

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**

March 4, 2008

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 March 5, 2008, inTEST Corporation (the "Company") issued a press release and held a webcast conference call (as previously announced) regarding its financial results for the fourth quarter and year ended December 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 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

On March 4, 2008, the Compensation Committee of the Board of Directors of the Company approved the compensation arrangements for the executive officers for 2008, awarded incentive based compensation to certain executive officers based upon performance in 2007 (in accordance with formulas previously disclosed) and awarded a discretionary bonus to the Chief Financial Officer. No adjustments to compensation arrangements were made other than a market-leveling increase to the base salary of the

Chief Financial Officer. The Chief Financial Officer 's new base salary effective April 1, 2008 will be \$224, 422. The performance based compensation paid to the Chief Executive Officer and the General Manager of the Temperature Management Product Segment was \$18,559 and \$37,119, respectively, based upon the performance of this Product Segment. The discretionary bonus awarded to the Chief Financial Officer was \$11,700.

Item 9.01. Financial Statements and Exhibits

(c) Exhibits:

- 99.1 Press Release, dated March 5, 2008
- 99.2 Textual representation of conference call

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: March 7, 2008

Exhibit Index

- 99.1 Press Release, dated March 5, 2008
- 99.2 Textual representation of conference call

[inTEST News Release Letterhead]

inTEST REPORTS FOURTH QUARTER AND YEAR END 2007 RESULTS

CHERRY HILL, NJ, March 5, 2008 - 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 and year ended December 31, 2007.

Net revenues for the quarter ended December 31, 2007 were \$11.4 million, compared to \$13.1 million in the third quarter of 2007. Our net loss for the fourth quarter of 2007 was \$(4.2) million or \$(0.45) per diluted share, compared to a net loss of \$(252,000) or \$(0.03) per diluted share for the third quarter of 2007. Included in the fourth quarter results were charges of \$(2.8) million or \$(0.30) per diluted share for the full impairment of goodwill related to prior acquisitions and \$(535,000) or \$(0.06) per diluted share for the partial impairment of certain long-lived assets; both of these impairment charges were in our Manipulator and Docking Hardware product segment. Without these impairment charges, our net loss for the quarter ended December 31, 2007 was \$(797,000) or \$(0.09) per diluted share. The attached selected financial data includes a table reconciling our net loss excluding impairment charges to our net loss calculated according to Generally Accepted Accounting Principles ("GAAP"). Net revenues for the year ended December 31, 2007 were \$48.7 million, compared to \$62.3 million for 2006. Our net loss for the year ended December 31, 2007 was \$(6.7) million or \$(0.73) per diluted share, compared to net income of \$2.9 million or \$0.31 per diluted share for 2006.

Robert E. Matthiessen, President and Chief Executive Officer of inTEST commented, "The overall market conditions remain challenging. Bookings decreased in the fourth quarter of 2007 to \$10.5 million, compared to \$11.1 million in the third quarter of 2007. We have commenced a major review of our operations to more aggressively streamline our cost structure in line with this business environment. Our primary objectives underlying this initiative are the return to profitability, the expansion of existing markets and the pursuit of new growth opportunities. During 2007, we continued investing in developing our technologies and reorganizing our distribution channels, with results that we are beginning to see in the form of increased bookings in our Tester Interface product segment during the first quarter of 2008."

Investor Conference Call / Webcast Details

inTEST will review fourth quarter 2007 results today, Wednesday, March 5, 2008 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, March 12, 2008 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 273735. 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.
Joseph Villalta of The Ruth Group, 646-536-7003

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.

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

Condensed Consolidated Statements of Operations Data:

	<u>Three Months Ended</u>			<u>Year Ended</u>	
	<u>12/31/2007</u>	<u>12/31/2006</u>	<u>9/30/2007</u>	<u>12/31/2007</u>	<u>12/31/2006</u>
Net revenues	\$11,411	\$13,159	\$13,114	\$48,705	\$62,346
Gross margin	4,617	5,226	5,133	18,781	26,394
Operating expenses:					
Selling expense	1,904	2,001	2,121	8,482	8,955
Engineering and product development expense	1,357	1,419	1,364	5,519	5,919
General and administrative expense	2,069	1,866	1,970	8,250	7,977
Impairment of goodwill	2,848	-	-	2,848	-
Impairment of long-lived assets	535	-	-	535	-
Restructuring and other charges	-	23	-	-	23
Operating income (loss)	(4,096)	(83)	(322)	(6,853)	3,520
Other income (expense)	(3)	241	148	392	470
Earnings (loss) before income taxes	(4,099)	158	(174)	(6,461)	3,990
Income tax expense	81	77	78	278	1,119
Net earnings (loss)	(4,180)	81	(252)	(6,739)	2,871
Net earnings (loss) per share - basic	\$(0.45)	\$0.01	\$(0.03)	\$(0.73)	\$0.32
Weighted average shares outstanding - basic	9,268	9,125	9,216	9,215	9,047
Net earnings (loss) per share - diluted	\$(0.45)	\$0.01	\$(0.03)	\$(0.73)	\$0.31
Weighted average shares outstanding - diluted	9,268	9,293	9,216	9,215	9,188
<u>Reconciliation of non-GAAP financial measure - net loss to net loss excluding impairment charges</u>					
Net earnings (loss)	(4,180)	81	(252)	(6,739)	2,871
Impairment of goodwill	2,848	-	-	2,848	-
Impairment of long-lived assets	535	-	-	535	-
Net earnings (loss) excluding impairment charges	(797)	81	(252)	(3,356)	2,871

Per Share Amounts - Diluted

Net earnings (loss)	\$(0.45)	\$0.01	\$(0.03)	\$(0.73)	\$0.31
Impairment of goodwill	\$ 0.30	-	-	\$ 0.30	-
Impairment of long-lived assets	\$ 0.06	-	-	\$ 0.06	-
Net earnings (loss) excluding impairment charges	\$(0.09)	\$0.01	\$(0.03)	\$(0.37)	\$0.31

We believe the adjusted net loss excluding impairment charges provides a meaningful insight into our operations by adjusting for material unusual items. Non-GAAP numbers should be read in conjunction with the GAAP measures, as non-GAAP metrics are merely supplemental to, and not a replacement for, GAAP financial measures. It should be noted as well that our non-GAAP information may be different from the non-GAAP information provided by other companies.

Condensed Consolidated Balance Sheets Data:

	<u>12/31/2007</u>	<u>As of</u> <u>9/30/2007</u>	<u>12/31/2006</u>
Cash and cash equivalents	\$12,215	\$10,659	\$13,174
Trade accounts and notes receivable, net	6,034	7,873	8,678
Inventories	5,097	6,149	6,193
Total current assets	24,464	25,938	28,803
Net property and equipment	2,198	2,845	3,328
Total assets	27,723	32,602	35,759
Accounts payable	1,923	2,858	3,145
Accrued expenses	3,545	3,753	4,169
Total current liabilities	5,815	6,902	8,410
Noncurrent liabilities	401	432	527
Total stockholders' equity	21,507	25,268	26,822

On March 5, 2008, inTEST Corporation held a webcast conference call to review its fourth quarter and year end 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 and welcome to the inTEST Corporation fourth quarter 2007 results conference call. At this time all participants are in a listen-only mode. A brief question and answer session will follow the formal presentation. If anyone should require operator assistance during the conference, please press star-zero on your telephone keypad. As a reminder, this conference is being recorded.

It is now my pleasure to introduce your host, Joseph Villalta of The Ruth Group. Thank you Mr. Villalta, you may begin.

Joseph Villalta:

Thank you. Good afternoon and welcome to today's fourth quarter results conference call. Joining us from inTEST are Robert Matthiessen, President and CEO, and Hugh Regan, Treasurer and CFO. Bob will briefly review highlights from the fourth 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 646-536-7026 or go to inTEST's website.

Before we begin the formal remarks, the company's attorneys advise us that this conference call may contain statements about future events and expectations which are forward-looking statements. Any statement in 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 the number of risk factors including, but not limited to, the following: changes in business conditions and the economy generally; changes in demand for semiconductors generally; changes in rates of and timing of capital expenditures by semiconductor manufacturers; progress of product development programs; increases in raw material and fabrications 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 the information in this conference call to reflect events or circumstances after the date hereof or to recite 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, Joseph, and welcome everyone to today's call. The overall market conditions remain challenging. Net revenues for the quarter ended December 31, 2007 were \$11.4 million, a decrease of 13% from the \$13.1 million for the third quarter of 2007. When we entered the fourth quarter, the market looked like it was positioned for a rebound. Based on what we are seeing and discussions with our customers and other companies that have reported the quarter clearly did not come in as expected. Our bookings decreased in the fourth quarter of 2007 to \$10.5 million from \$11.1 million in the third quarter of 2007 reflecting, what we believe, is a more cautious behavior from our customers. It is not unusual to see weaker order patterns run into Q4 but we of course will monitor the situation closely.

During 2007, we continued investing and developing our technologies and reorganizing our distribution channels with results that we are beginning to see in the form of increased bookings in our tester interface product segment during the first quarter of 2008. We commenced a major review of our operations to more aggressively streamline our cost structure in line with our business environment. We are confident that we will be able to successfully move ahead in this challenging environment. Our long term outlook remains focused on the return to profitability, expanding market share in existing markets, pursuing new growth opportunities, and delivering increased value to our shareholders.

Let me now take a few minutes to give you additional color on our specific segments. Although our Manipulator and Docking Group had a very difficult year, we have recently implemented an aggressive schedule of product introductions and material cost reduction with the goal of increasing market share. Shipments have begun on a specialized customer-specific wafer-probe-only manipulator and this core design will be the basis of a general purpose probe-only product that combines a full range of movement and pneumatically powered operations combined with an extremely small footprint and attractive selling price. We also have built the first of a new family of universal counter weighted manipulators that provide an economical solution to test head handling. From March 18 through March 20, 2008, the first member of this new family will be exhibited at SEMICON China, a major trade show held in Shanghai, China.

Our Interface Group has made great strides toward returning to profitability. An announcement was recently made of the shipment of the 750th Teradyne FLEX Probe Interface Tower. Bookings for tester interface products in the first quarter of

2008 have reached about 150% of our internal forecast at this point in the quarter.

Temptronic, our Temperature Management product group, continues to provide solid performance. Bookings were rather slow in the beginning of the first quarter but there has been a recent increase driven primarily by the ThermoChuck product line.

Let me turn the call over to Hugh now to go over the detailed financials.

Hugh Regan, Jr.:

Thanks Bob. Net revenues for the quarter ended December 31, 2007 were \$11.4 million compared to \$13.1 million in the third quarter of 2007. The net loss for the fourth quarter of 2007 was \$4.2 million or \$0.45 per diluted share compared to a net loss of \$252,000 or \$0.03 per diluted share for the third quarter of 2007. Included in the fourth quarter results were charges of \$2.8 million or \$0.30 per diluted share for the full impairment of goodwill related to prior acquisitions and \$535,000 or \$0.06 per diluted share for the partial impairment of long lived assets. Both of these impairment charges were in our Manipulator and Docking Hardware product segments. The impairment charges recorded in the fourth quarter in this segment were driven by significant operating losses experienced in the Manipulator and Docking Hardware product segment during 2007 and the near term negative outlook for this product segment. Management felt that in light of the volatile and challenging markets in which this company operates, that taking this action was prudent and appropriate at this time. The partial impairment of long-lived assets within our Cherry Hill manufacturing operations which is the headquarters for the Manipulator and Docking Hardware product segment.

For the fourth quarter of 2007, end user net revenue was \$9.4 million or 82% of net revenues compared with \$11.0 million or 84% of net revenues in the third quarter of 2007. OEM net revenues were \$2.0 million or 18% of net revenues in the fourth quarter of 2007 compared with \$2.1 million or 16% of net revenues in the third quarter of 2007. Net revenues from markets outside of semiconductor test were \$1.3 million in the fourth quarter compared to \$1.7 million in the third quarter.

On a product segment basis, net revenues for the Manipulator and Docking Hardware segment were \$4.9 million or 43% of net revenues in the fourth quarter of 2007 compared with \$6.5 million or 50% of net revenues in the third quarter. Our Temperature Management segment had net revenues of \$4.7 million or 41% of net revenues in the fourth quarter of 2007 compared with \$5.2 million or 40% of net revenues in the third quarter of 2007. Finally, our Tester Interface Product segment reported net revenues of \$1.8 million or 16% of net revenues in the fourth quarter compared with \$1.4 million or 10% of net revenues in the third quarter of 2007.

The Company's overall gross margin for the quarter ended December 31, 2007 was \$4.6 million or 40.5% of net revenues compared with \$5.1 million or 31.9% for the third quarter.

Material costs were 36.1% of net revenues in the fourth quarter of 2007 compared to 38.1% in the third quarter. The decrease in component material costs was due to changes in product mix as well as reductions in component material costs in both our Manipulator and Docking Hardware and Tester Interface product segments due to stronger supply chain management.

I'll now discuss the breakdown of operating expenses for the quarter. Selling expense was \$1.9 million or 17% of net revenues for the fourth quarter compared to \$2.1 million or 16% of net revenues in the third quarter, a decrease of \$217,000 or 10%. The decrease was primarily due to reduced sales commission expense resulting from the lower levels of net revenues in the fourth quarter and there were also decreases in product warranty expense and advertising. These reductions were partially offset by increases in sales salary and benefit costs. Engineering and product development expense was \$1.4 million or 12% of net revenues for the fourth quarter compared to \$1.4 million or 10% of net revenues in the third quarter. We had increased spending on product development materials and third-party consultants which were offset by reductions in engineering salary and benefit expense. General administrative expense was \$2.1 million or 18% of net revenues in the fourth quarter compared to \$2.0 million or 15% of net revenues in the third quarter, an increase of \$99,000 or 5%. The increase was primarily related to higher levels of professional fees as well as increased administrative salary and benefit expense. These increases were partially offset by reductions in administrative travel. As previously noted, the goodwill impairment charge was \$2.8 million or \$0.30 per diluted share and the impairment of long lived assets was \$535,000 or \$0.06 per diluted share. Other income expense was \$3,000 for the fourth quarter of 2007 compared to other income of \$148,000 for the third quarter of 2007, a decrease of \$151,000. The decrease was driven by foreign exchange losses during the fourth quarter of 2007.

Our pre-tax loss was \$4.1 million or \$0.44 per diluted share for the fourth quarter compared to a pre-tax loss of \$174,000 or \$0.02 per diluted share in the third quarter. Income tax expense was \$81,000 for the fourth quarter compared to \$78,000 for the third quarter of 2007. Our effective tax rate was a negative 3% in the fourth quarter compared to a negative 45% in the third quarter. Our net loss for the fourth quarter of 2007 was \$4.2 million or \$0.45 per diluted share compared to a net loss of \$252,000 or \$0.03 per diluted share for the third quarter of 2007. Our net loss adjusted for the impairment charges was \$797,000 or \$0.09 per diluted share. Diluted average shares outstanding were 9.3 million for the fourth quarter compared to 9.2 million in the third quarter. Cash and cash equivalents at the end of December were \$12.2 million, up \$1.5 million from the \$10.7 million at the end of September. The increase in cash was the result of collections of accounts receivable during the fourth quarter. Capital expenditures during the fourth quarter were \$131,000.

As Bob previously noted, bookings decreased in the fourth quarter of 2007 to \$10.5 million from \$11.1 million in the third

quarter, a decrease of \$614,000 or 6%. Our quarterly bookings included \$1.6 million in non-semiconductor related business booked in the fourth quarter of 2007 compared to \$1.1 million booked in the third quarter. And finally, our backlog at the end of the fourth quarter was \$4.2 million, down from \$5.1 million at the end of the third quarter of 2007.

That's it for my financial review at this time. We'll now open up for question and answer. Operator?

Operator:

Thank you. We will now be conducting a question and answer session. If you would like to ask a question, please press star-one on your telephone keypad. A confirmation tone will indicate your line is in the question queue. You may press star-two if you would like to remove your question from the queue. For participants using speaker equipment, it may be necessary to pick up your handset before pressing the star keys. One moment please while I poll for questions.

There are currently no questions in the queue at this time.

[Non-material closing remarks omitted]