

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):

October 22, 2004

Cohu, Inc.

(Exact name of registrant as specified in its charter)

Delaware

001-04298

95-1934119

(State or other jurisdiction
of incorporation)

(Commission
File Number)

(I.R.S. 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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02. Results of Operations and Financial Condition.

On October 21, 2004, Cohu, Inc. (the "Company") issued a press release regarding its financial results for the quarter ended September 30, 2004. 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.

Item 9.01. Financial Statements and Exhibits.

Exhibit No. Description

99.1 Third Quarter 2004 Earnings Release, dated October 21, 2004, of Cohu, Inc.

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 hereunto duly authorized.

Cohu, Inc.

October 22, 2004

By: *John H. Allen*

Name: John H. Allen

Title: Chief Financial Officer

Exhibit Index

Exhibit No.	Description
99.1	Third Quarter 2004 Earnings Release, dated October 21, 2004, of Cohu, Inc.

COHU, INC.
12367 CROSTHWAITE CIRCLE
POWAY, CA 92064
FAX (858) 848-8185
PHONE (858) 858-8100
www.cohu.com

Cohu Reports Third Quarter 2004 Operating Results

POWAY, Calif., October 21, 2004 — Cohu, Inc. (NASDAQ:COHU) today announced that net sales were \$54.9 million for the third quarter ended September 30, 2004 compared to \$34.5 million for the third quarter of 2003 and \$47.3 million for the second quarter of 2004. Net income for the third quarter of 2004 was \$5.2 million, or \$0.24 per share compared to a net loss of \$615,000 or \$0.03 per share for the third quarter of 2003 and net income of \$6.9 million or \$0.32 per share for the second quarter of 2004. The gross margin for the third quarter of 2004 was negatively impacted by items totaling approximately \$1.0 million, primarily for inventory reserves.

Net sales for the first nine months of 2004 were \$138.1 million with net income of \$14.2 million and net income per share of \$0.65 compared to net sales of \$97.7 million with net income of \$2.1 million and net income per share of \$0.10 for the first nine months of 2003. Included in the nine month 2003 results were a \$7.9 million gain related to the sale of land and a \$2.5 million investment writedown.

Orders for the third quarter of 2004 were \$37.1 million compared to \$59.9 million for the second quarter of 2004. Backlog was \$54.6 million at September 30, 2004 compared to \$72.4 million at June 30, 2004. Third quarter 2004 sales of semiconductor test handling equipment accounted for 86% of total sales. Sales of television cameras and related equipment were 9% of sales and metal detection and microwave communications equipment contributed 5% of sales.

James A. Donahue, President and Chief Executive Officer, stated, "Cohu's Q3 sales and earnings were solid, but like most semiconductor equipment companies, we experienced a decline in orders during the quarter. Business conditions have weakened and customers are providing only limited visibility as to their future requirements. We have reduced manufacturing capacity to align with near-term demand and are carefully controlling discretionary costs. We plan to maintain spending near current levels on the development of new technologies and products that will strengthen our market position."

Donahue concluded, "This is neither the first time, nor do we believe it will be the last time, that we've had to deal with a sharp change in demand from IC customers. With our experience in managing the business through these cycles, our strong balance sheet, and ongoing investments in proprietary technologies, new product development and global infrastructure, Cohu is well positioned to capitalize on improved business conditions."

Cohu's Board of Directors approved a quarterly cash dividend of \$0.05 per share payable on January 7, 2005 to shareholders of record on December 3, 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; 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 Thursday, October 21, 2004 at 2:00 p.m. Pacific Time. 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 September 30,		Nine Months Ended September 30,	
	2004	2003	2004	2003
Net sales	\$54,869	\$34,512	\$138,145	\$ 97,675
Cost and expenses:				
Cost of sales	34,503	23,986	81,945	65,791
Research and development	7,188	5,577	19,948	18,071
Selling, general and administrative	7,666	6,347	21,756	18,290
	<u>49,357</u>	<u>35,910</u>	<u>123,649</u>	<u>102,152</u>
Income (loss) from operations	5,512	(1,398)	14,496	(4,477)
Gain from sale of land	-	-	-	7,873
Investment impairment writedown	-	-	-	(2,500)
Interest income	390	683	1,346	1,825
Income (loss) before income taxes	5,902	(715)	15,842	2,721
Income tax provision (benefit)	700	(100)	1,600	600
Net income (loss)	<u>\$ 5,202</u>	<u>\$ (615)</u>	<u>\$ 14,242</u>	<u>\$ 2,121</u>
Income (loss) per share:				
Basic	\$ 0.24	\$ (0.03)	\$ 0.66	\$ 0.10
Diluted	\$ 0.24	\$ (0.03)	\$ 0.65	\$ 0.10
Weighted average shares used in computing income (loss) per share:				
Basic	21,538	21,255	21,480	21,088

Diluted	<u>21,912</u>	<u>21,255</u>	<u>21,988</u>	<u>21,619</u>
Condensed Consolidated Balance Sheets				
<i>(in thousands) (unaudited)</i>				
		September 30,	December 31,	
		2004	2003	
Assets:				
Current assets:				
Cash and investments		\$ 115,462	\$ 107,620	
Accounts receivable		41,884	25,578	
Inventories		41,536	31,636	
Deferred taxes and other		6,658	6,704	
		205,540	171,538	
Note receivable		-	8,978	
Property, plant & equipment, net		29,976	30,683	
Goodwill		8,340	8,340	
Other assets		787	1,191	
Total assets		<u>\$244,643</u>	<u>\$220,730</u>	
Liabilities & Stockholders' Equity:				
Current liabilities:				
Deferred profit		\$ 11,130	\$ 4,132	
Other current liabilities		26,643	22,685	
		37,773	26,817	
Deferred taxes and other noncurrent liabilities		1,713	1,683	
Stockholders' equity		205,157	192,230	
Total liabilities & equity		<u>\$244,643</u>	<u>\$220,730</u>	

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