CyberOptics Reports Better Than Forecasted Second Quarter Operating Results And Strong Bookings and Backlog

Minneapolis, MN—July 24, 2007—CyberOptics Corporation (Nasdaq: CYBE) today reported operating results for the second quarter of 2007 ended June 30:

- Consolidated sales totaled $13,974,000, up modestly from $13,741,000 in this year's first quarter and down from $14,551,000 in the second quarter of 2006. Second quarter sales exceeded the previously issued guidance for this period.

- Operating income came to $1,274,000, up from $1,174,000 in the first quarter and down from $2,469,000 in the year-earlier period.

- Net income totaled $1,198,000 or $0.13 per diluted share, up from $1,153,000 or $0.13 per diluted share in the first quarter and down from $1,907,000 or $0.21 per diluted share in the second quarter of 2006. Earnings for this year's second quarter also exceeded the forecasted financial guidance for this period.

- CyberOptics ended the second quarter of 2007 with cash and marketable securities of $48,842,000, compared to $49,115,000 at the end of the first quarter and $49,007,000 at the beginning of 2007. The slight decrease in cash and marketable securities at the end of the second quarter was due to additional inventory for anticipated increases in third quarter sales. CyberOptics also used cash in the second quarter to repurchase approximately 13,000 shares of its common stock.

Kathleen P. Iverson, president and chief executive officer, commented: "Our above-plan operating results for the second quarter were paced by stronger than anticipated sales of LaserAlign® sensors for our long-time OEM partners. We believe this increased demand reflects the start of a general upturn in the global electronic assembly market, which has been sluggish throughout the past year. Also benefiting our second quarter sales was an order that we received for 37 SE 300 solder paste inspection systems, the largest such order in CyberOptics' history. Approximately one-half of this order, which was placed by a major Asian original design manufacturer, or ODM, was shipped in the second quarter, with the balance expected to ship in the third quarter. Due to the number of systems in this order, which was placed by our largest ODM customer, this transaction was priced aggressively, which affected our second quarter gross margin."

Iverson continued: "Order bookings, including electronic assembly sensors and inspection systems, totaled $17.0 million in the second quarter, and we ended this period with a backlog totaling $8.6 million, our largest quarter-ending backlog since the fourth quarter of 2000. The majority of our backlog is scheduled to ship in the third quarter. As a result, we are forecasting sales of $14.5 to $15.5 million and earnings of $0.12 to $0.15 per diluted share for the third quarter of 2007 ending September 30. Our third quarter guidance incorporates higher R&D investments related to the development of next-generation solder paste and automated optical inspection systems. We also will incur the front-end costs associated with replacing our high-cost U.S. software development contractors with an Indian contractor, a move that is expected to result in R&D savings in 2008."

Steven K. Case, Ph.D., chairman and founder, added: "A number of significant recent wins for our electronic assembly inspection solutions have further validated our belief that this will be a strong and consistent growth driver going forward. Reflecting this conviction, we have deemed it essential to keep our system offerings on the leading edge of inspection technology. This is why we will be significantly increasing R&D investments on next-generation solder paste and