

## **PRESS RELEASE**

Amsterdam, September 18, 2003

### **POSITIVE FIRST HALF YEAR**

### **CAPITAL INCREASE OPPORTUNITY**

The Board of Management of Rood Testhouse International N.V. ('Rood Technology') announced today the 2003 first half year results. The period ended in a net profit of EUR 31,000 (first six months of 2002: loss of EUR 2,206,000), despite the ongoing downturn in the semiconductor market.

The half year figures are presented as being unaudited as the shareholders have approved a delay of the issue of the final 2002 annual report to December 1, 2003, because the going concern assumption is under discussion. The attached figures are based on going concern. The comparison figures for the whole year 2002 are therefore still preliminary. The result for the whole year 2002 is EUR 39,000 worse than the figures announced in the press release dated April 25, 2003. This is due to the financial effect of closing down the Scottish operation, which has been retrospectively taken into account into the fiscal year 2002. The Scottish site has been de-consolidated as of December 31, 2002.

Net sales for the period were EUR 4.2 million, down 6.8% from EUR 4.5 million in the first half year of 2002. As the discontinued Scottish activities contributed EUR 0.9 million to the first half year 2002 sales level, net sales of the German operation increased from EUR 3.6 million to EUR 4.2 million.

Excluding the Scottish site, the gross margin amounted to EUR 3.5 million, up 12.9% from EUR 3.1 million in the first half year of 2002.

Through extensive cost saving programs ongoing operating costs have been reduced by EUR 2.6 million. Furthermore book profits from selling some unproductive equipment amounting to EUR 0.3 million were presented under the other operating expenses.

Furthermore the Board announced that the discussions with the potential investors have resulted in letters of intent regarding issuing subordinated convertible loans up to a maximum of EUR 2,000,000. Commitments have been received for an amount of EUR 1,500,000, but are subject to a favourable agreement with the Company's bankers as well as shareholders' approval. Therefore a general meeting of shareholders will be held on October 22, 2003 at 10am at the A4-hotel, Hoofddorp, The Netherlands.

The agreed conditions of the convertible loans are as follows:

Amount: maximum of EUR 2,000,000  
Interest: 9% per annum  
Repayment: quarterly instalments to be negotiated by the Board of Management  
Conversion: lenders will convert the quarterly instalments into newly issued ordinary shares of Rood Testhouse International N.V.  
Conversion price: fixed at EUR 0.1134 for all repayments

Management will propose to exclude the pre-emptive rights of shareholders related to the issue of the convertible loans and any conversion in connection with it. The reason is to allow the Board of Management to secure the continuity of the Company. The conversion rate is justified based on the fact that the Board of Management has been looking for additional funding from existing or new shareholders for already 19 months. The possible issue of the mentioned convertible loans is the first real opportunity to add the needed additional capital.

In order to allow the conversion into shares during the coming years, shareholders' will be asked for approval to authorise the Board of Management to change the Articles of Association of the Company. An increase of the authorised capital will be needed as well as a reduction of the nominal value of each share.

The half year figures are based on the assumption that the German group company can be reintegrated in the group by agreeing with the German banks, under the 'Treuhandvertrag', the transfer of the shareholders' rights in the German group company from the trustees back to Rood Testhouse International.

As earlier announced, in July 2002 the Company was forced to sign this 'Treuhandvertrag' relating to the shares in the German group company. Based on this contract the German banks have the right to enforce the sale of the German group company and put the proceeds towards the moneys owed to them.

The waiver of this 'Treuhandvertrag' has also been put forward by the potential investors as a condition for entering into the convertible loans agreements.

## **Prospects**

For the whole year 2003 management expects to realise a breakeven result. Depreciation will amount to about EUR 1,500,000. Therefore the cash flow will be around EUR 1,500,000.

Industry analysts are still predicting the start of an upturn for the semiconductor market with full effect in 2004. Management is convinced that Rood Technology will benefit from this anticipated growth.

## **Rood Technology's Services**

Rood Technology has more than 30 years experience of providing engineering intensive added value services to the semiconductor industry. These include testing, device programming, tape and reel, and related equipment supply.

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**Consolidated Income Statement  
(unaudited)**

	First six months 2003	First six months 2002 EUR '000s	Whole year 2002
<b>Net sales</b>	4,219	4,527	9,091
Change in work in process and inventories of finished products	(255)	(129)	(548)
<b>Total operating income</b>	<u>3,964</u>	<u>4,398</u>	<u>8,543</u>
Goods purchased and costs of raw materials and consumables	431	485	937
Personnel expenses	2,135	3,509	6,116
Depreciation of tangible fixed assets	805	1,424	2,760
Other operating expenses	388	1,281	2,376
<b>Total operating expenses</b>	<u>3,759</u>	<u>6,699</u>	<u>12,189</u>
<b>Operating profit/(loss)</b>	<u>205</u>	<u>(2,301)</u>	<u>(3,646)</u>
Interest income and expense	(189)	(180)	(382)
<b>Profit/(loss) on ordinary activities before taxation</b>	<u>16</u>	<u>(2,481)</u>	<u>(4,028)</u>
Tax on profit on ordinary activities	15	-	16
<b>Profit/(loss) on ordinary activities after taxation</b>	<u>31</u>	<u>(2,481)</u>	<u>(4,012)</u>
Extraordinary income/(expenses)	-	275	(1,708)
Tax on extraordinary result	-	-	-
<b>Extraordinary income/(expenses) after taxation</b>	<u>-</u>	<u>275</u>	<u>(1,708)</u>
<b>Net profit/(loss)</b>	<u><u>31</u></u>	<u><u>(2,206)</u></u>	<u><u>(5,720)</u></u>

**Consolidated Balance Sheet  
(unaudited)**

	First six months 2003	First six Months 2002
	X EUR '000s	
<b>Assets</b>		
Tangible fixed assets	6,228	5,642
Inventories	608	2,082
Receivables	1,591	1,520
Cash at bank and in hand	1	18
	<u>8,428</u>	<u>9,262</u>
<b>Liabilities</b>		
Capital and reserves	748	2,142
Provisions	1,840	240
Long-term liabilities	169	1,000
Current liabilities	5,671	5,880
	<u>8,428</u>	<u>9,262</u>
<b>Ratios</b>		
Gross margin	3,533	3,913
Operating profit/(loss) as percentage of gross margin	207 5.9%	(2,301) (58.8%)
Profit/(loss) on ordinary activities after taxation	31	(2,481)
Net profit (loss)	31	(2,206)
Group equity as percentage of balance sheet total	748 8.9%	2,142 23.1%
Net debt as percentage of group equity	4,643 620.7%	4,562 213.0%
Capital expenditure (divestment)	(45)	(509)
Depreciation	805	1,424
Cash-flow	836	(782)
Net earnings per share (EUR)	0.00	(0.31)