

B E N C H M A R K E L E C T R I Q U A R T E R R E S U L T S

Benchmark Electronics, Inc. announced sales revenue of \$317 million for the quarter ended June 30, 2001 compared to sales revenue of \$407 million for the same quarter in the previous year. Net income excluding restructuring charges was \$0.25 million for the quarter compared to net income of \$3.61 million in the same period a year earlier. Cash EPS excluding restructuring charges on a fully diluted basis was 12 cents per share for the quarter ended June 30, 2001 compared to 43 cents per share for the same quarter of 2000.

Sales revenue for the six months ended June 30, 2001 were \$749 million compared to sales revenue of \$756 million for the same period in the prior year. Cash EPS excluding restructuring charges on a fully diluted basis was 53 cents per share for the six months ended June 30, 2001 compared to 56 cents per share for the same period in the prior year.

Cary T. Fu, President of Benchmark Electronics, Inc., commented: "We witnessed high levels of activity in the new product introductions area during the quarter. However, those programs combined with new program wins over the past few quarters have not yet gained the momentum to offset the broadbased decline in demand on existing customer programs. In the midst of the current economic environment, we are aggressively managing our business and maintaining strong customer relationships."

Based on current demand forecasts from our customers for the third quarter, we anticipate revenue to be flat to slightly down as compared to the second quarter and cash earnings per share in the range of 10 to 15 cents, excluding any restructuring charges.

Quarter Highlights

- * Operating cash flow generated was \$37 million in the second quarter and \$68 million in the six months ended June 30, 2001, reflecting effective working capital management.
- * We have been awarded 5 new program commitments since last quarter.
- * Accounts receivable decreased by \$43 million over the previous quarter to \$192 million. Days sales outstanding in receivables was 54 days.
- * Inventories decreased by \$47 million to \$263 million. Inventory turns were 4.5 times per year.
- * Non-linearity of demand from customers impacted both the inventory and receivable turnover ratios.
- * Percentages of our sales by industry for the quarter:
 - 35% -- telecommunication equipment
 - 41% -- computers and related products for business enterprises
 - 10% -- industrial control equipment
 - 7% -- medical devices
 - 4% -- video/audio/entertainment products
 - 3% -- testing and instrumentation products
- * Our three largest customers represented 20%, 17% and 6% of our sales during the quarter.

This news release contains forward-looking statements based on current expectations, forecasts and assumptions that involve risks and uncertainties that could cause actual outcomes and results to differ materially. These risks and uncertainties include the length and severity of the current economic downturn and our ability to manage customer demand through the downturn, the length and severity of current economic downturn in the electronics technology sector, the ability to manage rapid declines in customer demand, component availability and cost, risk of price fluctuation, reliance on major customers, fluctuations in operating results, changes in technology, competition, the ability to manage rapid growth, the ability to manage integration of acquired operations, risks associated with international sales and operations, interest rate risk, environmental regulations, litigation, market risk, segment risk, the ability to retain key personnel and the ability to maintain our technological and manufacturing process expertise. For a further list and description of risks and uncertainties, see the reports filed by Benchmark with the Securities and Exchange Commission, specifically forms 8-K, 10-Q, S-3 and 10-K. Benchmark disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Benchmark Electronics, Inc. is in the business of manufacturing electronics and provides its services to original equipment manufacturers of telecommunication equipment, computers and related products for business enterprises, video/audio/entertainment products, industrial control equipment, testing and instrumentation products, personal computers and medical devices. Benchmark's global operations include 16 facilities in six countries. Benchmark's Common Stock trades on the New York Stock Exchange under the symbol BHE.

A conference call hosted by Benchmark management will be held today at 10:00 am CDT to discuss the financial results of the Company and its future outlook. This call will be broadcast via the Internet and may be accessed by logging on to our website at <http://www.bench.com/>.

Benchmark Electronics, Inc. and Subsidiaries
 Consolidated Statements of Income
 (Amounts in Thousands, Except Per Share Data)
 (UNAUDITED)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2001	2000	2001	2000
Net sales	\$317,433	406,572	749,338	755,726
Cost of sales	295,381	376,868	695,123	702,376
Gross profit	22,052	29,704	54,215	53,350
Selling, general and administrative expenses	14,666	13,432	28,825	26,113
Restructuring charges	3,347	--	4,613	--
Amortization of goodwill	3,223	3,100	6,445	6,320
Operating income	816	13,172	14,332	20,917
Other income (expense):				
Interest expense	(4,600)	(7,050)	(10,313)	(12,613)
Other	794	(648)	294	181
Total other expense, net	(3,806)	(7,698)	(10,019)	(12,432)
Income (loss) before income taxes	(2,990)	5,474	4,313	8,485

Income tax expense (benefit)	(897)	1,869	1,294	2,902
Net income (loss)	\$(2,093)	3,605	3,019	5,583
Earnings (loss) per share:				
Basic	\$ (0.11)	0.22	0.15	0.34
Diluted	(0.11)	0.21	0.15	0.32
Cash	0.01	0.43	0.37	0.56
Earnings per share before restructuring charges:				
Basic	\$0.01	0.22	0.32	0.34
Diluted	0.01	0.21	0.31	0.32
Cash	0.12	0.43	0.53	0.56
Weighted average number of shares outstanding:				
Basic	19,605	16,297	19,601	16,272
Diluted	19,605	17,547	20,312	17,330

Benchmark Electronics, Inc. and Subsidiaries

Condensed Consolidated Balance Sheet

June 30, 2001

(Amounts in Thousands)

(UNAUDITED)

Assets

Current assets:

Cash	\$25,043
Accounts receivable, net	192,034
Inventories, net	262,948
Other current assets	20,052
Total current assets	500,077

Property, plant and equipment, net	129,667
Other assets, net	17,905
Goodwill, net	159,200

Total assets \$806,849

Liabilities and Shareholders' Equity

Current liabilities:

Current installments of other long-term debt	\$32,677
Accounts payable	146,674
Other current liabilities	23,867
Total current liabilities	203,218

Revolving line of credit	41,000
Convertible subordinated notes	80,200
Other long-term debt, excluding current installments	56,550
Other long-term liabilities	17,442
Shareholders' equity	408,439

Total liabilities and shareholders' equity \$806,849

MAKE YOUR OPINION COUNT - Click Here

<http://tbutton.prnewswire.com/prn/11690X23175417>

SOURCE: Benchmark Electronics, Inc.

Contact: Gayla J. Delly, Chief Financial Officer of Benchmark Electronics, +1-979-849-6550

Website: <http://www.bench.com/>

<https://ir.bench.com/2001-07-19-Benchmark-Electronics-Reports-Second-Quarter-Results>