

Notulen

Buitengewone Algemene Vergadering van Aandeelhouders RoodMicrotec N.V. Donderdag 26 januari 2017, 13.00 uur Euronext Amsterdam, Nederland

Aanwezig:	Victor Tee	- Supervisory Board and Chairman
	Martin Sallenhag	- CEO
	Reinhard Pusch	- COO
	Arvid Ladega	- CFO
	Jeroen Tuik	- Nominee to the Supervisory Board
	Herman Bartelink	- Nominee to the Supervisory Board

16 Aandeelhouders

1. Opening

Mr. Tee opens the meeting and thanks everybody for coming today.

Mr. Ladega announces the news that there are 6.679.633 shares present in the room representing 10.6% of the share capital.

2. Korte business update by Martin Sallenhag & Reinhard Pusch

Mr Sallenhag and Pusch give a short business update

The slides of the presentation can be downloaded from the company's website www.roodmicrotec.com or following directly this link

https://www.roodmicrotec.com/fileadmin/user_upload/Investor_Relations/Shareholders_Meeting/Shareholders_Meeting_2017/2017_01_26_EGM_Presentation.pdf

3. Introduction of Herman Bartelink and Jeroen Tuik as nominated members for the Supervisory Board

Mr Tee announces the intension to appoint two new Supervisory Board members.

The engagements proposed to be initially for a period commencing from today until the 2018 Annual General Shareholder meeting. By then also a final decision on a move to a one Tier board and its structure will have been concluded.

The remuneration for the Board members will be 10.000 euro per year or pro rata when the period is less than one year.

4. Election of Herman Bartelink

Besluit: De buitengewone aandeelhoudersvergadering gaat akkoord met de benoeming van Herman Bartelink als commissaris voor de periode van januari 2017 tot de AVA in 2018.

5. Election of Jeroen Tuik

Besluit: De buitengewone aandeelhoudersvergadering gaat akkoord met de benoeming van Jeroen Tuik als commissaris voor de periode van januari 2017 tot de AVA in 2018.

6. Questions and answers

De heer Stevense van Stichting Rechtsbescherming Beleggers vraagt hoe de heren Bartelink en Tuik hun rol zien in de organisatie, hoe zij deze willen invullen, ook ten aanzien van de financiële resultaten.

De heer Tuik:

Gezien de ervaring die ik meeneem uit de contract manufactory, als ik dan kijk naar welke switch RoodMicrotec eigenlijk heeft gemaakt door de afgelopen tijd heen meer richting de dienstverlening, ook naar de contract manufactory, denk ik zeker dat vanuit mijn perspectief gezien dat het een aanvulling is richting het zittende managementteam. Misschien een Nederlandse inslag in dit verhaal; dus meer kijkend ook naar de kostenstructuren en hoe dingen in elkaar steken en wat uiteindelijk de lange termijnvisie is die wij ook nu binnenkort van de heren wensen te horen, om daarin ook te kunnen adviseren en te begeleiden om met alle pret die er genoemd zijn, ook naar de toekomst toe, een stuk rendement te kunnen bieden. Ik ga geen uitspraken doen over koerswaardes en winstverwachtingen, winstwaarschuwingen, dat is niet het idee, maar ik hoop vooral samen met de zittende directie als Supervisory Board een aanvulling te kunnen bieden ook richting de toekomst om voor jullie en voor ons allen die de stakeover zijn, waarde te kunnen creëren en dat de 75% naar de toekomst toe waargemaakt gaat worden en hopelijk zit ik hier in 2019 nog te bezweren dat we het overtroffen hebben.

Dat weet ik nog niet, daar ga ik ook geen uitspraken over doen. Ik weet niet of dat uw vraag beantwoord?

De heer Bartelink:

Ik denk dat het verhaal van Jeroen ook voor mij geldt. Ik zit in dezelfde industrie, de contract manufacturing wat later in de Supply Chain. Wat we net hebben gezien, het hele arrangement wat RoodMicrotec aanbiedt op het punt van ASIC. Ik werk voor mijn bedrijf nu een jaar of 13/14, die in dezelfde industrie zit, weliswaar niet in ASIC, maar wel in elektronica. Hetzelfde plaatje geldt voor mijn bedrijf, aangevuld met de financiële achtergrond die ik heb, ik heb daar 10 jaar als financieel directeur gewerkt, of 9 jaar, ik werk nu 5 jaar als algemeen directeur, ik ken de markt en daarom denk ik dat ik een goede toevoeging ben voor de directie van RoodMicrotec. Ik ken nog niet alle details, dat gaan we volgende week zien en ik denk gezien de informatie die ik tot nu toe tot me heb genomen, we hebben al een twee- tot drietal gesprekken gehad met de zittende leden van de Supervisory Board, met de oud-leden, met de directie denk ik dat we gezamenlijk onze passie en kennis hiervoor in kunnen zetten en ik denk dat ik daar een welkome aanvulling voor ben gezien mijn ervaring in zowel algemene zin als door mijn financiële achtergrond, denk ik dat we daar waarde kunnen toevoegen. Ik kan natuurlijk niets beloven, maar ik ben er wel van overtuigd dat we dat naar ons beste weten doen en dat we een positieve toekomst tegemoet gaan. Daar zie ik gewoon mogelijkheden voor.

Voor mijzelf is het natuurlijk een persoonlijke verrijking van eens verder te kijken dan mijn eigen bedrijf en daar denk ik waarde uit te halen voor mijn persoonlijke omgeving.

De heer Lindenbergh:

Ik wil graag de nieuwe leden van de Supervisory Board feliciteren en vraag mij af waarom er zo'n punt van gemaakt wordt om van een two Tier naar een one Tier board te gaan volgend jaar, omdat er eigenlijk tegenwoordig niet zo veel verschil meer is tussen een one en een two Tier board. Zowel het Angelsaksische als het Continentale model is ongeveer 1,5 Tier, zoals je tegenwoordig als Raad van commissarissen functioneert.

Further he wants to know of the Management what the added value is if RoodMicrotec goes to a supplier instead of services. It is never said in all of the projects, only the promise to go from 10 to 20 million broadly, but never what the added value in the process of the Supply Chain is.

De heer Tee:

Let me explain why we have come to the strategy we currently run and it has come about the transition, let's say the migration of what the Industry Electronics, Supply industry was, several decades ago. I am going back now to the 50-60's and the 80's to what it is for today. Back in those days when these company's, like RoodMicrotec were formed, most company's manufactured all the parts themselves in Europe and over the decades that is shifted now and I can show you a very nice chart of where this migration has happened. But I think everybody understands that most of the volume of manufacturing has moved to Asia, but yet a lot of creativity is still here in Europe. Some of it moved to America and various other parts, but the overall balance is that the huge creation that goes on here, at some point through its industrialisation process has ended up being manufactured in Asia.

What this company has done, and has moved in to, has moved in to the space, which was let's say an opportunity, whereas the company seduced to make all their own opponents here, having moved into Asia.

There is a big gap now between the creation part and the manufacturing part and that is where we fit very well. It fits perfectly into that zone because it is in the years that I was in the Industry and Philip of course as well, that we have seen, we have lived through that migration process and we have seen the other value.

Perhaps I should explain a couple of two examples. One is in the case of Philips with his sending conductor internal semiconductor division and Siemens with his internal seminar division now and NXP.

The interesting thing is that when Philips and the Siemens were structured in the way I talked about many decades ago and they had everything internal, everything manufactured internal, so they split up the semiconductor division, and the big thing that happens is that the system that they choose, the people who make the boxes, that make the televisions or the medical equipment or whatever it is, no longer have access to an internal supply.

So they have to look outside and that's why the extended Supply Chain Management came about, because when they spelled out those companies. What also happened is formed a lot of new design company's, coming to do the designs. They have full of engineers who have wonderful ideas, brilliant at what they do and make the chips, but they are not interested in get them tested and how it is manufactured. That is somebody else's job. That is where we fit, we fit that space beautifully and we don't want to set up product yet. We don't want to sell our own design activity, because A) that is very expensive, and B) it takes a long time to do it and it is already there anyway, so why not use it. So we fit that space and I think it is very the same, we are probably the biggest in Europe, that fits that space and we want to keep growing on that. And I think so far we have seen it worked worth while, but now with Jeroen and Herman on board, we can re-examine it. By the way, by the 3rd of February next month, they are coming for an induction program down in South of Germany, in Stuttgart and Nordlingen and it is part of that section. We will have a kick off, we will look at this strategy and then we look at it again. We want to make sure we are doing the right thing. But essentially, I have explained the background, explain the opportunity, you start to see the results and I hope you will of course see this year, much will come out in this year. I think that will be enough prove of the body, well eat it and through the course of the year with Herman and Jeroen on board, we re-examine at the start, we start it on the 3rd and we come to it through the year.

De heer Lindenbergh

Thank you for the answer, but the intention of my question is what is the operational leverage of the process RoodMicrotec is going through. Do you sell idea or do you sell a product?

De heer Tee:

One of the things which is important is what I call 'sticky business' and I call it sticky business, because first of all our engineers work closely with designers and work out the testprogram. And then we are able to do all the initial tests before it gets to majority and the test itself will probably move on to the volume.

The point is that ones you have gone through that process, it is not easy for someone else to switch elsewhere. So therefore we can be pretty comfortable, that is what I call sticky business. The business will stay with us, so with that process we can move on. One of the good things about sticky business is that it normally brings with it better margins, because it is not easy for a customer to move that business.

De heer Sallenhag:

The other thing, the added value for us is really that we have more visibility into a longer future as well, if you get Vic has said here. We have companys which we have a long-term relationship with. We know what is happening in production. They give us forecasts. Being a service company as we used to be is very short term and is basically taking care of the additional capacity needed from various companies but not knowing if that is still needed next month. So that is also one of the key things behind doing this is to have a better visibility, more stable business over the year basically. And of course the added value for our customers that they don't need to do this for themselves. They can focus on their core business of core knowhow which is design and we can than take care of what is our core business, which is logistics, testing, packaging, etc.

De heer Lindenbergh:

I can understand that and I understand your principle and the principle of the semiconductor industry, but as your capacity is 20 million and your revenue at the moment is 10 million. Than it looks like that the other 10 million coming up till 2020 or let's say till 18 million. It should be very profitable or not. It seems, because everything is there, you don't need to invest on that, than there is a high operational leverage. But let's say I understand the Supply Chains Management and what you are doing for 50/60 %, but to fully understand it, it should be nice to have a number put on the operational leverage. But if you can not say it, it does not matter; we will see it in the figures.

De heer Tee:

Yes, absolutely and I just brought another point about that. The business is scalable, so you can keep on moving up and you can move it up with making it more profitable while you go, but one thing we have done, you have seen this year is, one reason why the results will be as you will see, is because we had to make quiet a long investments this year, a new equipment. But that equipment is capable for example in several testing one device, we are now able to test eight devices for example.

De heer Lindenbergh:

It is not the elasticity of the price I want to know. Because of course better sticky business then not sticky business, but what interesting is for us as investors in your company is to know if you can go from 10 to 20 million turnover and do it with a scalability and let's say very small fixed costs.

De heer Tee:

Yes, absolutely and that is one reason why I mentioned for example the capacity being geared to the investments we made this year, so it is scalable. So in other words, if you look at the equipment we bring now in that just up to the investments this year and still a bit more to come, it will have a much bigger capacity than the capacity we have for today, so as planned business grows, of course it is still running at the same costs price. So in fact the profitability will improve all the time.

De heer Sallenhag:

We do see and also together with having these longer-term relationships with our customers that we can plan the production in a way that we have a better utilisation of the people, of the machinery. So we do see that with the present infrastructure that we have, in that I mean both machinery and people, we can grow without having to increase at the same rate. There is still a little bit of increase needed of course, but we have a scalable business, where we can grow without having to grow at the costs at the same pace.

A question is asked about one or two Tier Board.

De heer Tee:

We started these lines last year and in fact it really came to a bit of ahead, when Philip had his unfortunate illness, and we started to operate in a way that we were comfortable with, the management, myself. And it brought us to get together more closely. It brought us to have more frequent discussions and it worked and we all became very comfortable with it and we thought yes this is looking oke, maybe we should do that. However as we had gone through this year, this year is a big turning point. I think we have gone through the bottom of the curve, I think that we now, project coming up this year, the book to bill ratio, that we see it is right.

So we really want to make sure we focus on complete that activity, the businesses turn around, before we come back on this issue.

There are a couple of points to it. One is that it costs money to do it. And B) it is not directly related to driving and growing your business. We have two new board members, who can contribute and help us with this process as well and let's reinvestigate the matter. First of all we come back, look at the strategy to (do) a quick check on what business development is for today and then I think at a much clearer view. Don't forget that Martin became CEO in the middle of last year and he has been on the learning curve and I think with the support of Reinhard, who has a lot of experience, has really helped Martin a lot. He is coming into the job. I think Martin comes more established and we may come back to 2 Tier. But let's see, give us time and I think the most important thing, we want the business to grow and develop. The way that we talked about, that is the most important thing.

De heer Lindenbergh:

What is relation between scaling up manpower and scaling up the machinery. For example if it is a question of one man putting in 1.000 or putting in a 100.000, than the manpower scalability is very low. But if he has to do many more hours, than scalability doesn't pay that much.

De heer Tee:

When I mentioned about the equipment investments, in our industry we had the equipment in the old days to test one chip at a time. Now we have got up tot he stage were what we call octal testers. They have a special head on the top, so you can test 8 parts at the time. That's the scalability we see.

De heer Sallenhag:

It is so that the manpower needed to run the Test Operations, is of course, you need a certain amount of people to run three shifts seven days a week. And that's what I meant with saying that we have basically the infrastructure to be able to grow without having to grow the cost basis. So from the personnel aspect when it comes to Test Operations to our Supply Chain, we don't need to grow number of people. If we look at a different area for example Failure Analysis, which is really what is in the heads of the people and you need to do the work each person. If we need to double that we basically need to double the number of people there. Because that is very people intense. But we don't really see that the growth is, of course we want to see a steady growth in that one as well, but the big growth will be in the Supply Chain and the Test Operations where we see little need for additional people to be able to handle the higher volumes.

De heer Stevensen:

Ik constateer, in aansluiting op eerdere vragen, dat de marge dusdanig moet zijn dat je nieuwe klanten, nieuwe investeringen, uit de cashstroom kan halen. Maar op dit moment halen jullie nieuwe klanten binnen, er moet eerst flink geïnvesteerd worden en nieuwe aandelen uitgegeven worden. Op deze manier krijg je nooit een winst per aandeel die acceptabel is.

De heer Tee:

The investments made this year, all about capacity increase, so it is kind like they are not linear. So in other words we have to add the money now.

The equipment we bought this past year enables us to make that growth, so quite a period that that comes up. There will be another step function if you need to buy another piece of equipment; you only do that of course when more business is coming in. What expect is you see profit will rise with it and then you see another set, as we come to the next investment face. But it is not linear, so I hope that answers your question.

De heer Stevensen:

Wat ons ook opviel is dat het met de Semiconductors niet zo gaat als u eigenlijk wenst dat het zou gaan en dan zegt u erbij vanwege de onrust in de wereld?

De heer Sallenhag:

Well we do see that in 2016 there was a decline. We haven't seen the final numbers of 2016, but in the semiconductor business there was a decline overall in the world. The forecasting is to grow again from 2016 and forward.

There was a slide, we didn't have it in this one, but it was there in the information meeting in November, showing the forecast growth of the semiconductor business for 2016, 2017 and 2018. And we had an increase in that from various institutes somewhere between 2 and 3 percent for 2017 and 2018 for the numbers that we had at that time.

If I look now sitting here in January and you see numbers from August last year of course. They are a bit old, so we are waiting for the final numbers, the forecast for the 2017 and 2018 will help the different institutes to the semiconductor market for 2017 and 2018, but we do expect it is in line what we are seeing from our market as well. A lot of electronics going into the Automotive Industry as well as into the industrial Industry so to say, that there should be an increase again in Semiconductor business around the world.

De heer Lindenbergh:

But that is not all your market, because you have a specific market, more high end.

De heer Tee:

Yes, a lot is driven by the high volume of consumer market in which we don't participate in, that is absolutely true. But it is also worth mentioning, and hopefully you see it as we go through the year, but I always told about leading indicators, and of course the book to bill ratio that is the most important leading indicator that's involved with cash.

The other leading indicator in terms of business development which we keep an eye on is the business unit activities, so for example testing engineering is about writing programs for testing.

So when you are in that process, if that is very active, which it has been which means you are preparing now a lot of new business. Finally when the business comes we start to get the revenue in the other business units like Test Engineering and Failure Analysis that sort of thing. So it is also worth keeping an eye on that. When you look at the results, finally the last year results when they are released, you can also look at that from a leading indicator, perhaps it helps to give a better comfort going in the right direction.

De heer Stevense:

Een poosje geleden meldde u een nieuwe order, maar er worden geen financiële gegevens bij gegeven. Dat vind ik een beetje vreemd. Je krijgt een nieuwe order en dan mogen we niet de financiële impact ervan weten?

De heer Ladega:

Dit gaat over het framework/raamwerk overeenkomst, daar is ook geen financiële informatie bij te geven. Het is een aankondiging dat wij met een partij nauwere banden zijn aangegaan en dat er een verdere basis is voor toekomstige projecten.

De heer Stevense:

Maar als je een framework overeenkomst aangaat, dan moet je daar toch profijt van zien in de toekomst? Wat is dan het profijt, hoeveel is de winst per aandeel?

De heer Ladega:

Daar kunnen we nu nog geen uitspraak over doen. Zoals ik al zei, is het een raamwerk overeenkomst, een samenwerkingsovereenkomst met een partij, waarbij we afgesproken hebben hoe we toekomstige projecten kunnen gaan uitvoeren, zonder dat we nu concreet projecten bekend kunnen maken.

Ik denk dat dit een mooie start is in de samenwerking. Beide partijen hebben een overeenkomst getekend en wij gaan er ook gewoon van uit dat er een vruchtbare samenwerking uit voorkomt en de toekomst zal uitwijzen wat voor omzet daaruit ontstaat.

De heer Pusch:

Rohde & Schwarz selected us for the future supply chain projects, so they did not order one specific ASIC, but they selected us as a partner, as the preferred partner for this business. So the business will come, we will have a meeting soon and then we will discuss about real details, but the important point is that they opened the door to do that business. I know that for you the numbers are more they opened the door for us to be their partner for the future on Supply Chain and Turn Key business.

De heer Tee:

And there is an important strategy point there by the way when it comes to our customers and why that fits us in the space that we fill and that is if you are a box maker, like Rohde & Schwarz, they make test equipment, testboxes, their intellectual property in knowledge gets imbedded into the chips. So they cannot go out and buy when they could, but they don't want to go out and buy the chips of the shelves from different suppliers. Well anybody could copy that and buy the same bits to make it. You put your intellectual property into your own chip and have it design made for you. And that is what we do. We get the design and make for them.

De heer Lindenbergh:

To overcome these questions, maybe it is far more better just if you are advisor then. You say book to bill ratio, but you better tell us what your backlog is, because than we can oversee what you do the next three months or the next half year.

De heer van Gelder:

I have some questions on topics which have been touched earlier, on the capital expenditure. You have new business coming in of course, what is very important for a company of course capital expenditure. How much cash do you need for investments for new equipment, because history of the Company of the past ten years showed there is still need for additional finance.

1. Do you need additional finance for 2017, 2018, and 2019?

2. A question for the Supervisory Board:

What do you think, given the state of the Semiconductor Industry right now, how do you think that RoodMicrotec should invest on the benefits most of their products and services and also what changes do you think need to be made to the company to obtain that goal.

De heer Sallenhag)

We planned to, and I think that was also said here before, we planned now doing the future investments needed for these projects based on the current cash situation plus the operational money that we get in here. So right now we don't have any plans to go out and need more, external financing for invests.

De heer Bartelink:

I think for us, at least for me, it is a little bit too early to make my statements regarding what changes should be made to strategy. I think we first should agree in the Supervisory Board together with the other Board members, to discuss strategy and to determine how to go into the future and what changes need to be made. For me it is too early to make already my statement. I have some thoughts, but I first want to discuss that with the people and after I get a real good view on the operating companies and the strategy of the company.

De heer Tuik:

Apparently we are doing something good, I have to say we now, because if you look to 2019, it is for 75% growing at least the top line and I heard some questions about the result line, a lot of these questions are related that, but that is something we need to be digging into the next coming weeks, months to get a better understanding of that.

De heer Tee:

That is part of the strategy is perhaps delivery, lets put it that way.

One of the things we start to look at, when we meet on the 3rd of February, is how deliverable is this, are there likely to be any roadblocks, what could go wrong. That's one of my favourite questions, by the way, and we stop that process then. So we will examine to see what it looks like this strategy, are there any ways what is improving that strategy, or do we want to drop it and do something different. Unlikely, but you never know. You should never dismiss anything. So we will look at everything. But as we said we will start that process in February.

De heer van Gelder:

And then about the financial target you mentioned in the annual report 2015, is also topic for discussion on the 3rd of February?

De heer Tee:

Yes

De heer Kok:

I would like to say a bit of one of the first question of mister Lindenbergh.

He was mentioning, probably he was trying to figure out, if each extra euro of revenue, how much net profits that will gain. For myself I made some simple calculations, the cost margin is over 80 % and maybe for new future orders there will be some little extra costs, so let's say 70%, RoodMicrotec has almost 20 million in compensable losses. So I figure each million euro in extra revenue the coming year, will gain about 700 k in net profits. Is that correct?

De heer Tee:

I just say one thing to that I mentioned that it is scalable and I talked about the step function in regard to single testing to octal testing.

So it is not a straight line and so it is not easy to predict. In additional lines each customer has different climate, so try to work out what exactly the increase in profitability will be is not a simple matter.

De heer Sallenhag:

In general yes, but of course, as Vic said, it is from project to project has some different requirement, but coming back to the statements say that oke, we have a certain amount of infrastructure in place and with that we can actually generate more than we are doing today. So with that statement and with the assumption of a certain gross margin, in principle you are right, yes.

De heer Kok:

What do you think about Fructonics, let's say the new chip? Not driven by silicium or not driven by electricity or light.

De heer Tee:

To us it makes a little difference, for what we do is of course we do the testing for the devices and the Supply Chain for them. So the underline technology, the enabling technology is the correct way to describe it, is something which does not have direct impact on us. What we have to do is to make sure that we have the capability to handle it.

De heer Pusch:

I give short information to that. We have some know how on dealing with such Fructonic ASICs. We understand that there is a lot of room for development in that area, but these devices are today not on mass production level. We did it already years ago in tests and evaluations on such devices and we are ready, we are in discussion with one or the other potential customer. But we see it a little bit in the future; let's say in some years it could be mature enough that we can take over it.

A shareholder:

What is the exact number of outstanding shares at the end of December 2016?

De heer Ladega:

That is 63.441.184 shares.

A shareholder:

Jullie hebben warrents uitgegeven en volgens mij is de laatste december 2018; nog 1 serie die er staat. Wat was de reden dat er warrents uitgegeven werden?

De heer Nijenhuis:

We came to the conclusion in 2012 or 2013 that we wanted to issue shares via NPEX.

We decided to do it in a positive way for the investors. We wanted to motivate the investors at that time, due to the fact that we had no profit, so there was no reason to be able to earn things

We came to the conclusion let us give them an extra bonus to please shareholders in the company to make more money these days in comparing with the situation before.

That was the background to create such a kind of model to improve and to motivate our investors.

De heer Schout:

We heard that the Failure Technology business has some problems. I understood that some personnel left the company already before a replacement had come. Am I right?

De heer Sallenhag:

To some extent, yes, some have left. We have of course tried to replace, also before.

There is two ways that people leave company. Either they go into retirement, that we can plan, or someone resigns. If someone resigns, you don't know that until they resigned and than you need to find the right person. It is not just finding anyone, but you need someone with the right background and knowhow and get that person on board and that can take some time.

De heer Schout:

Yes, I understand. Two times in my life I had to cope with the same problem that I had to fill in a place in an organisation, while the person I had to replace had already left the company. That is hard work.

But I understand that the negative result, what has been shown, is a result of this no replacement on time. Am I right?

De heer Sallenhag:

That is correct, yes.

De heer Tee:

Could I just give a comment on that? One of the things that Martin has introduced in the last year is a much more active program with for example universities and so on, where we started connections with people that we see as potential fill in. So we helped to base accelerate the probability to fill in someone's space when someone leaves the company unexpectedly.

De heer Schout:

I have some further questions. Mr Vrieling who was attracted as the CFO, what exactly has been the reason or reasons for which he left the company?

De heer Tee:

Mr Vrieling has an illness for one thing. But I think that he concluded that his long-term direction is to become an independent advisor, freelance. And he had already explained to me in a very early stage that he was coming to that conclusion. And I think it got accelerated when he got the problem with an eye. It is quite a serious problem, and I think he really wanted to move and I think he had come to the final conclusion and then it happened in a rather short period of time. I think that explains it.

De heer Sallenhag:

He has formally left the company as of the 31st of December as an employee. He is still helping us with the year end closing to maintain the knowhow that he builds up over the last one and a half year. So he is helping out Arvid (Ladega), who joined us in November, to make sure that the closing is being done in a proper way, but very soon he will go into his own company. So formally he is no longer an employee of the company.

De heer Schout:

Might it be possible to attract Philips Healthcare as a client? Are we so far already that there are existing connections for cooperating in behalf of Philips Healthcare. Why do I ask that?

Healthcare is, as you know the future for the old Philips, Phillips Lightning, which is past time.

In my vision the outlooks for Philips are more than positive, unless the fact that Trump plans to protects USA's business, will ruin some of the outlooks for Philips, but nevertheless I think that Philips Healthcare could be a real good client.

De heer Tee:

That's what I said earlier RoodMicrotec needs to find suppliers from outside. That's always a possibility.

De heer Schout:

Are there connections already?

De heer Tee:

Well, I worked for Philips; I don't know how many years. What you find is again it comes down to the nature of the equipment. For example, if you look at how many MRI scanners were sold this year, is a not huge amount, compared to the numbers of automobiles. And how many chips are in each car now. Every automobile has got so many more chips, so I think that our priority is working with design houses that have the projects coming up and give us the sort of volumes and profitability we need.

As far as I think, if we talk about MRI scanners, for example, decades more than space stations or satellites.

But is it still not very big numbers.

That is probably the issue behind it whether it is an attractive target or not.

De heer Pusch:

We had about 20% more contacts to the previous electronica exhibitions in the past. We are in several regional clusters in Europe active since the last 3 or 4 years, so we are doing a high amount of networking. We spent a relatively high amount of time by doing that and we see that it is extremely important to have the right contacts to the right people. We have beforehand personal contact to these people when you want to make business, because it is always a question of level of confidentiality in this business. So if you do not know somebody; if you know somebody doing Failure Analysis or Turn Key Services then it is much easier to come in contact and to make business.

De heer Schout:

Since our professor from Tilburg, Mijntje Luckerath, she teaches as professor on Corporate Governance. It is already in the code as well that one of the duties, maybe duties, of the Supervisory Board is to help the Board with their networking that is one of the capabilities of you.

De heer Sallenhag:

That is what we are all of course are looking forward to as well with our new board members.

De heer Bartelink:

I want to make one comment to that. We are not sales guys. At least I am not. Of course we will help the company and also help with our contacts, because it is in our interest. That is also why we accept this position. We think we can help RoodMicrotec forwards to a better future. And I will do everything within my power without violating any code of conducts or laws. But of course we have a lot of contacts, as well Jeroen (Tuik) as I have a lot of contacts in the Industry. I am very glad that they just mentioned for example Rohde & Schwarz, which is a German family owned company, which is a very loyal company to its suppliers. I work for them already a long time. These are long term relationships and these kinds of contacts also for my other customers, I will not sell it to them, but at least I can make the contacts between RoodMicrotec and these kinds of existing relationships.

De heer Markus:

What is the division of RoodMicrotec in which is the biggest acceleration potential in earning money?

De heer Sallenhag:

Biggest acceleration is in the project that we have shown here, in the Supply Chain. A project which not only is a supply chain project, but it brings in business to all our areas. So that is also the benefit if we have these projects. We are doing Test Engineering work, Development work, we are doing Qualification work, we are doing Test Operations work and we are doing Technology and Failure Analysis for these customers, so it is really, as you say very good work. The accelerating business that we see in this new area, which will bring in business to the other areas as well.

De heer Markus:

I thought it would come from the extra capacity you have formed for your testing machines.

De heer Sallenhag:

The capacity itself does not do it. It is in the end the customer that does it. So we need to have the customer and that we will get through the SCM work and that than will fill our capacity.

De heer Markus:

So what you say is that every customer is connected to the whole chain within RoodMicrotec. There is never one customer who said I only want to use the machines, because last year you bought all the machines.

De heer Sallenhag:

There are also customers that are using a small part of our services and we of course are not saying no to them. But if you are talking about the acceleration that is the bigger projects.

De heer Markus:

About one or one and a half year ago you bought machines from an existing company in order to let them work by RoodMicrotec not more or less for them. Are they still using that facility?

De heer Pusch:

The project has stopped because the contract is over and we are now in the process to transfer new business from Siemens into our new machine. We bought by beginning of last year a new machine. We started with one customer, with one company as a customer, but now we have at least three to bring more business on to the machine.

6. Sluiting/ Closing

De heer Tee:

I want to thank everybody for coming today, for everyone's votes, for confidence in the company and I wish everyone a safe journey home.

The meeting is closed at 2.30 p.m.
