MINNEAPOLIS -- CyberOptics has laid off 10% of its global staff due to lower demand for SPI and AOI equipment, the company said.

Continued softening in the electronics assembly market has significantly reduced the company's revenue during the first two months of the fourth quarter, CyberOptics said in a statement. Management currently anticipates fourth quarter revenue will range between $5.5 million and $6.0 million. The OEM reported sales of $13.8 million in the year-ago fourth quarter.

The company paid severance expenses of approximately $550,000 and said it would take larger fourth-quarter and full-year net losses than previously anticipated.

Chief executive and chair Kathleen P. Iverson said, “The downturn in the global electronics market, which affected our operating results through the first nine months of 2012, has deepened considerably in the fourth quarter. All electronics manufacturers now appear to be deferring capital equipment orders and likely will continue doing so until global economic uncertainties are resolved and consumer confidence strengthens.”

Iverson said that the loss and market downturn could also require CyberOptics to record an allowance against its deferred tax asset for accounting purposes, further compounding the magnitude of the reported net loss.

“CyberOptics has weathered many cyclical downturns before, and while we regret the workforce reduction announced today, we believe this action will enable us to operate more efficiently and effectively during this period of economic weakness,” she added. “With cash reserves of roughly $30 million and a strong pipeline of new products under development, we are confident CyberOptics will emerge from the current period well-positioned to capitalize upon a strengthening electronics market.”