

Corporate Profile

Cognex Corporation (NASDAQ: CGNX) is the world's leading supplier of machine vision systems and sensors. 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 \$2.5 billion in revenue;
- Shipped more than 500,000 vision systems;
- Received 279 U.S. and international patents, with 130 patents pending.

Cognex has 742 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 introduced Advantage™ Image Engines, a family of programmable vision devices for OEMs. Advantage Image Engines combine superior 1D and 2D code reading capability with a suite of general purpose vision tools in a housing designed for easy integration into capital equipment. Advantage Image Engines give equipment makers in industries not currently served by Cognex—such as life sciences and clinical chemistry—the ability to perform automated inspections in addition to reading codes that uniquely identify each item being processed.

June

Cognex introduced the In-Sight® 5605, a high-resolution, five-megapixel vision system. The In-Sight 5605 offers twice the resolution previously available in an In-Sight system, and enables visualization of very small defects, even in a large field of view. Cognex also released In-Sight Explorer 4.4.1 software with 1DMax™ technology, a breakthrough barcode-reading tool that outperforms laser scanners for barcodes that are difficult to read due to damage, blur, reflection or low contrast.

July

Cognex introduced SmartSystem™, a vision software package that integrates Cognex SmartView® surface inspection systems with the new Cognex SmartAdvisor™ web monitoring system. When used together, the two systems enable manufacturers to detect defects, determine their root cause, and feed visual information to downstream processes for active process control.

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

Stock Data: July 4, 2010

52 Week High	52 Week Low	Close
\$22.59	\$13.58	\$17.13
Market Capitalization	Shares Outstanding	
\$680 Million	39,686,894	

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 that provides the maximum flexibility 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: discrete factory automation; semiconductor and electronics capital equipment; and surface inspection. Sales to customers in the discrete 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⁽¹⁾ (In thousands except per share amounts)

Year Ended December 31,	2009 ⁽²⁾	2008 ⁽²⁾	2007
Revenue	\$175,727	\$242,680	\$225,683
Income (Loss) From Continuing Operations	(4,869)	30,499	27,547
Income (Loss) Per Diluted Share From Continuing Operations	(0.12)	0.73	0.63
Dividend Per Common Share	0.30	0.47	0.34
Book Value Per Common Share	9.94	10.42	10.99
Total Assets	439,869	474,047	539,546
Shareholders' Equity	394,448	413,075	476,365
Long-Term Debt	0	0	0
Diluted Weighted-Average Number of Shares Outstanding	39,659	41,554	44,063
Working Capital	210,674	213,374	269,528

Selected Ratios

Percent Growth (Decline) Revenue	(28%)	8%	(5%)
Gross Margin	68%	72%	71%
Operating Profit (Loss) Margin	(7%)	10%	12%
Income (Loss) From Continuing Operations	(3%)	13%	12%

Quarter Ended ⁽²⁾	7/4/2010	4/4/2010	12/31/2009	10/4/2009	7/5/2009
Revenue	\$71,811	\$58,967	\$51,294	\$41,178	\$40,968
Net Income (Loss)	14,927	8,545	459	4,501	(6,419)
Net Income (Loss) Per Diluted Share	0.38	0.22	0.01	0.11	(0.16)
Dividend Per Common Share	0.06	0.05	0.05	0.05	0.05
Book Value Per Common Share	9.95	9.94	9.94	10.29	10.05
Total Assets	454,469	443,193	439,869	446,897	444,352
Shareholders' Equity	394,887	394,156	394,448	408,320	398,446
Long-Term Debt	0	0	0	0	0
Diluted Weighted-Average Number of Shares Outstanding	39,793	39,683	39,668	39,666	39,656
Working Capital	173,491	205,523	210,674	221,876	216,083

Selected Ratios

Operating Profit (Loss) Margin	27%	19%	1%	2%	(19%)
Net Income (Loss)	21%	14%	1%	11%	(16%)

1) The Financial Highlights 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 and Chief
Executive Officer

Robert J. Willett
President and
Chief Operating Officer

Richard A. Morin
Chief Financial Officer
and Treasurer

Thomas F. Nash
President, Surface Inspection
Systems Division (SISD)

Cognex Corporate Headquarters

One Vision Drive, Natick, Massachusetts 01760
Phone: (508) 650-3000 Fax: (508) 650-3333
www.cognex.com

Investor Relations Contact

Susan Conway, Director of Investor Relations
Phone: (508) 650-3353
Email: susan.conway@cognex.com