

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 8-K

**Current Report Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934**

May 2, 2007

Date of Report (Date of earliest event reported)

inTEST Corporation

(Exact Name of Registrant as Specified in its Charter)

Delaware

(State or Other Jurisdiction of Incorporation)

0-22529

(Commission File Number)

22-2370659

(I.R.S. Employer Identification No.)

7 Esterbrook Lane, Cherry Hill, New Jersey 08003

(Address of Principal Executive Offices, including zip code)

(856) 424-6886

(Registrant's Telephone Number, including area code)

N/A

(Former name or former address, if changed since last report)

- Written Communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02. Results of Operations and Financial Condition

On May 2, 2007, the Company issued a press release and held a webcast conference call (as previously announced) regarding its financial results for the first quarter ended March 31, 2007. The Company's press release is attached to this Current Report as Exhibit 99.1 and a textual representation of the conference call is attached as Exhibit 99.2, each of which is incorporated by reference herein.

Item 9.01. Financial Statements and Exhibits.

(c) Exhibits:

- 99.1 Press Release, dated May 2, 2007
 - 99.2 Textual representation of conference call
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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

inTEST CORPORATION

By: /s/ Hugh T. Regan, Jr.
Hugh T. Regan, Jr.
Secretary, Treasurer and Chief Financial Officer

Date: May 4, 2007

Exhibit Index

- 99.1 Press Release, dated May 2, 2007
- 99.2 Textual representation of conference call

[inTEST News Release Letterhead]

inTEST REPORTS FIRST QUARTER 2007 RESULTS

CHERRY HILL, NJ, May 2, 2007 - inTEST Corporation (Nasdaq: INTT), an independent designer, manufacturer and marketer of semiconductor automatic test equipment (ATE) interface solutions and temperature management products, today announced results for the quarter ended March 31, 2007.

Net revenues for the quarter ended March 31, 2007 were \$12.1 million, compared to \$13.2 million reported for the fourth quarter of 2006. The net loss for the first quarter of 2007 was \$(1.2) million or \$(0.13) per diluted share, compared to net earnings of \$81,000 or \$0.01 per diluted share for the fourth quarter of 2006.

Robert E. Matthiessen, President and Chief Executive Officer of inTEST commented, "The first quarter was challenging due to less than expected revenues which resulted in an operating loss. Although our temperature management segment managed to exceed expectations, both of our other two product segments suffered below breakeven revenues due to the continued slow business environment. On a positive note, bookings increased in the first quarter of 2007 to \$12.6 million compared to \$12.2 million in the fourth quarter of 2006, and although we cannot be certain, we believe this indicates that the first quarter represented the trough in this business cycle."

Hugh T. Regan, Jr., Treasurer and Chief Financial Officer of inTEST said, "We are disappointed to post a loss in the quarter given the significant costs we previously took out of the business. We do not presently foresee the need for additional staffing reductions, however, as our management team views our current staffing levels as the minimum necessary to support our expected sales. Based upon customer forecasts, we believe our business will start to resume sequential growth as we move through the year, however we cannot be certain of the strength, length or timing of the next cycle."

Investor Conference Call / Webcast Details

inTEST will review first quarter 2007 results today, Wednesday, May 2, 2007 at 5:00 p.m. EST. The conference call will be available at www.intest.com and by telephone at (201) 689-8560 or toll free at (877) 407-0784. A replay of the call will be available 2 hours following the call through 11:59 p.m. EST on Wednesday, May 9, 2007 at www.intest.com and by telephone at (201) 612-7415 or toll free at (877) 660-6853. The account number to access the replay is 3055 and the conference ID number is 238283. A transcript of the conference call will be filed as an exhibit to a Current Report on Form 8-K as soon as practicable after the conference call is completed.

About inTEST Corporation

inTEST Corporation is an independent designer, manufacturer and marketer of ATE interface solutions and temperature management products, which are used by semiconductor manufacturers to perform final testing of integrated circuits (ICs) and wafers. The Company's high-performance products are designed to enable semiconductor manufacturers to improve the speed, reliability, efficiency and profitability of IC test processes. Specific products include positioner and docking hardware products, temperature management systems and customized interface solutions. The Company has established strong relationships with semiconductor manufacturers globally, which it supports through a network of local offices. For more information visit <http://www.intest.com>.

CONTACTS:

Hugh T. Regan, Jr., Treasurer and Chief Financial Officer, inTEST Corporation 856-424-6886, ext 201.
David Pasquale, 646-536-7006, or Joseph Villalta, 646-536-7003
Both of The Ruth Group, www.TheRuthGroup.com

Forward-Looking Statements:

This press release includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements do not convey historical information, but relate to predicted or potential future events that are based upon management's current expectations. These statements are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements. In addition to the factors mentioned in this press release, such risks and uncertainties include, but are not limited to, changes in business conditions and the economy, generally; changes in the demand for semiconductors, generally; changes in the rates of, and timing of, capital expenditures by semiconductor manufacturers; progress of product development programs; increases in raw material and fabrication costs associated with our products; implementation of additional restructuring initiatives; costs associated with compliance with Sarbanes Oxley and other risk factors set forth from time to time in our SEC filings, including, but not limited to, our periodic reports on Form 10-K and Form 10-Q. The Company undertakes no obligation to update the information in this press release to reflect events or circumstances after the date hereof or to reflect the occurrence of anticipated or unanticipated events.

(Financials Attached)

SELECTED FINANCIAL DATA
(In thousands, except per share data)

Condensed Consolidated Statements of Operations Data:

	<i>Three Months Ended</i>		
	<u>3/31/2007</u>	<u>3/31/2006</u>	<u>12/31/2006</u>
Net revenues	\$12,118	\$13,732	\$13,159
Gross margin	4,419	5,848	5,226
Operating expenses:			
Selling expense	2,174	2,129	2,001
Engineering and product development expense	1,404	1,436	1,419
General and administrative expense	2,150	1,954	1,866
Restructuring and other charges	-	-	23
Operating income (loss)	(1,309)	329	(83)
Other income	121	56	241
Earnings (loss) before income taxes	(1,188)	385	158
Income tax expense	33	45	77
Net earnings (loss)	(1,221)	340	81
Net earnings (loss) per share - basic	\$(0.13)	\$0.04	\$0.01
Weighted average shares outstanding - basic	9,179	8,991	9,125
Net earnings (loss) per share - diluted	\$(0.13)	\$0.04	\$0.01
Weighted average shares outstanding - diluted	9,179	9,068	9,293

Condensed Consolidated Balance Sheets Data:

	<i>As of:</i>	
	<u>3/31/2007</u>	<u>12/31/2006</u>
Cash and cash equivalents	\$12,434	\$13,174
Trade accounts and notes receivable, net	7,255	8,678
Inventories	6,755	6,193

Total current assets	27,197	28,803
Net property and equipment	3,107	3,328
Total assets	33,976	35,759
Accounts payable	3,134	3,145
Accrued expenses	3,995	4,169
Total current liabilities	7,652	8,410
Noncurrent liabilities	495	527
Total stockholders' equity	25,829	26,822

On May 2, 2007, inTEST Corporation held a webcast conference call to review its first quarter 2007 results and discuss management's current views of the industry. The following represents a textual representation of the content of the conference call and while efforts are made to provide an accurate transcription, there may be errors, omissions or inaccuracies in this transcript. A recording of the conference call is available for ninety (90) days on our website at www.intest.com.

Operator:

Good afternoon ladies and gentlemen. Thank you for standing by. Welcome to inTEST's First Quarter 2007 Results Conference Call. At this time, all participants are in a listen-only mode. Later we will conduct a question and answer session. If you have a question you will need to press the star, one on your pushbutton phone. As a reminder, this conference is being recorded today. A replay will also be available at www.intest.com.

I would now like to turn the conference over to David Pasquale. Please go ahead, sir.

David Pasquale:

Thank you, Operator. Good afternoon and welcome everyone to today's first quarter results call. Joining us from inTEST are Mr. Robert Matthiessen, President and Chief Executive Officer and Mr. Hugh Regan, Treasurer and Chief Financial Officer. Bob will briefly review highlights from the first quarter. Hugh will then review inTEST's detailed financial results. We will then have time for any questions. If you have not received a copy of today's results release, please call The Ruth Group at 646-536-7003 or you can get a copy off of inTEST's website.

Before we begin the formal remarks, the company's attorneys advise that this conference call may contain statements about future events and expectations which are forward-looking statements. Any statement on this call that is not a statement of historical fact may be deemed to be a forward-looking statement. Actual results may differ materially depending on a number of risk factors, including, but not limited to, the following, changes in business conditions and the economy generally, changes in the demand for semi-conductors generally, changes in the rates of and timing of capital expenditures by semi-conductor manufacturers, progress of product development programs, increases in raw material and fabrication costs associated with the company's products, implementation of additional restructuring initiatives, costs associated with compliance with Sarbanes-Oxley and other risk factors set forth from time to time in the company's SEC filings, including, but not limited to, the company's periodic reports on Form 10-K, Form 10-Q and Form 8-K. The company undertakes no obligation to update information in this conference call to reflect events or circumstances after the date hereof or reflects the occurrence of anticipated or unanticipated events.

At this time, I would now like to turn the call over to Robert Matthiessen. Please go ahead, sir.

Robert Matthiessen:

Thank you David and welcome everyone to today's call. The first quarter was challenging for us, due to the lower than expected top line revenue and the impact of our fixed cost structure. We are clearly disappointed to post a loss in the quarter given the significant costs we previously have taken out of our business. With that said, we do not foresee the need for additional staffing reductions. Our management team views current staffing levels as the minimum necessary to support expected sales in coming quarters.

Importantly, we believe the first quarter will represent the trough quarter for revenues for 2007, based on encouraging news from customers and the fact that bookings are now beginning to recover. As the US Semi-Conductor Industry Association recently reported, global sales of semi-conductors reversed three months of sequential declines with a nominal gain of just over 1% in March. Additionally, the SIA reported that worldwide sales of semi-conductors rose 3.2% from a year earlier in March. We are generally optimistic about our results going forward, and expect moderate growth over the next quarters.

As I alluded to above, our bookings have increased in the first quarter of 2007 to \$12.6 million from \$12.2 million in the fourth quarter of 2006. We remain focused on running a lean, cash flow positive operation, and we continue to fund our strategic product development efforts. This underscores our commitment to providing customers with a continued high level of product innovation, and support they have come to expect of inTEST.

Let me take a few minutes to give you additional color on our specific business segments. Our manipulator and docking hardware segment was down, basically due to the overall slowness of the backend sector. Also our Japanese subsidiary has been winding down a significant contract for sockets, and in fact, is in the process of terminating the agreement with that socket manufacturer. Although our revenues were below expectations, we do not believe there has been any significant shifts in market share. That being said, we have seen recent indications of recovery, and that some of the business that did not materialize in Q1 is beginning to come in in the present quarter.

Our interface group showed a slight increase in business, though still below our projections. This group has been working

diligently on the design and introduction of new products over the past year, and we believe we are beginning to see the results of these efforts.

Our temperature management product group, Temptronic, performed relatively flat and profitably I might add, which is actually quite good in the present business environment. Of notice, the fact that the combination thermostream chambers are becoming a mainstay of the business and that much of this business activity is coming from Asia, specifically China.

Now, I'd like to turn the call over Hugh to go through the detailed financials.

Hugh Regan, Jr.:

Thanks Bob. Net revenues for the quarter ended March 31, 2007 were \$12.1 million compared to \$13.2 million for fourth quarter of 2006. The net loss for the first quarter of 2007 was \$1.2 million, or \$0.13 per diluted share compared to net income of \$81,000 or \$0.01 per diluted share for the fourth quarter of 2006.

For the first quarter, end-user net revenues were \$9.2 million or 76% of net revenues, compared to \$10.3 million or 78% of net revenues in the fourth quarter of last year. OEM net revenue was \$2.9 million or 24% of net revenues in the first quarter of 2007, compared with \$2.9 million or 22% of net revenues in the fourth quarter of 2006. On a product segment basis, net revenues for the manipulator and the docking hardware segment were \$5.9 million or 49% of net revenues in the first quarter of 2007, compared with \$6.7 million or 51% of net revenues in the fourth quarter of 2006.

Our temperature management segment had net revenues of \$5.0 million or 41% of net revenues in the first quarter of 2007, compared with \$5.3 million or 40% of net revenues in the fourth quarter of 2006. And finally, our tester interface segment reported net revenues of \$1.2 million or 10% of net revenues in the first quarter of 2007, compared with \$1.2 million or 9% of net revenues in the fourth quarter of 2006.

Company's overall gross margin for the quarter ending March 31, 2007 was \$4.4 million or 36.5% of net revenues compared to \$5.3 million or 39.7% for the fourth quarter of 2006. Material costs were 38.5% of net revenues in the first quarter of 2007, compared to 38.9% in the fourth quarter of 2006. The slight improvement in component material costs was the result of a more favorable product mix in the first quarter compared to the fourth quarter.

I'll now discuss the breakdown of operating expenses. Selling expense was \$1.2 million; excuse me, \$2.2 million or 18% of net revenues for the first quarter, compared with \$2.0 million or 15% of net revenues in the fourth quarter of 2006, an increase of \$173,000 or 9%. The increase is primarily due to increased travel expenses related to trade show participation in the first quarter as well as higher salary and benefit expense. These increases were partially offset by reductions in warranty expense, third party installation costs and sales commission expenses.

Engineering and product development expense is unchanged at \$1.4 million for the first quarter. During the first quarter of 2007, we had increases in spending on patents, legal and increased spending on third party product development and consultants, which were offset by reductions in research and development materials and salary and benefit expense.

General and administrative expense was \$2.2 million or 18% of net revenues in the first quarter compared with \$1.9 million or 15% of net revenues in the fourth quarter of 2006, an increase of \$284,000 or 15%. The increase is primarily related to increased salary and benefit expense, higher levels of administrative travel and increased legal expenses related to year-end SEC filings completed during the first quarter.

There were no restructuring and other charges for the quarter ended March 31, 2007. Restructuring and other charges were \$23,000 for the quarter ended December 31, 2006 related to the final expenses of sub-letting our former UK operations facility that was completed during the fourth quarter of 2006.

Other income was \$121,000 for the first quarter, compared to \$241,000 for the fourth quarter, a decrease of \$120,000. The decrease is primarily the result of a reduction in the level of foreign exchange gain, and to a lesser extent, a reduction in interest income because of lower average cash balances.

Our pre-tax loss was \$1.2 million or \$0.13 per diluted share for the first quarter, compared to our pre-tax income of \$158,000 or \$0.02 per diluted share in the fourth quarter. Income tax expense was 300; excuse me, \$33,000 for the first quarter, compared to \$77,000 for the fourth quarter of 2006. Our effective tax rate was a minus 3% in the first quarter compared to 49% in the fourth quarter. The income tax expense during the first quarter represents the income tax on the profitable results of our foreign operations where we do not have any history of operating losses, and therefore do not have any operating; excuse me, any net operating tax plus carry forwards to offset the income tax of those operations.

Our net loss for the first quarter was \$1.2 million or \$0.13 per diluted share compared to \$81,000 or \$0.01 per diluted share in the fourth quarter of 2006. Diluted average shares outstanding were \$9.2 million compared to \$9.3 million in the fourth quarter.

Cash and cash equivalents at the end of March were \$12.4 million, down \$740,000 from the \$13.2 million at the end of December. During the first quarter we paid income taxes of \$601,000 to our actual cash burden related to operations was insignificant. We currently anticipate the cash will decline slightly during the second quarter of 2007. Capital expenditures

during the first quarter were \$130,000.

As Bob previously noted, bookings increased in the first quarter of 2007 to \$12.6 million compared to \$12.2 million in the fourth quarter of 2006, an increase of \$413,000 or 3%. Our backlog at the end of the first quarter was \$5.3 million, up from \$4.8 million at the end of the fourth quarter. While we no longer provide specific net revenue or pre-tax earnings guidance, we can say that we currently expect our business will start to resume sequential growth as we move through the year.

That's it for my financial review. At this time we will now open for Q&A. Operator?

Operator:

Thank you. Ladies and gentlemen at this time we will be conducting a question and answer session. All lines continue to be in a listen-only mode. If you would like to ask a question please press star, one on your telephone keypad. A confirmation tone will indicate that your line is in the question queue. To remove your question from the queue, please press star, two. For participants using speaker equipment it may be necessary to pick up your handset before pressing the star keys. One moment while we poll for questions. Once again ladies and gentlemen, if you'd like to ask a question, please press star, one on your touchtone phone.

Seeing as there are no questions in the queue, I'd like to turn the call back to management for any concluding remarks.

[Non-material closing remarks omitted]