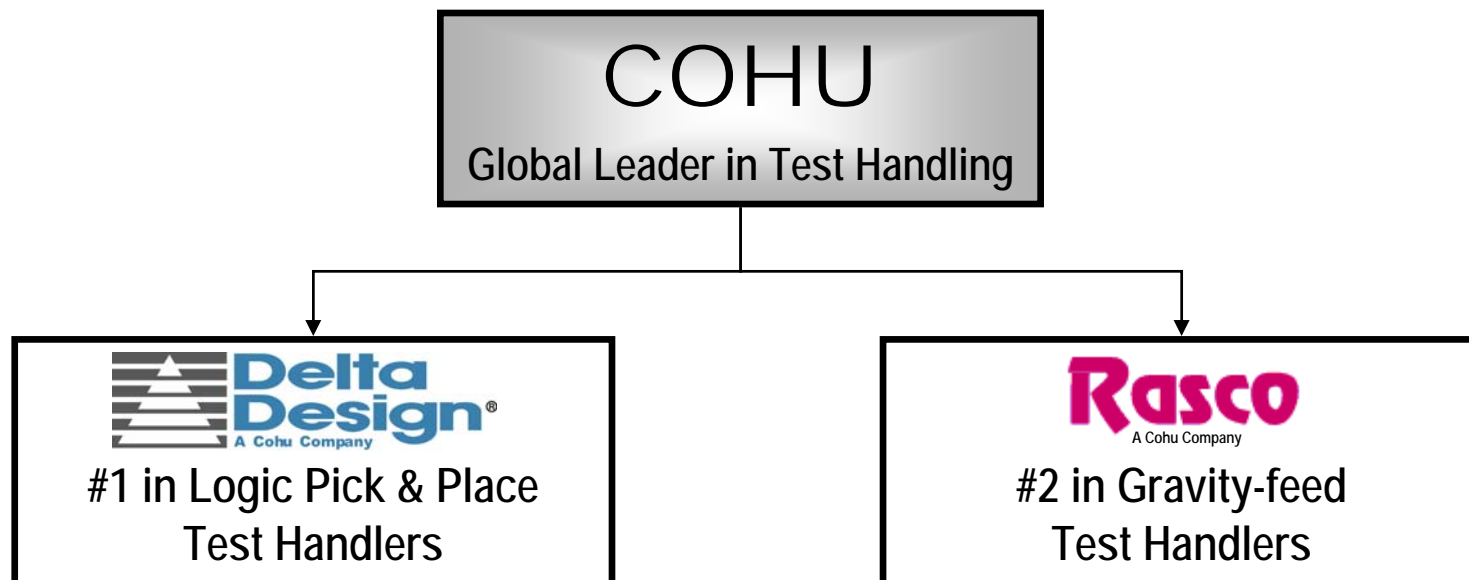
- ◆ Cash of \$83M and no bank debt at 3/28/09
- ◆ Project cash neutral at ~ \$40M sales per quarter (before CAPEX and dividends)
- ◆ Est. Q2 cash burn ~ \$2.5M
 - Operations ~ \$0.0M (*Benefits from one-time \$4.4M income tax refund*)
 - Capex ~ \$1.0M
 - Dividend ~ \$1.5M
- ◆ Cash balance is sufficient to withstand prolonged industry downturn

Rasco Acquisition

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The Acquisition

- ◆ Cohu acquired Rasco, a leading supplier of Gravity-Feed and Strip handlers for \$80M in a cash transaction, December 2008
- ◆ Rasco strengthens Cohu's leadership position in the Semiconductor Test Handling market, along with Delta Design, the leading supplier of logic Pick & Place handlers



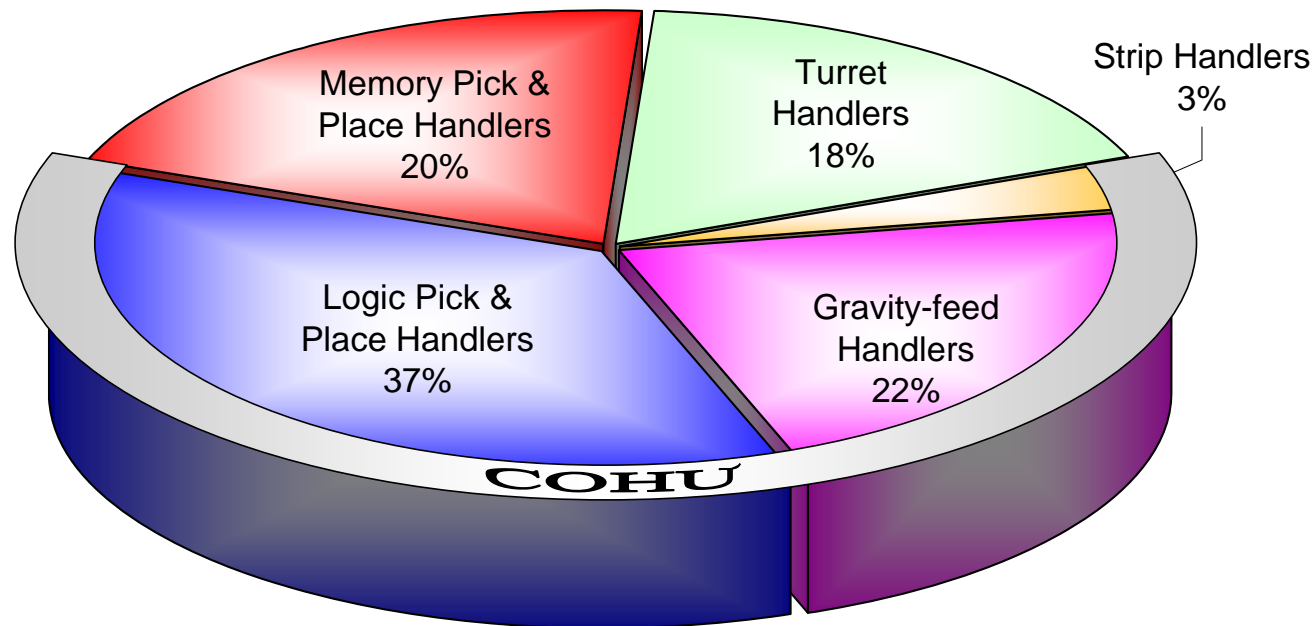
Rasco Acquisition Strategic Rationale

- ◆ **Increases total available market from \$330M to \$560M**
- ◆ **Expands product portfolio creating new opportunities at IDMs/Subcons**
- ◆ **Broadens customer base**
- ◆ **Further strengthens global sales and service organization – customer support second to none**
- ◆ **Expands Asia manufacturing strategy to enhance margins**
- ◆ **Significant synergies with low execution risk in an industry we know well**
- ◆ **Delivers meaningful accretion when business conditions improve**
- ◆ **Cohu remains financially strong with \$83M of cash at 3/28/09 and no debt post acquisition**

Expands Total Available Market

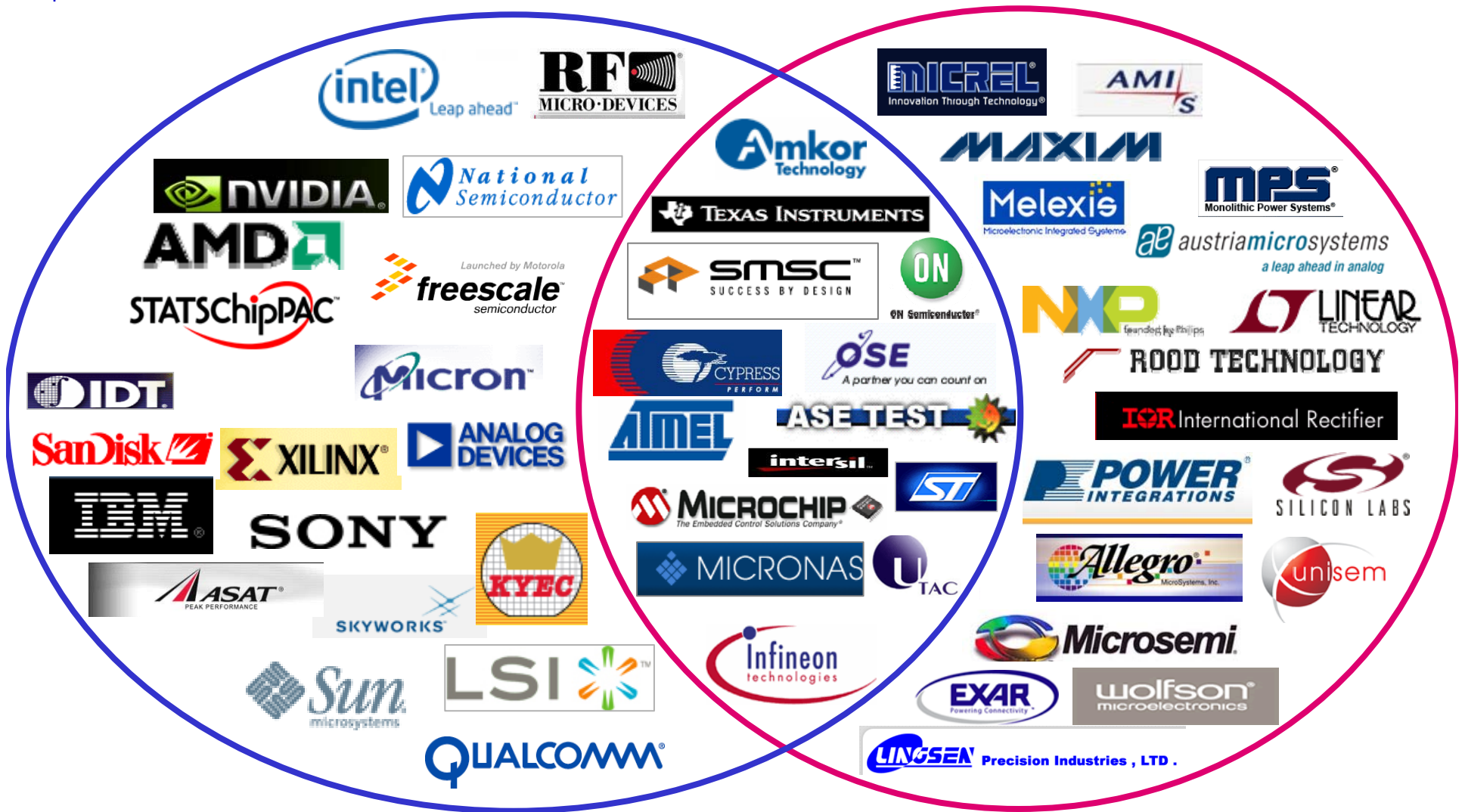
- ◆ Our products now address 62% of the market
- ◆ Extends leadership in the test handler market
- ◆ Complementary products with no overlap
- ◆ Gravity-Feed is well positioned for growth of smaller IC packages

Semiconductor Test Handler Market



Source: VLSI Research, Inc. and Company estimates

Broadens Customer Base



Broad Product Portfolio

- ◆ New industry-leading systems in each product line

Delta Design - Thermal Pick & Place Handlers



Next Generation

Pyramid

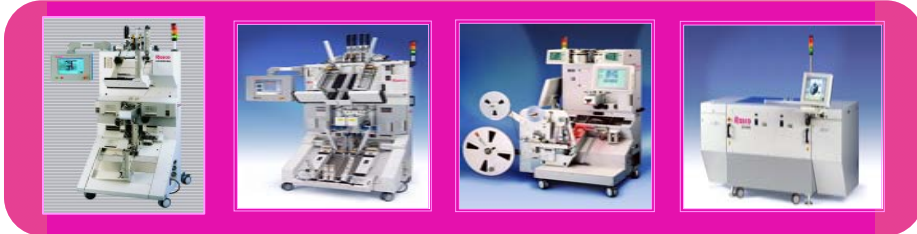
Delta Design - High Speed Pick & Place Handlers



Next Generation

MATRIX

Rasco - Gravity-feed & Strip Handlers



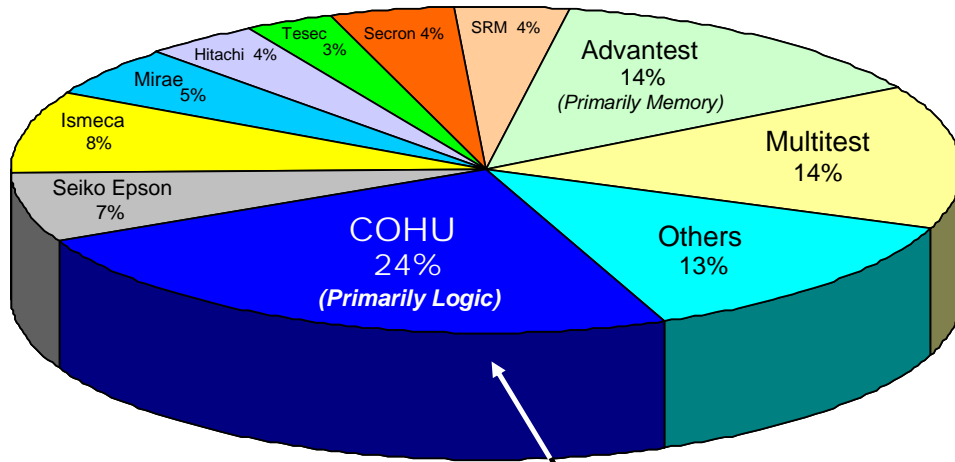
Next Generation

**In
Development**

Final and System Level IC Test

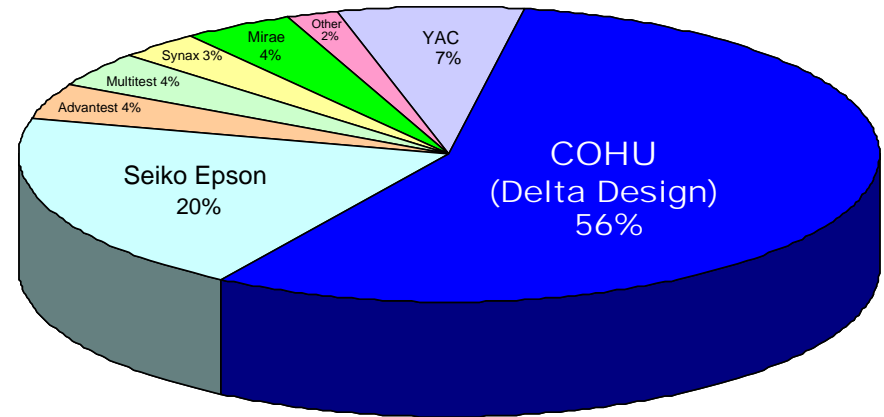
Handler Market Share

IC Test Handlers

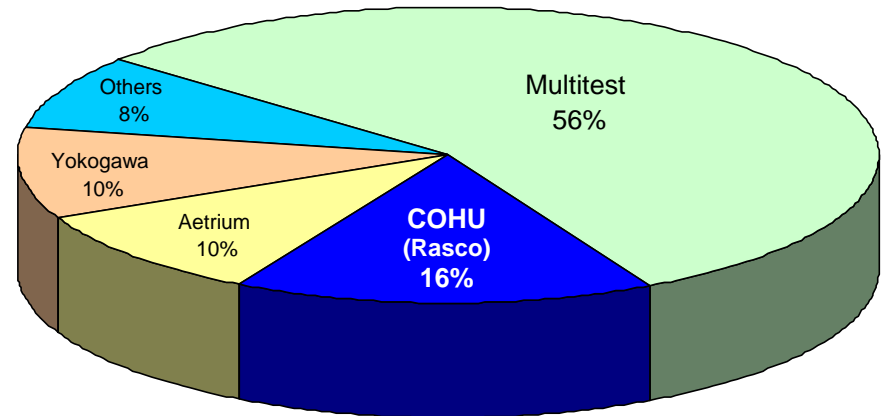


#1 Market Share

Logic Pick & Place Handlers



Gravity Feed Handlers



Source: 2007 VLSI Research
Company Estimates

6/5/2009

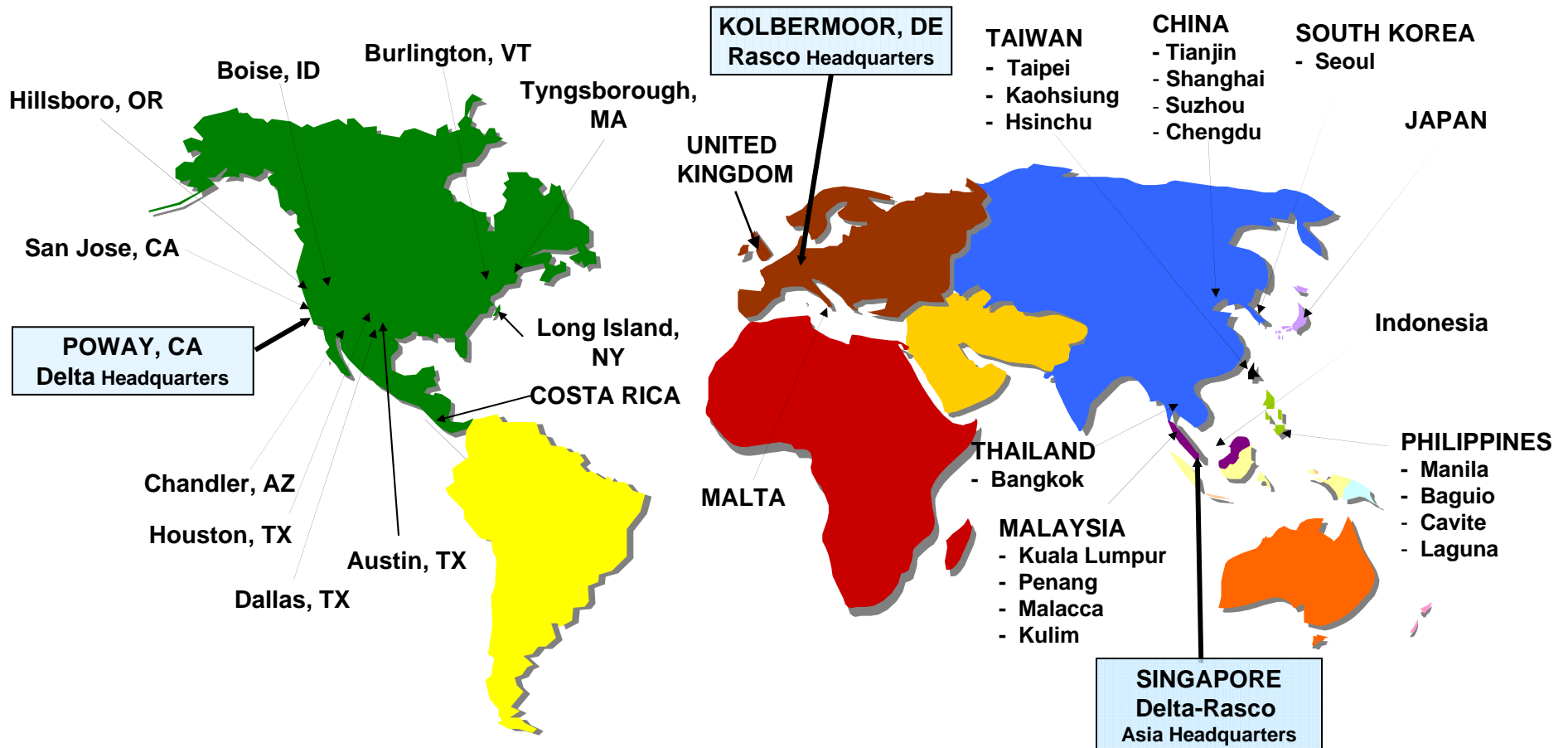
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Strengthens Customer Support

- ◆ Largest global sales and service network in the industry...

A competitive advantage



Summary

- ◆ **Cohu is the market leader and is driving industry consolidation**
- ◆ **The Rasco acquisition extends #1 market position and delivers meaningful accretion as business conditions improve**
- ◆ **Delta Design's Asia manufacturing strategy to enhance margins will expand to include Rasco**
- ◆ **Delta Design has recently introduced and is developing next generation pick and place handler products**
- ◆ **Cohu is financially strong with \$83 million of cash and no debt post acquisition**

These strategic actions position Cohu for strong revenue and profit growth as business conditions recover

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