

## 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 281 U.S. and international patents, with 133 patents pending.

Cognex has 729 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

### November

Cognex announced a new release of VisionPro®, the company's popular, hardware-independent vision software. The new VisionPro 6.0 release supports very large camera images and nontraditional sources such as 3D, thermal and X-ray imagers. VisionPro 6.0 also offers expanded ID reading capability of 2D codes up to 144 x 144.

Cognex expanded its DataMan® 200 line of fixed-mount image-based ID readers with three new models that feature integrated liquid lens. This unique technology adjusts the camera's focus by applying an electrical charge to fluid within the lens. Liquid lens technology makes it possible to focus the DataMan readers with a simple software command and, because there are no moving parts to malfunction or break down, the readers are extremely rugged and resistant to shock, vibration, and wear.

### December

Cognex announced that it signed a supply agreement with the German automaker BMW AG. Under the terms of the multi-year agreement, Cognex will supply DataMan handheld and In-Sight® fixed-mount ID readers to BMW manufacturing plants worldwide and will provide ongoing technical support to BMW personnel. The Cognex ID readers will be used to read codes marked directly on engine parts and gear assemblies as they go through production.

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

## Stock Data: December 31, 2009

52 Week High	52 Week Low	Close
\$18.17	\$9.46	\$17.71
Market Capitalization		Shares Outstanding
\$702 Million		39,665,514

## 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 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<sup>(1)</sup> (In thousands except per share amounts)

Year Ended December 31,	2009 <sup>(2)</sup>	2008 <sup>(2)</sup>	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 <sup>(2)</sup>	12/31/2009	10/4/2009	7/5/2009	4/5/2009	12/31/2008
Revenue	\$51,294	\$41,178	\$40,968	\$42,287	\$51,822
Income (Loss) From Continuing Operations	459	4,501	(6,419)	(3,410)	1,814
Income (Loss) Per Diluted Share From Continuing Operations	0.01	0.11	(0.16)	(0.09)	0.05
Dividend Per Common Share	0.05	0.05	0.05	0.15	0.15
Book Value Per Common Share	9.94	10.29	10.05	9.99	10.42
Total Assets	439,869	446,897	444,352	445,695	474,047
Shareholders' Equity	394,448	408,320	398,446	396,314	413,075
Long-Term Debt	0	0	0	0	0
Diluted Weighted-Average Number of Shares Outstanding	39,668	39,666	39,656	39,655	39,684
Working Capital	210,674	221,876	216,083	208,962	213,374

### Selected Ratios

Operating Profit (Loss) Margin	1%	2%	(19%)	(15%)	(3%)
Income (Loss) From Continuing Operations	1%	11%	(16%)	(8%)	4%

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