



CYBEROPTICS®

Nasdaq: CYBE

CYBEROPTICS®

# Forward-Looking Statements

Statements regarding the Company's anticipated performance are forward-looking and therefore involve risks and uncertainties, including but not limited to: market conditions in the global PCB Assembly and semiconductor capital equipment industries; the need for a valuation allowance with respect to our deferred tax assets; increasing price competition and price pressure on our product sales, particularly our PCB Assembly systems; the level of orders from our OEM customers; the availability of parts required for meeting customer orders; the effect of world events on our sales, the majority of which are from foreign customers; product introductions and pricing by our competitors; the level of revenue and profitability we achieve in 2011; success of anticipated new OEM and end user opportunities and other factors set forth in the Company's filings with the Securities and Exchange Commission.

# About CyberOptics

- Founded in 1984 (Nasdaq – CYBE); Headquartered in Minneapolis, MN
- Manufacturer of systems and sensors used across electronics assembly lines
  - Install Base: 3,300 Inspection Systems; 175,000 Sensors
- Global presence: Minneapolis, Singapore, China, UK, Portland
  - Employees: 186
- CYBE well positioned to grow profitably
  - 2010 Revenue of \$57.0 million and EPS of \$.45
  - 2011 YTD ( 9 mo.) Revenue of \$47.3 million and EPS of \$.55
  - Strong balance sheet. \$26.6 million in cash and no debt

# Investment Highlights

- Strategic shift in last 36 months expanding CYBE role in electronics assembly
- Miniaturized components fueling need for automated inspection
- Globally restructured the business to focus on core growth programs
- Significant increase in market share with new inspection products
- CYBE served market doubling in size
- New products driven from platform technology
- Additional inspection opportunities in adjacent markets

# CYBE Strategic Shift

## *The Old CYBE*

## *The New CYBE*

One-off OEM  
Alignment Sensors

64% OEM Sensors

OEM Sensor Focused  
(Alignment)

Time-to-market  
2-3 Years

US R&D Manufacturing  
and Sourcing

12 Products

Market-based Sensor  
& Inspection Platforms

60% Inspection  
Systems

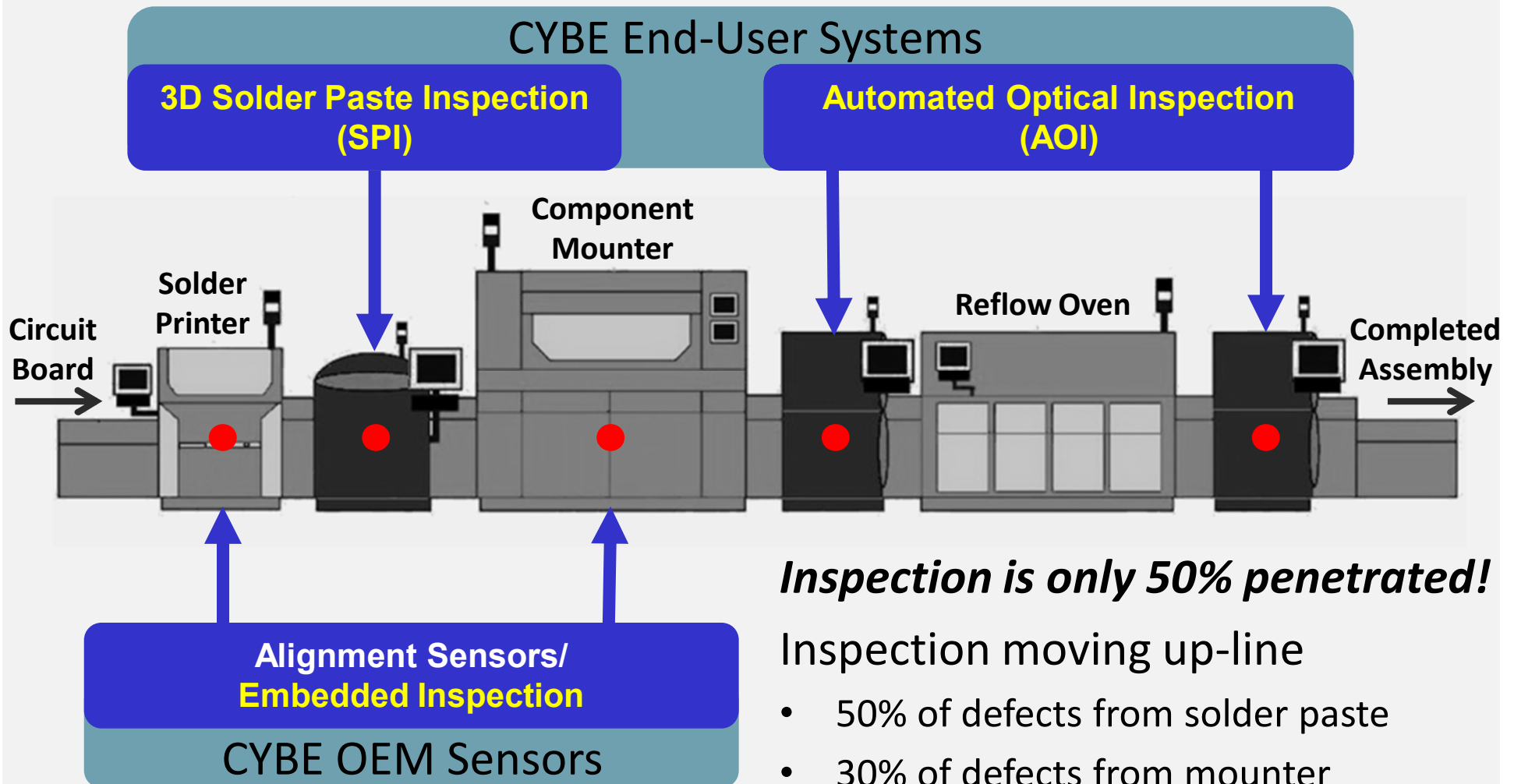
Four New Growth  
Programs (Inspection)

Time-to-market  
< 1 Year

WW R&D Manufacturing  
and Sourcing

31 Products

# CyberOptics' Solutions Improve Quality and Cost in Electronic Assembly



# Strategic Shift in Mix Driving Growth in Inspection Solutions

Inspection Systems

## SPI Standalone



SE300, SE350, SE500

## AOI Standalone



Flex, Flex HR, QX500

## Embedded



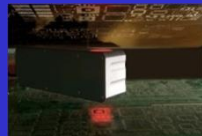
EPV



SIM

Sensors

## Alignment



PCB Asm, Solar



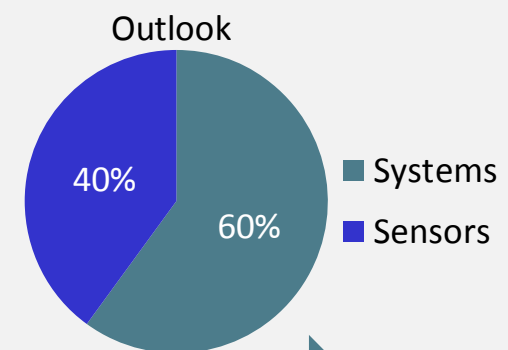
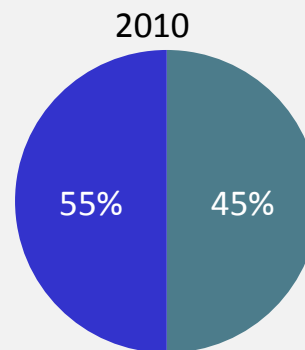
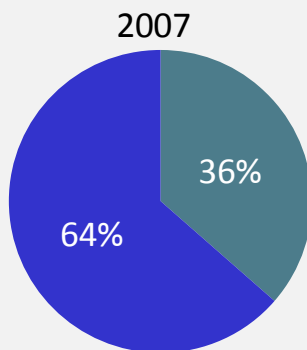
LaserAlign

## Semiconductor



WaferSense

CyberOptics Revenue Contribution



■ Systems  
■ Sensors

New Tiered System Offerings and Embedded Inspection

# Continuing Reduction in Component Size Fuels the Need for Inspection

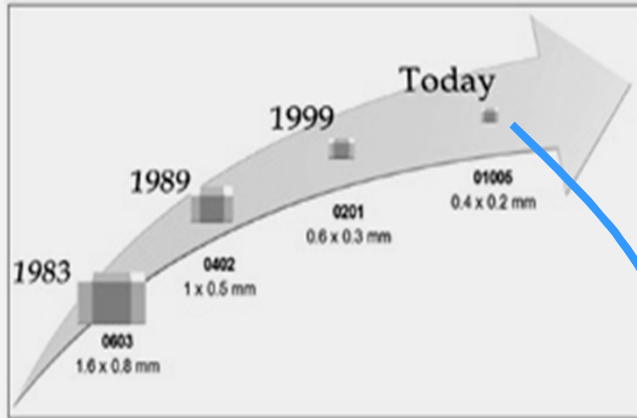
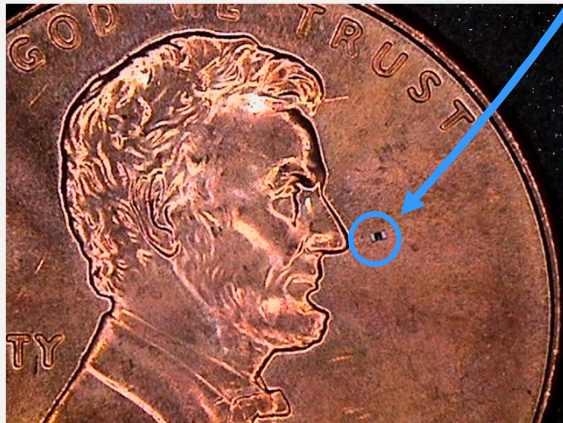


Figure 1: Evolution of passive packages size over the years



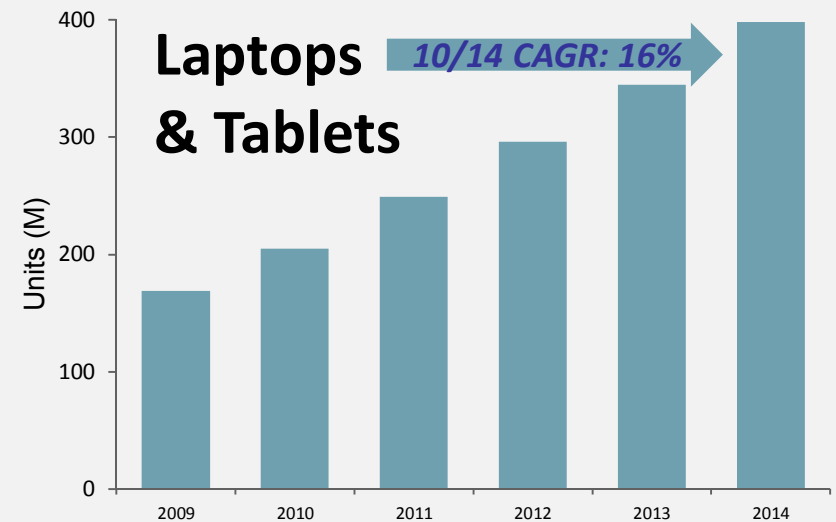
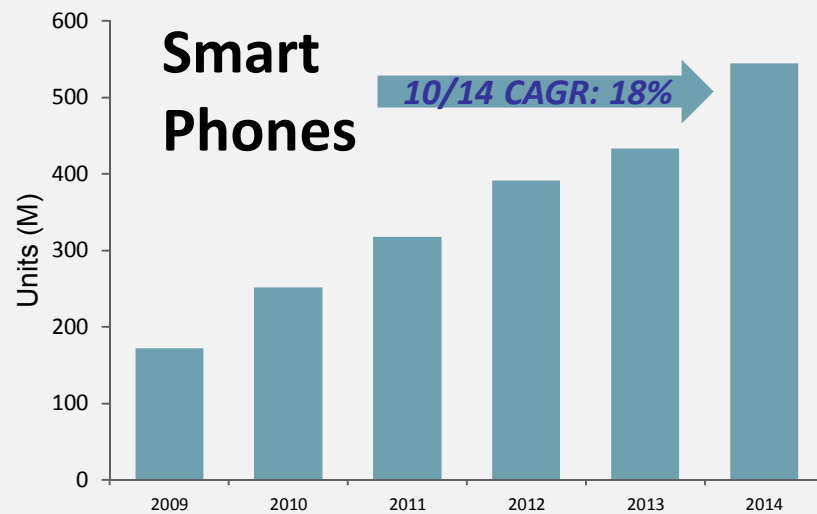
## Forces Driving Inspection:

- Adoption of miniaturized components
- Improved Manufacturing Quality
- Reduced Cost & Improved Yield
- OEM require inspection as they outsource to low cost manufacturers

# Electronics Growth is CyberOptics' Inspection Sweet Spot

CyberOptics re-positioned to capitalize on high growth inspection

Markets fueled by products with dense, miniaturized components



Source: VLSI / Gartner / IDC / CyberOptics Marketing (April, 2011)

# World Class Customer Base

## PCB Asm OEM



## Solar OEM



## ODM/EMS



## Consumer



## Memory Modules



## Automotive



## Semiconductor

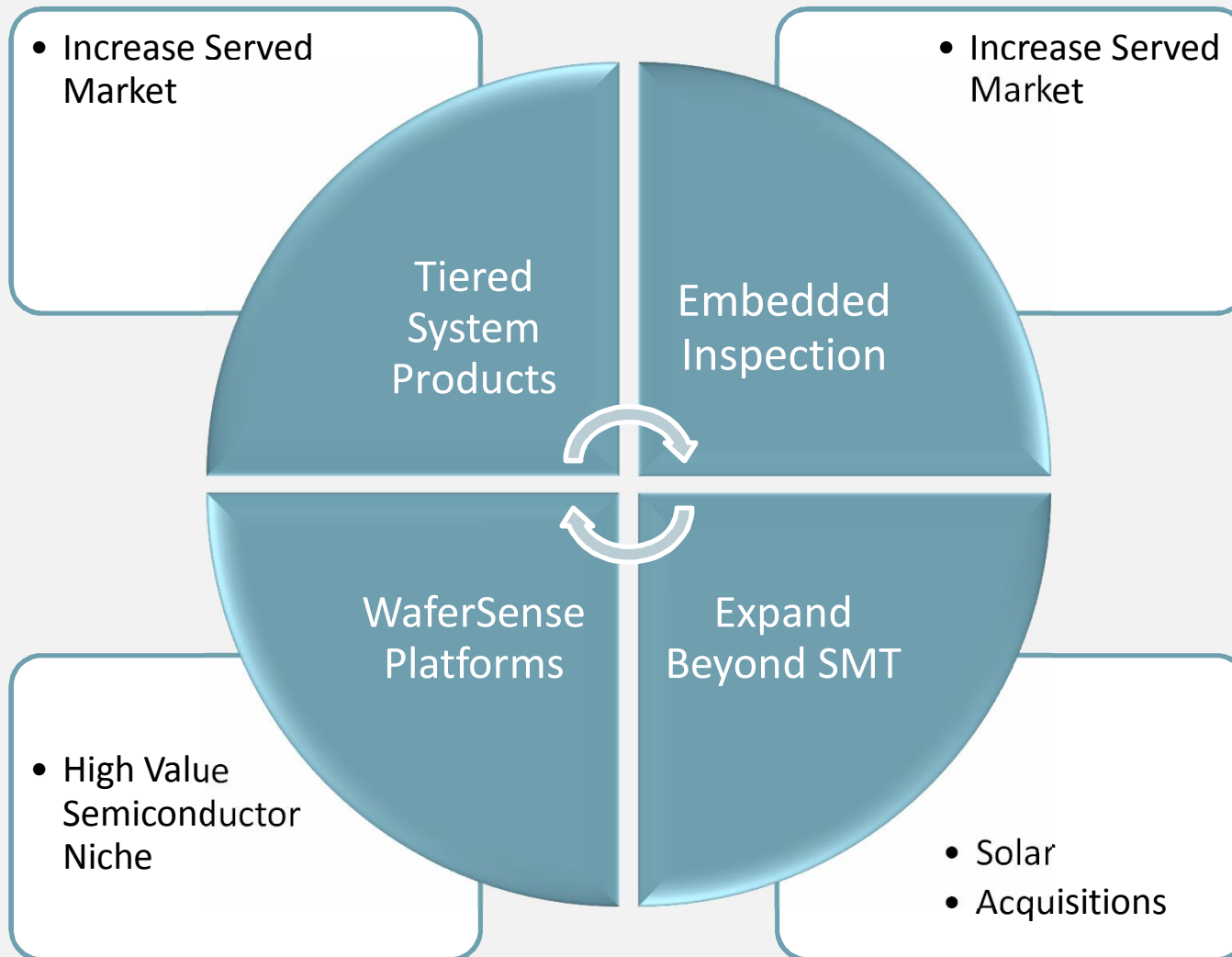


## Industrial



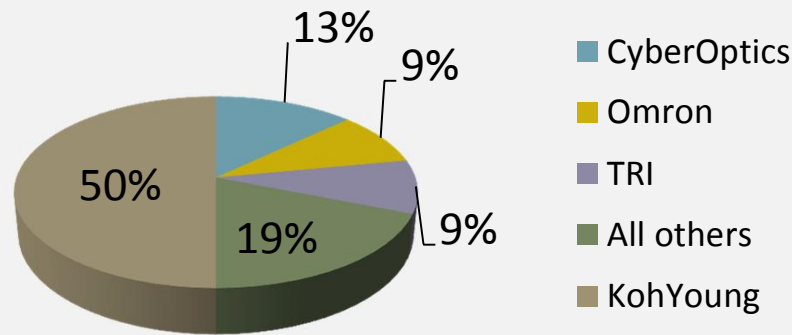
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# CyberOptics Growth Strategies



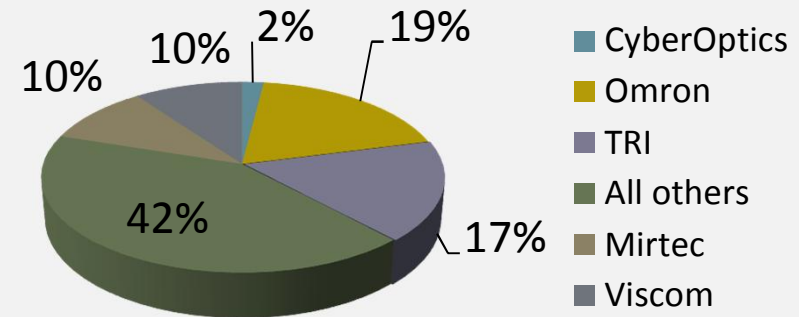
# CyberOptics Growing Market Share with Tiered Systems

2010 SPI Market Share



\$122M Total Market

2010 AOI Market Share



\$321M Total Market

## Competitive Dynamics and Market Strategy

- CYBE market share in solder paste (SPI) up to 13% from 12% in 2008
- New AOI inspection platform + Software differentiation + strong SPI customer base positions CyberOptics to double AOI share in 2011

# Newly Introduced Tiered Products Increase Market Share & Served Market



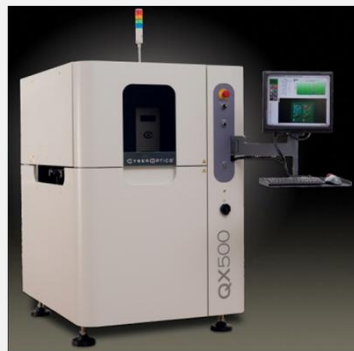
**SE350™** [Q1 2010]



**SE500CP™** [Q1 2010]



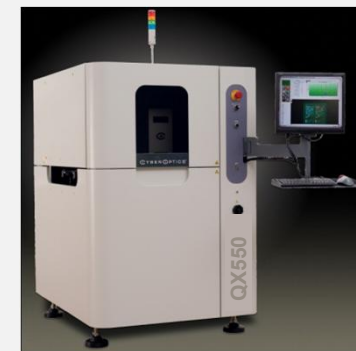
**SE500-D™** [Q4 2011]



**QX500™** [Q2 2010]



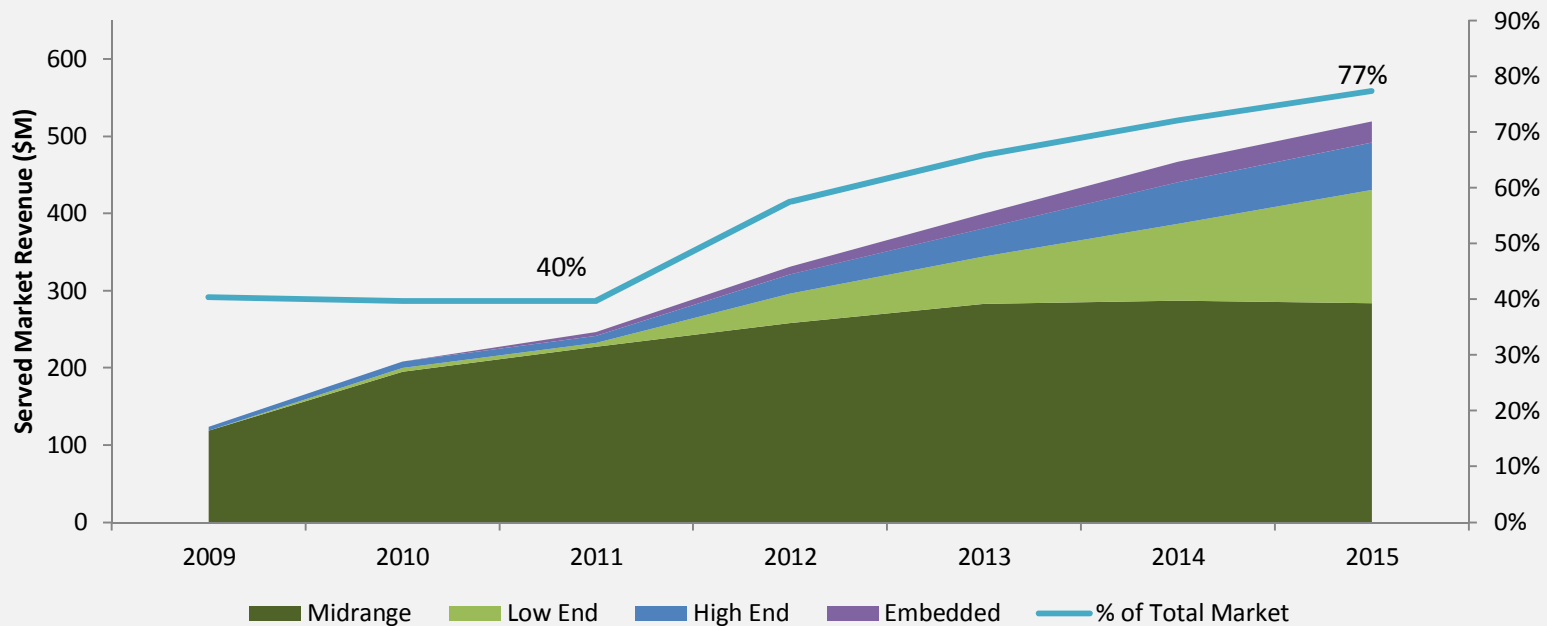
**QX100™** [Q4 2011]



**QX550™** [2012]

# CyberOptics More than Doubling Inspection Served Market

Served Market : 2011-\$240M; 2015-\$546M  
CAGR = 22%



## Strategies

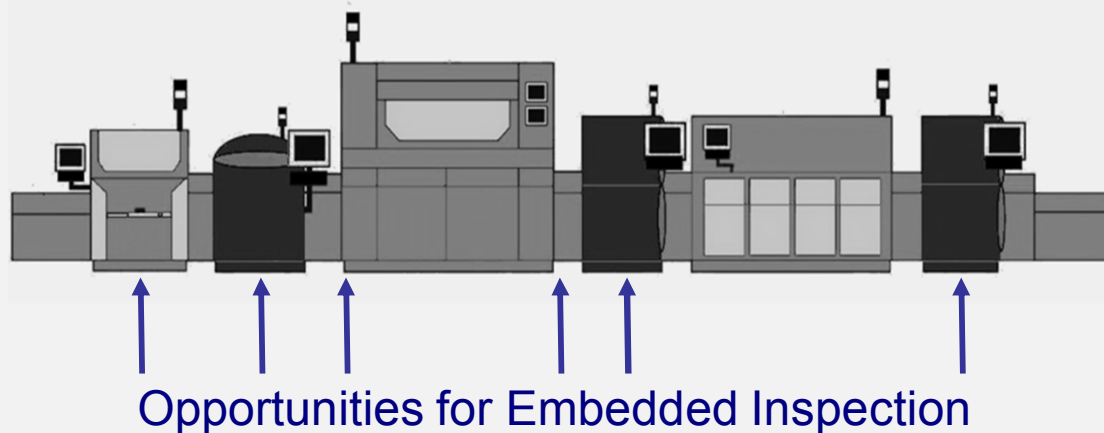
- Tiered System Products – Leveraging Common Platforms Across Segments
- Revolutionary Embedded Inspection – Leveraging OEM Relationships

Source: PRG, CyberOptics Marketing

# CyberOptics Revolutionizes Inspection with Embedded SIM Engine

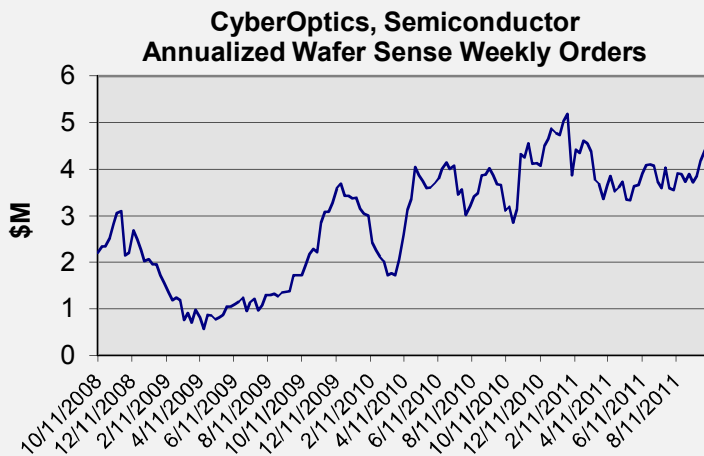
## Strobed Inspection Module (SIM) Across All Platforms

- Modular, scalable platform
- Blazing fast image acquisition
- Outstanding cost and performance
- Applicable to both SPI and AOI



# WaferSense Growth Program

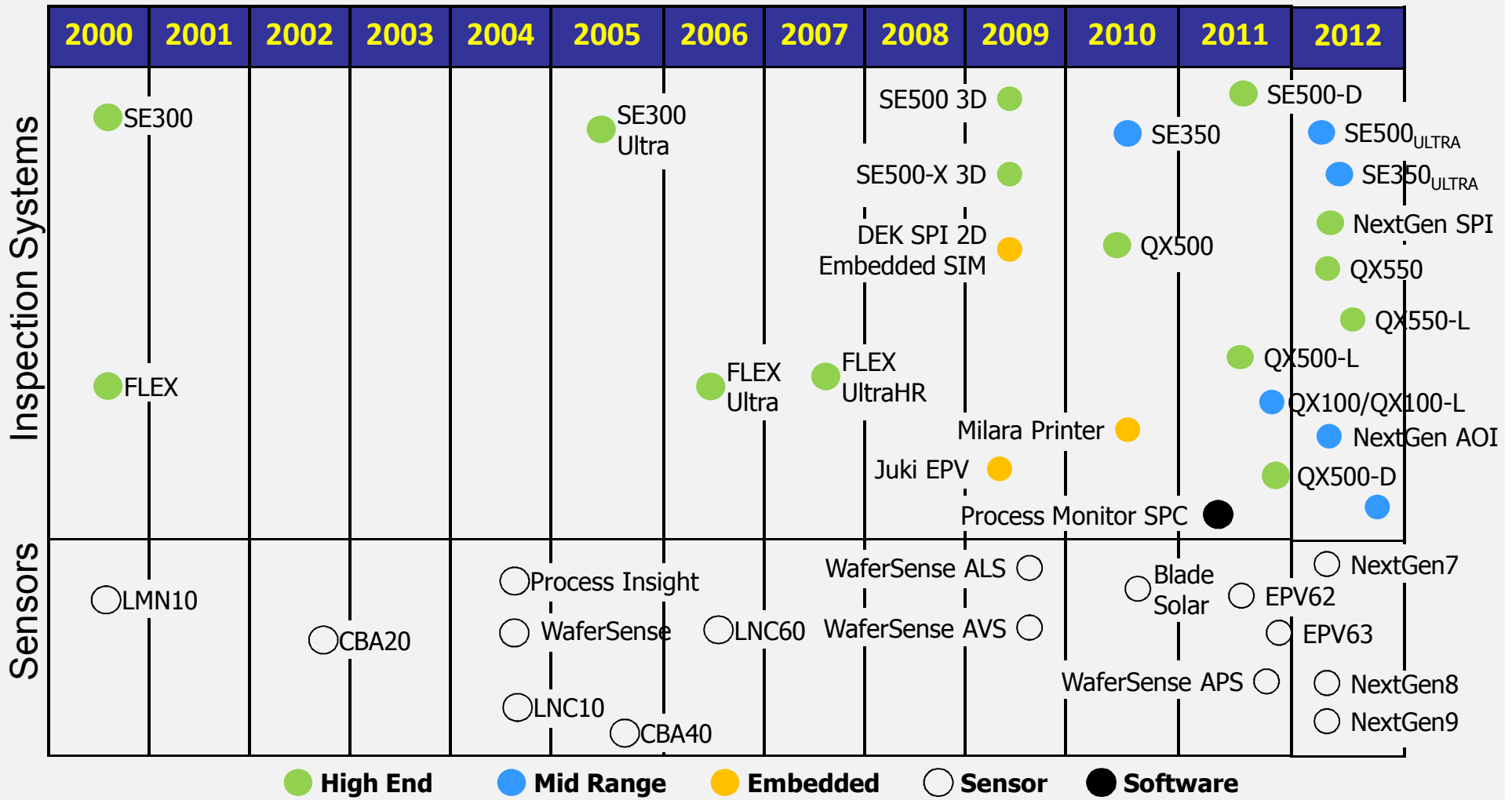
- Process control instruments for semiconductor wafer processing measure inside process tools
- Increase uptime & yield



- Leveling
- Teaching
- Gapping
- Vibration
- Particles



# A Barrage of New Tiered, Embedded Inspection and WaferSense Products



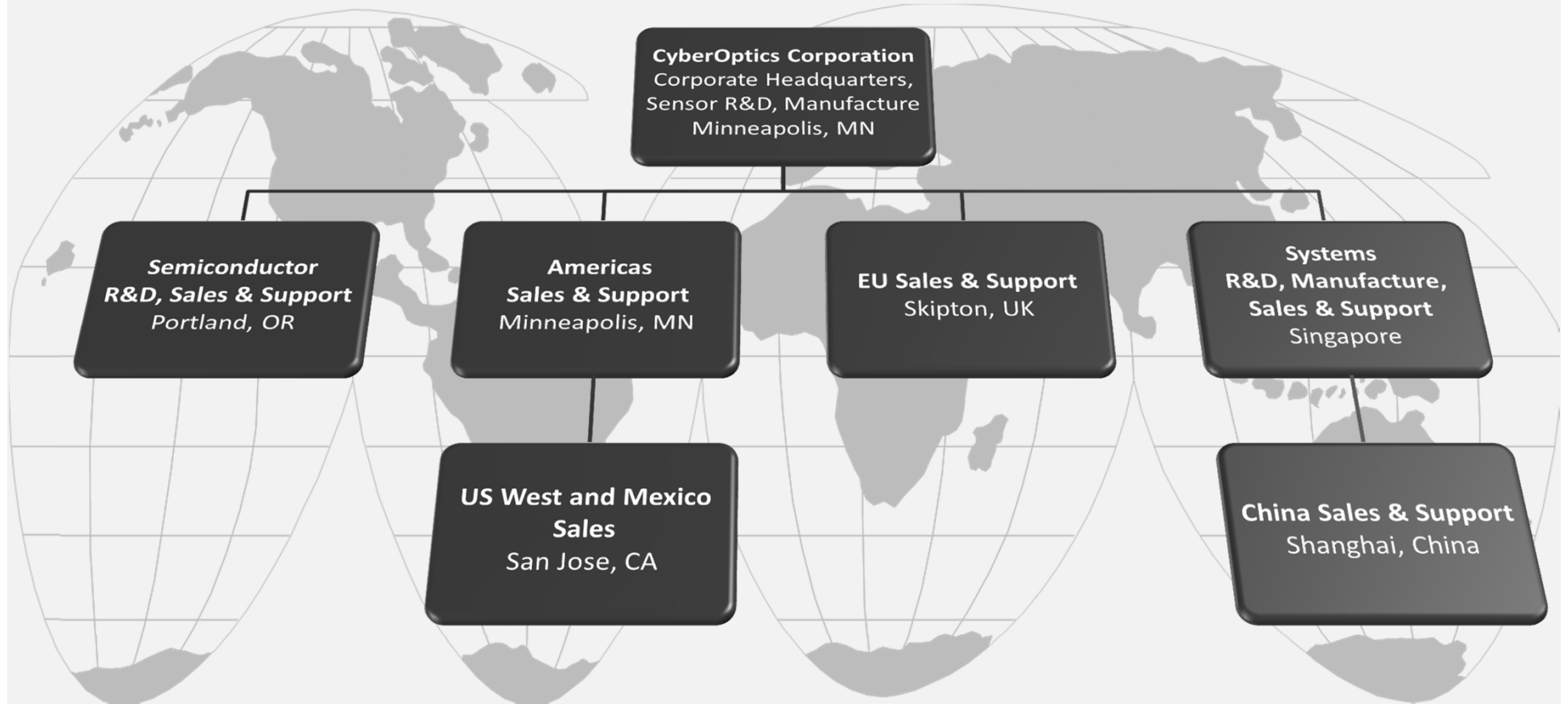
# Strategic Re-alignment Completed Positions CyberOptics for Profitable Growth

- **Re-aligned R&D for greater focus, efficiency, and lower cost**
  - Moved stand alone systems R&D to Singapore
  - Minneapolis R&D focused on sensor technologies and embedded products
- **Re-aligned manufacturing for improved productivity & cost**
  - Systems manufacturing (final assembly) moved to Singapore
  - WaferSense manufacturing moved to Minneapolis
- Significant **leverage in the operating model**
  - \$30 million generated in last PCB market upturn
- **17 New products** in 2009 - 2011, all with improved margins

# Seasoned Management Team

- Kitty Iverson, Chief Executive Officer/Board Chair (9 years)
  - Emerson Electric, Director of Navarre Corporation
- Jeff Bertelsen – V.P. Finance & Administration (6 years)
  - Computer Network Technology (CNT), KPMG
- Corey Felber – Director, Operations (6 years)
  - August Technology, Fargo Electronics
- Dan Good – V.P. Corporate Development (1 year)
  - Storage Genetics, Inc., Seagate Technology, Western Digital Corporation, IBM
- Craig Ramsey – General Manager, Semiconductor (9 years)
  - QUAD Systems
- Dennis Rutherford – V.P. and General Manager, Inspection Systems (10 years)
  - Entegris, Fluoroware
- Tim Skunes – V.P. Technology & Bus Dev (22 years)
  - Avanti Optics

# Global Locations / Global Support

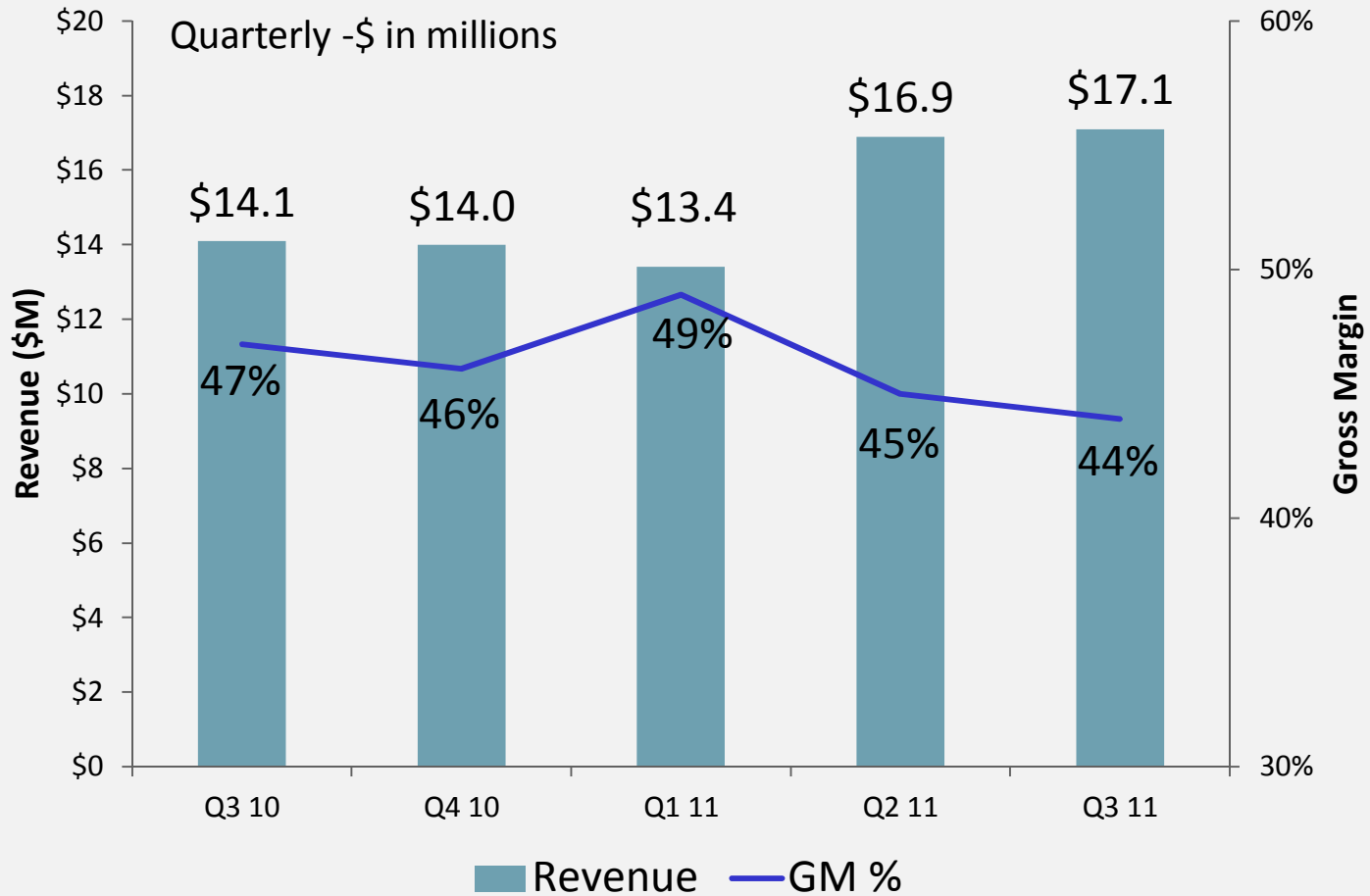


**Worldwide Network of Channel Partners  
45 Locations in 25 Countries**

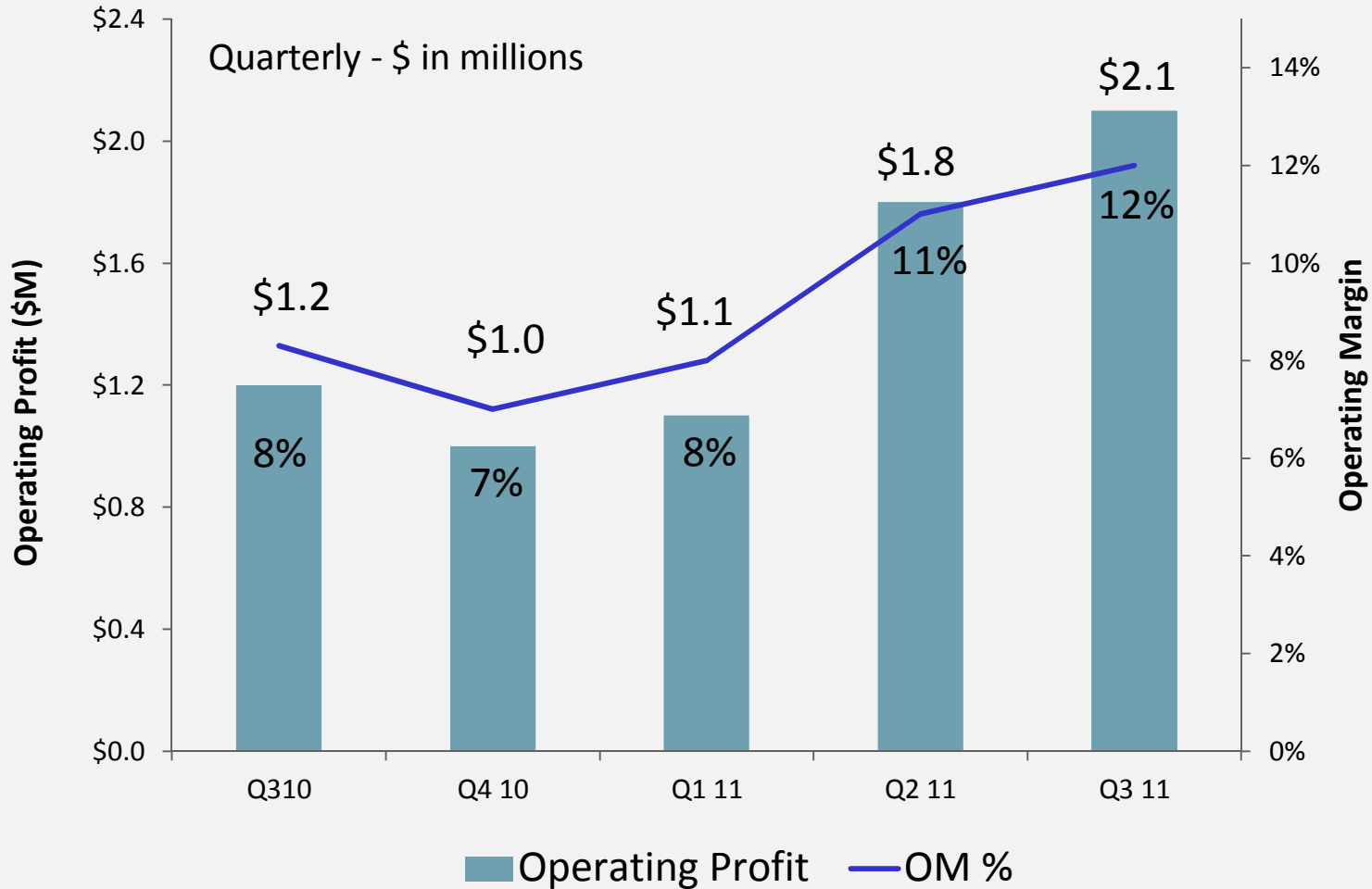
# CYBE Financial Metrics

	<u>Q3 2011</u>	<u>Q3 2010</u>
<b>Revenue</b>	<b>\$ 17,088</b>	<b>\$ 14,145</b>
<b>EPS</b>	<b>\$ 0.22</b>	<b>\$ 0.14</b>
<b>Cash and Marketable Securities</b>	<b>\$ 26,567</b>	<b>\$ 19,749</b>
<b>Debt</b>	<b>None</b>	<b>None</b>
<b>Accounts Receivable</b>	<b>\$ 13,736</b>	<b>\$ 12,993</b>
<b>DSO</b>	<b>74</b>	<b>85</b>
<b>Inventory</b>	<b>\$ 12,020</b>	<b>\$ 14,761</b>
<b>Inventory Turns</b>	<b>2.9</b>	<b>2.2</b>
<b>Capital Expenditures</b>	<b>\$ 284</b>	<b>\$ 350</b>
<b>Depreciation/Amortization</b>	<b>\$ 450</b>	<b>\$ 614</b>
<b>Headcount</b>	<b>186</b>	<b>187</b>

# Revenue and Gross Margin %



# CyberOptics Growing Profitability



# CYBE Target Model

	<u>2010</u>	<u>Q3 2011</u>	<u>9 Mo 2011</u>	<u>Target Model</u>
Revenue	\$ 56,951	\$ 17,088	\$ 47,297	
Gross Margin%	43.8%	43.7%	45.6%	<b>45 - 50%</b>
Operating Expenses	\$ 21,301	\$ 5,398	\$ 16,581	
Operating Expense - % of Revenues	37.4%	31.6%	35.1%	<b>33 - 35%</b>
Operating Income	\$ 3,661	\$ 2,069	\$ 5,000	
Operating Income - % of Revenue	6.4%	12.1%	10.6%	<b>12 - 15%</b>

# CYBE Balance Sheet

<u>ASSETS</u>		<u>30-Sep-11</u>
Cash and marketable securities	\$	26.6
Accounts receivable		13.7
Inventories		12.0
<b>Total current assets/marketable securities</b>		<u><b>56.3</b></u>
<b>Total assets</b>	\$	<u><u><b>62.1</b></u></u>
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Accounts payable	\$	4.0
Other liabilities (1)		5.8
<b>Total liabilities</b>		<u><b>9.8</b></u>
<b>Total stockholders' equity</b>		<b>52.3</b>
	\$	<u><u><b>62.1</b></u></u>

(1) No long term debt.

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