

Corporate Profile

Cognex Corporation (NASDAQ: CGNX) is the world's leading supplier of machine vision sensors and systems, or devices that can "see." Cognex systems are at work in factories around the world, helping to automate the manufacture of all kinds of products...from semiconductor chips to chocolate chip cookies. Since its founding in 1981, Cognex has:

- Generated over \$2 billion in revenue;
- Shipped more than 400,000 vision systems;
- Received 264 U.S. and international patents, with 181 patents pending.

Cognex has 814 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

January

Cognex introduced VisionPro® 5.0, the first hardware-independent vision software package to be offered by Cognex. VisionPro 5.0 will enable customers to use advanced Cognex vision tools with a wide range of cameras or framegrabbers of their choice. VisionPro also comes with *QuickBuild*, an application development environment that enables fast application development and deployment.

February

Cognex announced that a large, international printing and direct mail fulfillment company has selected Cognex ID readers for its high-volume document processing operations in the United Kingdom. The customer will integrate Cognex In-Sight® ID readers into equipment that is used to assemble direct mail documents for customers in financial services, healthcare, and other industries. Cognex has already received approximately \$460,000 for this application with additional orders anticipated in the near future.

March

Cognex introduced In-Sight Micro, the world's smallest and easiest to use vision system. The In-Sight Micro provides a complete vision system in a package measuring just 30 mm x 30 mm x 60 mm. In-Sight Micro comes equipped with EasyBuilder™, a new configuration software that makes it easier than ever to configure a vision application. Users also have the option of adding VisionView™, a new Cognex operator interface display that allows technicians to monitor production processes without a PC.

For more on these and other recent developments, visit www.cognex.com.

Stock Data: March 30, 2008

52 Week High	52 Week Low	Close
\$25.87	\$14.67	\$21.24
Market Capitalization		Shares Outstanding
\$890 Million		41,896,769

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 sensors that are easily integrated in virtually any setting, to PC-based systems for users with more experience or more complex requirements.

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: semiconductor and electronics capital equipment; surface inspection; and general factory automation.

Outside of manufacturing, emerging markets for Cognex vision include transportation (lane departure warning systems), building automation (controlling automatic doorways), and security (monitoring exit lanes and secure areas in airports).

Applications

Typical applications for Cognex machine vision include:

- Reading unique ID codes marked directly on items such as semiconductor wafers and engine parts
- 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 (In thousands except per share amounts)

Year Ended December 31,	2007 ⁽²⁾	2006 ⁽¹⁾	2005
Revenue	\$225,737	\$238,424	\$216,875
Net Income	26,899	39,855	35,702
Diluted Net Income Per Share	0.61	0.85	0.74
Dividend Per Share	0.34	0.33	0.32
Book Value Per Share	10.81	10.16	10.57
Total Assets	539,546	528,651	564,562
Shareholders' Equity	476,365	473,850	506,521
Long-Term Debt	0	0	0
Diluted Weighted-Average Number of Shares Outstanding	44,063	46,648	47,935
Working Capital	263,806	266,647	268,612
Selected Ratios			
Percent Growth Revenue	(5%)	10%	7%
Gross Margin	71%	73%	71%
Operating Profit Margin	12%	19%	20%
Effective Tax Rate	23%	21%	26%
Profit After Tax	12%	17%	16%

Quarter Ended	3/30/2008	12/31/2007	9/30/2007	7/1/2007	4/1/2007
Revenue	\$60,517	\$65,321	\$54,745	\$54,742	\$50,929
Net Income	8,475	11,094	7,343	3,827	4,635
Diluted Net Income Per Share	0.20	0.25	0.17	0.09	0.10
Dividend Per Share	0.085	0.085	0.085	0.085	0.085
Book Value Per Share	10.80	10.94	10.61	10.14	10.53
Total Assets	532,163	539,546	538,931	512,302	534,077
Shareholders' Equity	465,642	476,365	461,705	448,965	473,045
Long-Term Debt	0	0	0	0	0
Diluted Weighted-Average Number of Shares Outstanding	43,116	43,524	43,506	44,281	44,905
Working Capital	260,533	263,806	230,104	202,575	254,501
Selected Ratios					
Operating Profit Margin	13%	17%	13%	8%	9%
Profit After Tax	14%	17%	13%	7%	9%

(1) Includes a pre-tax charge of \$13,624,000 related to stock option expense.

(2) Includes a pre-tax charge of \$11,715,000 related to stock option expense.

Cognex Executive Officers

Robert J. Shillman
Chief Executive Officer
and Chairman

Richard A. Morin
Chief Financial Officer
and Treasurer

Eric Ceyrolle
Executive Vice President
Worldwide Sales and
Marketing

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