

PRESS RELEASE

Zwolle, 28 August 2014

INTERIM REPORT 2014

Summary HY1 2014

(x EUR 1,000)	HY1 2014	HY1 2013
Sales	4,770	5,504
<i>Gross margin as % of sales</i>	<i>84%</i>	<i>82%</i>
EBITDA	-112	202
<i>EBITDA as % of sales</i>	<i>-2%</i>	<i>4%</i>
EBIT	-526	-265
<i>EBIT as % of sales</i>	<i>-11%</i>	<i>-5%</i>
Net result	-594	-386
<i>Net result as % of sales</i>	<i>-12%</i>	<i>-7%</i>

Highlights HY1 2014 compared to HY1 2013

- In the first half year, RoodMicrotec has made significant investments in future projects. That has had a major impact on our result. The related costs have not been capitalised.
- Strategic adjustment in response to changing market conditions. Our new approach involves longer lead times.
- Longer lead times and postponement of some big orders resulted in sales of € 4.770 million, 13% down on the first half of 2013 (HY1 2013: € 5.504 million).
- Sales in all business units except for Test decreased between 4% and 29%.
- Lower sales and seizing new market opportunities have resulted in a net result of € 0.594 million in the first half of 2014 (HY1 2013: € -0.386 million).
- Improvement of the net debt position compared to the first half of 2013 by € 1.813 million to € 0.923 million.
- Solvency is at 44% (H1 2013: 45%).
- Issue of € 2.500 million bond loan and repayment of bank loans; all short-term loans, except the finance lease, were redeemed using the proceeds from the bond loan. This form of financing has greatly reduced RoodMicrotec's dependence on banks.

- As a result of the refinancing, the short-term loans fell by € 0.545 million compared to the first half of 2013, the net-cash position increased by € 2.671 million and the long-term loans increased by € 1.403 million.
- The working capital position improved strongly by € 2.711 million.
- The share capital was € 5.285 million and € 5.863 million respectively in the first half of 2014 and 2013. Shares totalling € 0.614 million were issued during the first half of 2014.

Philip Nijenhuis, RoodMicrotec CEO:

'In the first half of 2014, we have seen the number of applications increase enormously, as stated before, and correspondingly the number of offers made. In view of our stable and relatively high hit rate (offers that result in an actual order), this gives us a great deal of confidence for the future. Our focus on new customers and projects with longer running times and recurring sales by definition strengthens our market position. But here, too, costs come before benefits, as the results for the first half show. '

Financial Performance Indicators

(x EUR 1,000)	HY1 2014	HY1 2013	Change
Result			
Net sales	4,770	5,504	-734
Gross margin	4,008	4,532	-524
Gross margin as % of net sales	84%	82%	2%
EBIT	-526	-265	-260
EBIT as % of net sales	-11%	-5%	-6%
EBITDA	-112	201	-313
EBITDA as % of net sales	-2%	4%	-6%
Net cash flow	2,360	-275	2,635
Cash flow operational	475	152	323
Net result	-594	-386	-207
Net result as % of net sales	-12%	-7%	-5%
Financing costs	-68	-121	53
Capital, debt & liquidity ratios			
Total assets	11,881	13,111	-1,230
Group equity	5,285	5,863	-578
Net debt	923	2,736	-1,813
Capital (net debt + group equity)	6,208	8,599	-2,391
Gearing ratio (net debt/capital)	15%	32%	-17%
Solvency (group equity/ liabilities + group equity)	44%	45%	-1%
Debt ratio (net debt /EBITDA)	-4.16	6.80	-11
Net working capital	1,319	-1,391	2,711
Working capital ratio	1.63	0.70	0.93
Assets			
Tangible fixed assets	5,273	6,084	-811
Investment in tangible fixed assets	239	271	-32
Depreciation of tangible fixed assets	414	466	-52
Ordinary shares issued	42,902	35,769	7,133
Data per share (x EUR 1)			
Capital and reserves	0.07	0.09	-0.02
EBIT	-0.02	-0.01	-0.01
Cash flow	0.11	-0.02	0.13
Net result	-0.03	-0.02	-0.01
Number of FTEs (Permanent)			
At month-end	97	100	-3
Average	97	102	-5
Sales/ Average FTEs (Permanent)	98	108	-10

Report of the board of management

1. General

Our strategy aims to realise increasing amounts of recurring sales by means of Extended Supply Chain Management. This is different from before, when RoodMicrotec was far more focused on offering individual services that were unconnected and tended to be one-off projects. Now, we are increasingly offering integrated services in the form of a complete product for the entire lifetime of the product/chip. This leads to longer-term projects with more stable, more predictable and less cyclic sales. However, these projects have longer lead times, because we first do engineering work and invest before we start generating significant sales. This means that the anticipated sales growth will not materialise until the second half of 2014 and into 2015.

The successful issue of bonds with mortgage cover and the strengthening of our equity have had a very positive impact on our balance sheet ratios and on our financial position in general and we will be able to roll out our strategy better. This improved position enables us to contribute more actively to the development of new products, generating recurring sales. Our new strategy involves that we co-invest in new promising projects and also invest in additional sales capacity, the latter mainly in order to compensate for the decline in sales with our 'traditional' product portfolio. By co-investing in promising projects, we aim to try to break through the continuing lending restraint in the financial markets, which often frustrates our customers, many of which are Fabless Companies (FCs) in their development. With our approach, we aim both to boost the development of FCs and also increase our sales and our position in this market segment.

In the first half year, we have made significant investments in projects that offer attractive future perspectives. These are currently over seven highly promising projects, which will give a major boost to our sales.

1.1 Developments by business unit (product /service group)

RoodMicrotec net sales HY1 2014 vs HY1 2013

(x EUR 1,000)	HY1 2014	HY1 2013	Change
Test	2,190	2,165	1%
Supply Chain Management	847	1,194	-29%
Failure & Technology Analysis	675	703	-4%
Test Engineering	221	293	-25%
Qualification & Reliability Investigation	837	1,149	-27%
Total	4,770	5,504	-13%

The previously mentioned postponement of some major orders to the second half of the year in combination with longer lead times has resulted in sales in the first half of 2014 of € 4.770 million, a decrease of 13% compared to the first half of 2013 (HY1 2013: € 5.504 million). We feel our decline in sales is temporary in a fluctuating, but generally rising market.

This is also offset by the fact that the majority of the record number of applications earlier this year have led to a sharp increase in the number of offers we have made. At a total amount of between € 9 million and € 10 million, this is an increase of between 80% and 90% compared

to the first half of 2013. In this context it is important that we raise the number of offers that we make, for at least two reasons: firstly, at an equal hit rate (ratio of offers leading to actual orders) orders will significantly rise in the future, and secondly, an increasing number of offers by definition strengthens our market position.

1.2 Personnel

The strategy change mentioned above has obviously impacted the organisation, leading to a different composition and management of our staff.

The number of permanent employees decreased to 97 FTEs, approximately 3% down on June 2013 (100 FTEs).

1.3 Communication with shareholders and bondholders

High on the agenda for this year and the next few years is intensifying the communication with our shareholders and bondholders. This is partly in view of our bond loan issue earlier this year, which has raised the number of stakeholders in RoodMicrotec greatly. In this context, we are organising an informative meeting for our shareholders and bondholders in Amsterdam on 25 September, with a 4pm start. We will shortly publish more information about the programme.

1.4 Risk management

The various risks the company is exposed to are listed in RoodMicrotec's 2013 annual report. We strive to limit the risks, inter alia by periodical and systematic risk reviews of selected aspects. These reviews are conducted approx. 8 times every year. Where necessary, corrective measures are taken. In view of the negative developments in the financial markets, the management is devoting additional attention to cash management. Otherwise, the management does not currently foresee any material changes in the risks in 2014.

2. NOTES TO THE FINANCIAL RESULTS

2.1 Sales and result

Sales in the first half of 2014 were € 4.770 million, a decrease of 13% compared to the first half of 2013 (HY1 2013: € 5.504 million).

EBITDA was € -0.112 million (HY1 2013: € 0.201 million), or -2% of sales.

EBIT was € -0.526 million (HY1 2013: € -0.265 million), which equates to -11% of sales.

Net financing costs were € 0.068 million, 44% down on the first half of 2013.

2.2 Cash flow

In the first half year of 2014, the realised cash flow from operating activities was € 551,000 (HY1 2013: € 273,000). Net cash flow from operating activities improved compared to the same period in 2013 to € 475,000 (HY1 2013: € 152,000).

3. Events after balance sheet date

4. Outlook for 2014

The semiconductor industry is showing positive growth. Based on the record number of offers, we expect, in line with our earlier prognoses, to realise significant sales growth in the second half of 2014 and beyond. We expect our results to recover accordingly. At present, we cannot anticipate the impact of the economic boycott of Russia.

5. Financial Agenda 2014 and 2015

13 November 2014	Publication trading update
8 January 2015	Publication annual sales figures 2014
26 February 2015	Publication annual figures 2014
26 February 2015	Conference call for press and analysts
12 March 2015	Publication annual report 2014
23 April 2015	Annual general meeting of shareholders
14 May 2015	Publication trading update
9 July 2015	Publication sales figures first half 2015
27 August 2015	Publication interim report 2015
27 August 2015	Conference call for press and analysts
12 November 2015	Publication trading update

About RoodMicrotec

With 40 years' experience as an independent value-added service provider in the area of micro and optoelectronics, RoodMicrotec offers Fabless Companies, OEMs and other companies a one-stop shopping proposition. With its *powerful solutions* RoodMicrotec has built up a strong position in Europe.

Our services comply with the industrial and quality requirements of the high reliability/space, automotive, telecommunications, medical, IT and electronics sectors.

Certified by RoodMicrotec concerns inter alia certification of products to the stringent ISO/TS 16949 standard that applies to suppliers to the automotive industry. The company also has an accredited laboratory for test activities and calibration to the ISO/IEC 17025 standard.

Its value-added services include failure & technology analysis, qualification & burn-in, test & product engineering, production test (including device programming and end-of-line service), ESD/ESDFOS assessment & training, quality & reliability consulting, supply chain management and total manufacturing solutions with partners.

RoodMicrotec has branches in Germany (Dresden, Nördlingen, Stuttgart), United Kingdom (Bath) and the Netherlands (Zwolle).

Further information:

Philip Nijenhuis, CEO

Telephone +31 38 4215216

Fax: +31 38 4216410

Postal address:

RoodMicrotec N.V., PO Box 1042, 8001 BA Zwolle

E-mail: investor-relations@roodmicrotec.com Website: www.roodmicrotec.com

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1. Consolidated income statement

(x EUR 1,000)	Unaudited HY1 2014	Unaudited HY1 2013	Audited 2013
NET SALES	4,770	5,504	11,180
Change in work in process capitalised	-56	59	–
Cost of raw materials and consumables	-706	-1,031	-2,159
GROSS MARGIN	4,008	4,532	9,021
Personnel expenses	-2,901	-3,062	-5,351
Other operating expenses	-1,219	-1,269	-2,705
OPERATING EXPENSES	-4,120	-4,331	-8,056
EBITDA	-112	201	965
Depreciation and amortisation	-414	-466	-883
EBIT	-526	-265	82
Financial expenses	-68	-121	-230
RESULT BEFORE TAX	-594	-386	-148
Taxation	–	-1	-41
NET RESULT	-594	-386	-189
EARNINGS PER SHARE			
Basic	-0.02	0.00	-0.01
Diluted	-0.02	0.00	-0.01

2. Consolidated comprehensive income

Income for the period	-594	-386	-189
Mezzanine compensation	-146	-116	-292
Comprehensive income	-740	-502	-481

3. Consolidated balance sheet

(x EUR 1,000)	Unaudited HY1 2014	Unaudited HY1 2013	Audited 2013
ASSETS			
Tangible fixed assets	5,273	6,084	5,446
Intangible fixed assets	1,741	1,741	1,741
Deferred tax assets	910	869	910
Retirement benefit assets	–	301	–
Financial assets	497	831	497
Other assets	50	–	–
Non-current assets	8,471	9,826	8,594
Inventories	265	451	283
Trade and other receivables	1,611	2,301	2,359
Cash and cash equivalents	1,534	533	711
Current assets	3,410	3,285	3,353
TOTAL ASSETS	11,881	13,111	11,947
EQUITY AND LIABILITIES			
Issued capital	4,720	3,935	4,255
Share premium	18,015	17,765	17,851
Revaluation reserve	1,668	1,890	1,668
Retained earnings	-21,612	-20,221	-20,872
Mezzanine capital	2,494	2,494	2,494
Equity and reserves attributable to equity holders of the company	5,285	5,863	5,396
Interest-bearing loans and borrowings	2,413	1,010	279
Deferred tax liabilities	–	–	–
Retirement benefit obligations	2,092	1,562	2,088
Non-current liabilities	4,505	2,572	2,367
Bank overdrafts	–	1,670	1,537
Current portion of long-term debt	44	589	508
Trade account and other payables	1,989	2,359	2,081
Tax liabilities	58	58	58
Current liabilities	2,091	4,676	4,184
TOTAL EQUITY AND LIABILITIES	11,881	13,111	11,947

4. Statement of changes in equity

(x EUR 1,000)	<i>Number of shares (x 1,000)</i>	Issued capital	Share premium	Revaluation reserve	Retained earnings	Mezzanine	Total Equity
Balance at 1 January 2013	35,769	3,935	17,751	1,890	-19,719	2,494	6,351
Earnings for the period *	–	–	–	–	-386	–	-386
Depreciation buildings	–	–	–	–	–	–	–
Employee options granted	–	–	14	–	–	–	14
Mezzanine capital compensation	–	–	–	–	-116	116	–
Mezzanine capital compensation distribution	–	–	–	–	–	-116	-116
Balance at 30 June 2013	35,769	3,935	17,765	1,890	-20,221	2,494	5,863
Balance at 1 July 2013							
Issuance of ordinary shares	2,905	320	80	–	–	–	400
Sale of land	–	–	–	-227	227	–	–
Depreciation on buildings	–	–	–	5	-5	–	–
Recognised for the period	–	–	–	–	197	–	197
Employee options granted	–	–	6	–	–	–	6
Mezzanine capital	–	–	–	–	-176	176	–
Mezzanine capital compensation distribution	–	–	–	–	–	-176	-176
2012 Adjustments	–	–	–	–	-894	–	-894
Balance at 31 December 2013	38,674	4,255	17,851	1,668	-20,872	2,494	5,396
Balance at 1 January 2014							
Issuance of ordinary shares	4,228	465	149	–	–	–	614
Earnings for the period *	–	–	–	–	-594	–	-594
Depreciation on buildings	–	–	–	–	–	–	–
Employee options granted	–	–	15	–	–	–	15
Mezzanine compensation	–	–	–	–	-146	146	–
Mezzanine compensation payment	–	–	–	–	–	-146	-146
Balance at 30 June 2014	42,902	4,720	18,015	1,668	-21,612	2,494	5,285

At 30 June 2014 the authorised share capital comprised 50,000,000 ordinary shares (30 June 2013: 50,000,000).

The shares have a nominal value of EUR 0.11 each. At 30 June 2014 42,902,015 ordinary shares were in issue.

* In the half year figures, profits/losses have been accounted as if added to or deducted from the retained earnings. However, in accordance with a resolution of the AGM, the actual addition to or deduction from the retained earnings is made at year-end.

5. Consolidated cash flow statement

(x EUR 1,000)	HY1 2014	HY1 2013	2013
EBITDA	-112	201	965
Adjustments for:			
- Share-based payments	14	14	20
- Change in retirement benefit obligation and assets	–	12	-630
- Accrued interest	–	–	-9
- Other adjustments	-22	-14	–
Changes in working capital:			
- Inventories	18	-147	22
- Trade account and other receivables	748	-211	-270
- Trade account and other payables	-95	418	140
Cash flow from operating activities	551	273	238
Interest paid	-76	-121	-221
Income tax paid	–	–	–
Net cash flow from operating activities	475	152	17
Cash flow from investment activities			
Acquisition of PPE	-239	-271	-535
Disposals of PPE	–	67	567
Investments in long-term pension assets	–	–	493
Returns in financial assets	12	118	452
Net cash flow from investment activities	-227	-86	977
Cash flow from financing activities			
Proceeds from issuance of share capital	614	–	400
Payment of compensation mezzanine capital	-146	-116	-292
Proceeds from borrowings	2,550	50	50
Repayment of borrowings	-856	-275	-1,116
Payment of bond issuance cost	-50	-	-
Net cash flow from financing activities	2,112	-341	-958
Net cash flow	2,360	-275	36
Cash +/- bank overdrafts at beginning of period	-826	-862	-862
Cash +/- bank overdrafts at end of period	1,534	-1,137	-826
Net cash flow	2,360	-275	36

6. Notes to the consolidated financial statements

General information

RoodMicrotec N.V. is a company with its registered office in Zwolle, the Netherlands. The consolidated interim financial statements of the company for the period ended 30 June 2014 comprise the company and its subsidiaries (jointly referred to as the 'Group'). The Group includes the wholly-owned subsidiaries RoodMicrotec GmbH (Nördlingen, Germany), RoodMicrotec Dresden GmbH (Dresden, Germany) and RoodMicrotec International B.V. (Zwolle, The Netherlands).

Summary of significant accounting policies

These consolidated financial statements have been prepared in accordance with IAS 34 (interim financial reporting). They do not include all the information required for full annual financial statements, and should therefore be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2013.

The accounting policies applied in these consolidated interim financial statements are the same as those applied in its consolidated financial statements as at and for the year ended 31 December 2013.

The consolidated interim financial statements and the reconciliations included in this report and its enclosures have not been audited by the external auditors.

Changes in respect of IAS 8 - Accounting Policies, Accounting Estimates and Prior Period Adjustments

As of December 31, 2013, the Group applied for the first time IAS 19 revision that required restatement of its previous financial statements.

Segment reporting

The Group operates in one business segment. Sales are reported in various product/service groups, and sales are fundamental to RoodMicrotec's decision-making. A consolidated income statement is prepared every month based on which an analysis and a management report are communicated. If necessary, specific consolidated reports are prepared ad-hoc per product/service group; these are not part of the internal management reports.

Financial risk management

The activities are exposed to a variety of financial risks: market risks (including currency risk and interest rate risk), credit risks and liquidity risks. The overall risk management programme focuses on the unpredictability of markets (debtor management) and tries to minimise potential adverse effects on the Group's financial performance by intensifying cash management. Derivative financial instruments are used to a limited extent. These financial instruments include US dollar hedges and interest swaps.

Overview of interest-bearing loans and borrowings

This note provides information about the contractual terms of the interest-bearing loans and borrowings.

(x EUR 1,000)	HY1 2014	HY1 2013	2013
Secured bond loan	2,350	–	–
Secured banks loans	–	886	655
Finance lease liabilities	107	188	132
Other loans	–	525	–
Total loans	2,457	1,599	787
Less: current portion of long-term loans	-44	-589	-508
Total long-term loans	2,413	1,010	279

On June 30, 2014, the Group issued €2,500,000 bond loan with mortgage cover. The bond loan is composed of 2,500 bonds with €1,000 nominal value at an issue price €2,350,000 (discounted at 94%) payable in six years. The annual coupon rate is 6% and the effective interest rate is 7.44%. The bondholders will receive 1,000 warrants for RoodMicrotec's shares per bond, which amounts to € 0.13 per warrant. These warrants are valid for 14 months from 1 November 2014 up to and including 31 December 2015.

Terms, repayment schedule and interest

(x EUR 1,000)	Total	Current	Non-current	1 – 2 years	2 - 5 years	5 < years
Secured bond loan	2,350	–	2,350	–	–	2,350
Finance lease liabilities	107	44	63	63	–	–
Total loans	2,457	44	2,413	63	–	2,350
Trade and other payables	1,989	1,989	–	–	–	–
Current income tax liabilities	58	58	–	–	–	–
Total other liabilities	2,047	2,047	–	–	–	–
Total liabilities	4,504	2,091	2,413	63	–	2,350
Interest finance lease liabilities	6	4	2	2	–	–
Interest bond loans	1,050	171	879	346	354	179
Total interest	1,056	175	881	348	354	179

The nominal interest rate of the bond loan is 6%. The fair values of the finance lease do not materially differ from the book value. The interest rates of the interest-bearing loans and borrowings are fixed during the term of the contracts.

Secured bank loans

As of 30 June 2014, the bond loans are secured by a mortgage amounting to € 2,500,000 on land and buildings. As of 30 June 2014, the bank loans are fully paid and there are no further guarantees or security issued to banks or credit institutions.

Interest rates

All of the Group's long-term borrowings have a fixed interest rate. Generally, the Group raises new long-term borrowings at fixed rates.

The average interests' rates are as follows:

	HY1 2014	HY1 2013
Bank overdrafts	5.61% - 5.82%	6.67% - 9.13%
Bank loans	3.70% - 6.67%	3.70% - 6.67%
Finance lease liabilities	4.41% - 6.69%	4.41% - 6.69%
Bonds loan	7.44%	–
Other loans	–	8.00% - 10.00%

Statement of cash and cash equivalents

(x EUR 1,000)	HY1 2014	HY1 2013	2013
Cash in banks	1,534	533	711
Bank overdrafts	–	-1,670	-1,537
Total	1,534	-1,137	-826

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate credit facility. Management monitors rolling forecasts of the Group's liquidity reserve and cash and cash equivalents. Furthermore, liquidity planning is one of the major elements in the Group's budget cycle. Due to company's working capital ratio and market conditions, management has tight monitoring procedures in place regarding direct cash flows. Both the cash position and sales forecasts are frequently reviewed.

Statement of trade and other receivables

Within the Group's customer portfolio, the Group is exposed to credit risk and currency risk. The management has set up credit control policies to reduce the credit risk and foreign exchange risk as much as possible. The foreign exchange risk is mitigated by exchange rate clauses in most of the Group's contracts. The average credit rating of the Group's customers is comparable to the industry.

The table below shows the Group's outstanding trade receivables positions:

(x EUR 1,000)	HY1 2014	HY1 2013	2013
Not overdue	832	1,176	930
< 30 days outstanding	185	358	320
30 – 60 days outstanding	74	111	52
> 60 days outstanding	72	210	92
Provisions bad debtors	-140	-124	-140
Trade account receivables	1,023	1,731	1,254
Other receivables	588	570	1,105
Total	1,611	2,301	2,359

Net Sales of HY1 2014 compared to HY1 2013

(x EUR 1,000)	HY1 2014	HY1 2013	2013
Test	2,190	2,165	4,527
Supply Chain Management	847	1,194	2,455
Failure & Technology Analysis	675	703	1,448
Test Engineering	221	293	592
Qualification & Reliability	837	1,149	2,158
Total	4,770	5,504	11,180

Currency risk

Due to the Group's international activities, currency risks cannot be excluded. However, the value of the customer orders that are concluded in other currencies than euros are negligible.

7. Statement from the board of management

This statement is based on Article 5:25c, paragraph 2C of the Financial Supervision Act. The statements pursuant to this law are mandatory for interim financial statements.

Our opinion of the interim financial statements is that it gives a true and fair view of the assets, liabilities, financial position and the result of RoodMicrotec N.V. and the companies included in the consolidation.

This interim financial statement gives a true and fair view of the situation on balance sheet date and the developments during the first half year of 2014 of RoodMicrotec N.V. and the group companies for which the financial information is recognised in its financial statements. Due to the negative developments in the financial markets, the board of management is devoting extra attention on cash management. Otherwise the risks are not expected to change materially in the second half of 2014.

The members of the board of management have signed the annual report and financial statements in fulfilment of their legal obligations pursuant to Article 5:25c, paragraph 2C of the Financial Supervision Act.

Zwolle, 28 August 2014

Board of management
Philip M.G. Nijenhuis, Chief Executive Officer