

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of report (Date of earliest event reported): January 28, 2004

Cohu, Inc.

(Exact Name of Registrant as Specified in Charter)

Delaware

1-4298

95-1934119

(State or Other
Jurisdiction of
Incorporation)

(Commission
File Number)

(IRS Employer
Identification No.)

12367 Crosthwaite Circle, Poway, California

92064

(Address of Principal Executive Offices)

(Zip Code)

Registrant's telephone number, including area code (858) 848-8100

Not applicable

(Former Name or Former Address, if Changed Since Last Report)

TABLE OF CONTENTS

[Item 7. Financial Statements, Pro Forma Financial Information and Exhibits.](#)

[Item 12. Results of Operations and Financial Condition.](#)

[SIGNATURES](#)

[EXHIBIT INDEX](#)

[EXHIBIT 99.1](#)

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits.

(c) Exhibits.

Exhibit No.	Description
99.1	Fourth Quarter and Full Year 2003 Earnings Release, dated January 28, 2004, of Cohu, Inc.

Item 12. Results of Operations and Financial Condition.

On January 28, 2004, Cohu, Inc. (the “Company”) issued a press release regarding its financial results for the quarter ended December 31, 2003. The Company’s press release is attached as Exhibit 99.1 to this Current Report on Form 8-K and incorporated by reference herein.

The information in this Current Report on Form 8-K and the Exhibit attached hereto shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 (the “Exchange Act”) or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, regardless of any general incorporation language in such filing.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

COHU, INC.

Dated: January 28, 2004

By: /s/ James A. Donahue

James A. Donahue
President and Chief Executive Officer

EXHIBIT INDEX

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COHU REPORTS FOURTH QUARTER AND FULL YEAR 2003 OPERATING RESULTS

POWAY, Calif., January 28, 2004 -- Cohu, Inc. (NASDAQ:COHU) today announced improved sales of \$40.9 million for the fourth quarter ended December 31, 2003 compared to \$28.0 million for the fourth quarter of 2002 and \$34.5 million for the third quarter of 2003. Pretax income in the fourth quarter of 2003 was \$1.9 million compared to a pretax loss of \$2.9 million for the fourth quarter of 2002 and a pretax loss of \$715,000 in the third quarter of 2003. The net loss for the fourth quarter of 2003 was \$2.2 million, or \$0.10 per share compared to a net loss of \$566,000 or \$0.03 per share for the fourth quarter of 2002 and a net loss of \$615,000 or \$0.03 per share for the third quarter of 2003. The income tax provision for the fourth quarter of 2003 includes, among other items, a non cash valuation allowance on deferred tax assets recorded pursuant to accounting requirements.

Sales for the year ended December 31, 2003, were \$138.6 million with a net loss of \$47,000 or \$0.00 per share. This compares to sales of \$134.7 million and a net loss of \$878,000 or \$0.04 per share in 2002.

Orders for the fourth quarter of 2003 were \$35.5 million compared to \$34.5 million for the third quarter of 2003. Backlog was \$37.5 million at December 31, 2003 compared to \$42.9 million at September 30, 2003. Fourth quarter 2003 sales of semiconductor test handling equipment accounted for 82% of total sales. Sales of television cameras and related equipment were 10% of sales and metal detection and microwave communications equipment contributed 8% of sales.

James A. Donahue, President and Chief Executive Officer, stated, "Cohu's Q4 results reflect improved business at Delta Design, our semiconductor test handling operation. During the fourth quarter, we obtained customer acceptance and were able to recognize most of the revenue associated with shipments of our newest test handler, the Delta EDGE. Sales and orders for our second generation thermal test handling equipment, Summit ATC, remained steady through the quarter. Delta's Q4 orders were the highest in six quarters and handler unit orders, led by the Delta EDGE, increased 53% over the preceding quarter. Based on improved orders reported recently by certain ATE companies, there are signs that a recovery from the severe downturn in the semiconductor equipment industry is underway."

"We continued to make shipments of microwave communications equipment in connection with the \$8.5 million contract received last year from the United Arab Emirates (UAE) Armed Forces by our Broadcast Microwave Services (BMS) unit. We currently expect deliveries to be completed in Q2 2004, with customer acceptance and revenue recognition possible in the same quarter, under this contract. We are pursuing additional opportunities for the advanced microwave communications technology used in this application, in similar border security applications throughout the Middle East."

Donahue concluded, "It was another challenging year for Cohu and during this extended downturn, we've consolidated operations and reduced costs, while continuing to make important investments in new product development, customer support and manufacturing capability. Despite another difficult year, Cohu reported improved operating results and enters 2004 in strong financial condition, with \$108 million in cash and no debt. We are encouraged by recent positive indicators in the semiconductor equipment industry."

Cohu's Board of Directors approved a quarterly cash dividend of \$0.05 per share payable on April 30, 2004 to shareholders of record on March 16, 2004. 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 2004 operations 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 concentration of our revenues in a limited number of customers; intense competition in the semiconductor test handler industry; inventory write-offs; failure to obtain customer acceptance and recognize revenue; the cyclical and unpredictable nature of capital expenditures by semiconductor manufacturers; goodwill and intangible asset writedowns due to impairment testing required by accounting standards; 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; difficulties in integrating acquisitions and new technologies 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, January 28, 2004 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.

COHU, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share amounts) (unaudited)

	THREE MONTHS ENDED DECEMBER 31,		YEARS ENDED DECEMBER 31,	
	2003	2002	2003	2002
Net sales	\$ 40,891	\$ 28,014	\$ 138,566	\$ 134,720
Cost and expenses:				
Cost of sales	25,871	18,117	91,662	85,047
Research and development	6,653	8,371	24,724	32,465
Selling, general and administrative	6,864	5,503	25,154	24,033
	39,388	31,991	141,540	141,545
Income (loss) from operations	1,503	(3,977)	(2,974)	(6,825)
Gain on sale of land held for future development	--	--	7,873	--
Investment impairment write-down	--	--	(2,500)	--
Interest income	429	1,111	2,254	3,247
Income (loss) before income taxes	1,932	(2,866)	4,653	(3,578)
Income tax provision (benefit) (1)	4,100	(2,300)	4,700	(2,700)
Net loss	\$ (2,168)	\$ (566)	\$ (47)	\$ (878)
Loss per share:				
Basic	\$ (0.10)	\$ (0.03)	\$ (0.00)	\$ (0.04)
Diluted	\$ (0.10)	\$ (0.03)	\$ (0.00)	\$ (0.04)
Weighted average shares used in computing net loss per share:				
Basic	21,337	20,844	21,151	20,752
Diluted	21,337	20,844	21,151	20,752

(1) The income tax provision for the fourth quarter of 2003 includes, among other items, a non cash valuation allowance on deferred tax assets recorded pursuant to accounting requirements.

CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands) (unaudited)

	DECEMBER 31, 2003	December 31, 2002
Assets:		
Current assets:		
Cash and investments	\$107,620	\$107,184
Accounts receivable	25,578	18,267
Inventories	31,636	24,317
Deferred taxes and other	6,704	16,530
	171,538	166,298
Note receivable	8,978	9,184
Property, plant & equipment, net	30,683	33,770
Goodwill	8,340	8,340
Other assets	1,191	4,211
Total assets	\$220,730	\$221,803
Liabilities & Stockholders' Equity:		
Current liabilities:		
Deferred profit	\$ 4,132	\$ 5,231
Other current liabilities	22,685	20,528
	26,817	25,759
Deferred taxes and other noncurrent liabilities	1,683	5,950
Stockholders' equity	192,230	190,094
Total liabilities & equity	\$220,730	\$221,803

For press releases and other information of interest to investors, please visit
Cohu's website at www.cohu.com Contact: John Allen - Investor Relations (858)
848-8106