

inTEST Corporation Announces Third Quarter Results

CHERRY HILL, N.J., Oct. 28 /PRNewswire/ -- inTEST Corporation (Nasdaq: INTT) announced today third quarter results. Net earnings for the quarter ended September 30, 1998 were \$227,000 or \$.04 per diluted share compared with \$1.3 million or \$.21 per diluted share for the comparable period in 1997. Net earnings for the nine months ended September 30, 1998 were \$2.3 million or \$.38 per diluted share compared with \$3.2 million or \$.68 per diluted share for the comparable period in 1997. The results for the third quarter of 1998 were in line with inTEST management's previously announced revised estimate of quarterly results. The following is summary financial information for the periods ended September 30, 1998 and 1997:

	Three Months Ended		Nine Months Ended	
	9/30/98	9/30/97	9/30/98	9/30/97
	(000 omitted except for per share earnings)			
Revenues	\$4,468	\$6,212	\$15,257	\$14,719
Gross profit	2,331	3,893	8,785	8,963
Operating income	260	2,066	3,264	4,367
Net earnings	227	1,266	2,289	3,153
Net earnings per share				
- basic	\$.04	\$.21	\$.38	\$.69
Weighted average shares				
outstanding - basic	6,312	5,911	6,046	4,598
Net earnings per share				
- diluted	\$.04	\$.21	\$.38	\$.68
Weighted average shares				
outstanding - diluted	6,318	5,966	6,055	4,617

The results for the quarter and the nine months ended September 30, 1998 include the results of TestDesign Corporation, from the date of acquisition on August 3, 1998. As previously reported, part of the consideration in this acquisition was the issuance of 625,000 shares of inTEST common stock which had a proportional impact on average shares outstanding for both the quarter and the nine months ended September 30, 1998.

Robert E. Matthiessen, President and CEO said, "Although the semiconductor capital equipment sector is still in the doldrums, there is reason to believe that a turn-around is coming: the inventory of computer chips, both microprocessor and memory, has been substantially consumed; also, personal computer inventory has been burned off and new product is being shipped. We feel that our present job is to carefully balance the tasks of watching costs while at the same time doing those things that will see us fully prepared for the up-turn." Douglas W. Smith, Senior Vice President and COO added, "We feel it is extremely important to be well-positioned for the recovery. Therefore, we have initiated several important R&D projects to address the emerging requirements of the ATE industry. At the same time, we are investing significant effort on improving our infrastructure so that we are in a strong position when the turn-around arrives."

inTEST Corporation is a leader in the design and manufacture of docking hardware and test head manipulators, which are used with automatic test equipment (ATE) by semiconductor manufacturers during the testing of wafers and packaged devices. In addition, the Company manufactures high quality, production worthy wafer test interfaces for the semiconductor industry marketed under the TestDesign product line. The Company also designs and markets related ATE interface products including high performance test sockets and interface boards. Headquartered in Cherry Hill, New Jersey, the Company has manufacturing facilities in New Jersey, California and the UK and design, sales, service and support offices in New Jersey, California, the UK, Japan and Singapore.

Certain matters in this news release are forward-looking statements which are subject to risks and uncertainties that could cause actual results to differ materially from those projected. Such risks and uncertainties include, but are not limited to, a further decline in the demand for semiconductor devices, changes in rates of capital expenditures by semiconductor manufacturers, progress of product development programs, unanticipated costs associated with the integration of acquired operations, and other factors set forth in the Company's SEC filings,

including its form 10-K for the year ended December 31, 1997.

SELECTED FINANCIAL DATA
(in thousands, except per share)

Selected Consolidated Statement of Earnings Data:

	Three Months Ended		Nine Months Ended	
	Sept. 30,		Sept. 30,	
	1998	1997	1998	1997
Revenues	\$4,468	\$6,212	\$15,257	\$14,719
Gross profit	2,331	3,893	8,785	8,963
Operating expenses:				
Selling expense	862	706	2,281	1,799
Research and development expense	483	455	1,338	1,230
General and administrative expense	726	666	1,902	1,567
Operating income	260	2,066	3,264	4,367
Income tax expense	133	924	1,351	1,373
Net earnings	227	1,266	2,289	3,153
Net earnings per share - basic	\$0.04	\$0.21	\$0.38	\$0.69
Weighted average common and common equivalent shares outstanding - basic	6,312	5,911	6,046	4,598
Net earnings per share - diluted	\$0.04	\$0.21	\$0.38	\$0.68
Weighted average common and common equivalent shares outstanding - diluted	6,318	5,966	6,055	4,617

Selected Consolidated Balance Sheet Data:

	September 30,	
	1998	1997
Cash and cash equivalents	\$8,551	\$10,247
Trade accounts and notes receivable	3,293	4,521
Inventories	2,631	1,308
Total current assets	15,456	16,394
Net property and equipment	804	500
Total assets	23,415	18,345
Accounts payable	1,136	1,126
Accrued expenses	803	770
Total current liabilities	1,939	2,909
Total shareholders' equity	21,476	15,436