

## Corporate Profile

Cognex Corporation (NASDAQ: CGNX) is the world's leading supplier of machine vision products for manufacturing and industrial identification. Cognex vision and ID systems are used throughout the production and distribution process to optimize product quality, reduce manufacturing costs and track items throughout the supply chain. Since its founding in 1981, Cognex has:

- Generated over \$3 billion in revenue;
- Shipped more than 600,000 vision systems;
- Received 293 U.S. and international patents, with 199 additional patents pending and allowed.

Cognex has 891 employees, with offices and distributors located throughout North America, Japan, Europe, Asia and Latin America. The company's corporate headquarters is located in Natick, Massachusetts.

## Recent Developments

### April

Cognex announced that Kiva Systems, a leading provider of warehouse automation solutions, placed an order for 140 Cognex DataMan® 500 barcode readers. Kiva will integrate the DataMan ID readers into a new automated order fulfillment system being designed for a large medical device manufacturer. The DataMan 500 systems will read barcodes on product packaging to ensure that the right items are shipped to the right destination, and to collect data for instant inventory management. The DataMan 500, introduced in January of 2011, is an advanced barcode reader that combines the high performance of image-based readers with the ease-of-use and low cost of laser scanners.

Cognex announced the addition of 3D vision tools to the latest release of the company's VisionPro® vision software. Cognex VisionPro 3D software delivers accurate, real-time 3D position information to improve vision performance in a wide range of applications where 2D tools alone are not enough, such as challenging assembly verification and package tracking tasks, or robot-guided depalletizing of boxes.

### May

Cognex declared a quarterly cash dividend of \$0.09 per share. This dividend represents an increase of \$0.01 per share, or 12.5%, over the \$0.08 per share dividend paid in the prior quarter, and is the third dividend increase made by Cognex since the beginning of 2010. The dividend was payable on June 17, 2011 to all shareholders of record at the close of business on June 3, 2011.

*For more on these and other recent developments, visit [www.cognex.com](http://www.cognex.com).*

## Stock Data: July 3, 2011

52 Week High	52 Week Low	Close
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\$36.89	\$16.76	\$35.99
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Market Capitalization	Shares Outstanding
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\$1.5 Billion	42,064,561
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## Strategy

Cognex offers a full range of vision products that meet customer needs across a variety of applications and industries. Products range from low-cost presence and measurement sensors to hardware-independent vision software. Cognex also offers a range of ID code readers that deliver fast and accurate reading of both 1-D and 2-D barcodes.

The largest developed market for Cognex machine vision is manufacturing, where the technology is widely recognized as an essential component of automated production and quality assurance. In this market, Cognex serves three primary segments: factory automation; semiconductor and electronics capital equipment; and surface inspection. Sales to customers in the factory automation segment represent the largest percentage of the company's total revenue, and Cognex believes that this segment provides the greatest growth potential over the long term.

## Applications

Typical applications for Cognex machine vision include:

- Reading unique ID codes marked directly on items such as engine parts and semiconductor wafers
- Ensuring that safety seals are present on pharmaceutical packaging
- Verifying product assembly
- Guiding placement of electronic components onto printed circuit boards
- Detecting surface defects in steel, paper and plastics
- Verifying the fill level on beverage containers

## Financial Highlights<sup>(2)</sup> (In thousands except per share amounts)

Year Ended December 31,	2010	2009	2008 <sup>(1)</sup>
Revenue	\$290,691	\$175,727	\$242,680
Income (Loss) From Continuing Operations	61,381	(4,869)	30,499
Income (Loss) Per Diluted Share From Continuing Operations	1.52	(0.12)	0.73
Dividend Per Common Share	0.25	0.30	0.47
Book Value Per Common Share	11.53	9.94	10.42
Total Assets	533,104	439,869	474,047
Shareholders' Equity	473,311	394,448	413,075
Long-Term Debt	0	0	0
Diluted Weighted-Average Number of Shares Outstanding	40,297	39,659	41,554
Working Capital	224,573	210,674	213,374

### Selected Ratios

Percent Growth (Decline) Revenue	65%	(28%)	8%
Gross Margin	73%	68%	72%
Operating Profit (Loss) Margin	26%	(7%)	10%
Income (Loss) From Continuing Operations	21%	(3%)	13%

Quarter Ended	7/3/2011	4/3/2011	12/31/2010	10/3/2010	7/4/2010
Revenue	\$83,393	\$74,394	\$84,920	\$74,993	\$71,811
Net Income	19,097	13,636	19,764	18,145	14,927
Net Income Per Diluted Share	0.45	0.32	0.47	0.45	0.38
Dividend Per Common Share	0.09	0.08	0.08	0.06	0.06
Book Value Per Common Share	12.84	12.18	11.53	10.88	9.95
Total Assets	602,657	564,650	533,104	499,738	454,469
Shareholders' Equity	540,285	505,426	473,311	435,423	394,887
Long-Term Debt	0	0	0	0	0
Diluted Weighted-Average Number of Shares Outstanding	42,810	42,286	41,631	39,917	39,793
Working Capital	285,623	249,927	224,573	198,028	173,491

### Selected Ratios

Operating Profit Margin	29%	23%	27%	30%	27%
Net Income	23%	18%	23%	24%	21%

1) Results do not include "Loss from Operations of Discontinued Business, Net of Tax," which relates to the company's lane departure warning business that was sold on July 1, 2008.

2) Includes pre-tax restructuring charges related to cost saving measures announced by Cognex in November 2008, April 2009, and September 2009.

## Cognex Senior Management

**Robert J. Shillman**  
Chairman

**Robert J. Willett**  
President and  
Chief Executive Officer

**Richard A. Morin**  
Chief Financial Officer

### Cognex Corporate Headquarters

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