



RoodMicrotec Newsletter

Number 4, October 2014 • RoodMicrotec

Review of the information meeting

'We look back with satisfaction on the meeting for shareholders and bondholders, and interested parties on 25 September.

With some 40 participants, it was definitely a success. The panel discussion after the presentation was very lively, and the reactions afterwards were positive and enthusiastic,' said RoodMicrotec CEO Philip Nijenhuis.

The theme of the meeting was the new strategy towards co-creating, co-operation and co-investing that RoodMicrotec has

embarked on. Information was also provided on various applications in the automotive industry, the consumer and telecommunications market, aeronautical and aerospace, medical equipment and data processing.

After the meeting everyone was invited to witness the bell-ringing ceremony on the trading floor marking the end of the day's

trading. Immediately following the end of the day's trading, RoodMicrotec published a press release on a Memorandum of Understanding on the industrialisation of a communication chip.



Co-creating, co-operation and co-investing

We have transformed ourselves from a pure testhouse into a semiconductor company for new applications.

Where in the past everything revolved around equipment and the operators, we are now focusing on finding solutions and offering a complete product based on integrated services throughout the lifetime of the product/chip.

In this way, we will contribute more actively to new product development (co-creating and co-operation), which will result in recurring sales and in long-term projects that yield stabler, more predictable and less cyclic sales.

The majority of the headcount is nowadays of engineering degree level or similar. And our customers base is also completely changed. We used to supply a few major IDMs, but now our main customers are Fabless Companies and OEMs like Philips, Siemens, Bosch and Porsche.

The new strategy also means co-investing in new and promising projects, which is also aimed at breaking through the ongoing lending restraint in the financial markets.

Examples of co-creating

1. A customer has a dream to develop a product based on physical and/or medical insight. RoodMicrotec makes a proposal with design partner on how to bring the product to market using its eXtended Supply Chain.
2. A customer has an existing proven design, but no idea how to set up the supply chain for this product. RoodMicrotec can provide a solution.

Examples of co-operation

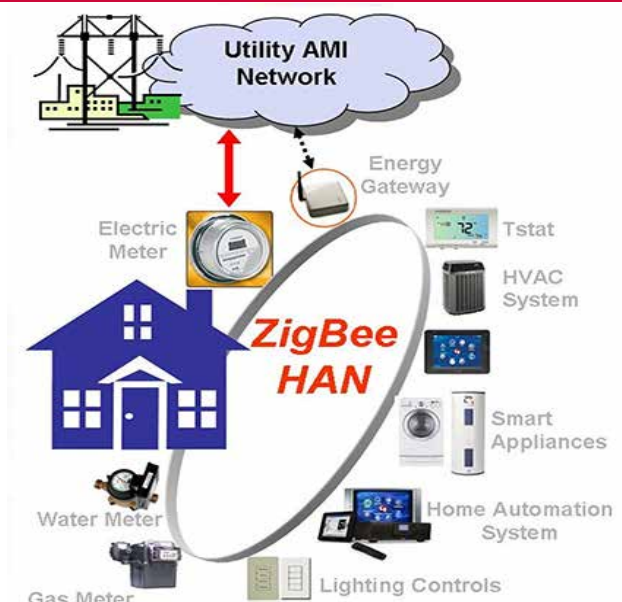
3. A certain customer has no access to the market yet. RoodMicrotec offers – on condition of a long-term contract – to make use of its market position to promote this product.
4. RoodMicrotec is already handling the supply chain for a specific customer, but the customer is losing market share with his product. RoodMicrotec can redesign the product to reduce the price.

Examples of co-investing

5. In this case the customer has his own product. Based on a supply chain agreement for the chips worth several millions RoodMicrotec will handle the entire engineering investment which will pay itself back in the course of the long-term contract.
6. Another customer who has his own product. A cost reduction program (continuous improvement) of 200k EUR has been set up, resulting in a cost price reduction of 30%. Costs (investment) will be recouped in the course of the long-term contract (several million devices).

'These are all examples of promising projects, but these projects have longer lead times, because we perform engineering work and invest before we start generating significant sales. This means that the anticipated sales growth will not materialise immediately, but after a period of time. The pipeline has to be filled first.'

'The **Memorandum of Understanding** on the communication chip is a concrete example of the co-operation aspect of our new strategy. The device can be used in a number of advanced electronic applications such as smart metering, home, building and industrial automation. With ultra low power consumption, it allows wireless communication between 'things' (objects, products, equipment, systems) and between these things and humans, as envisaged in the EU initiative 'The Internet of Things' (IoT). The chip complies with the ZigBee standard, the leading standard for short-range wireless connections.'



Applications



'The applications shown above are playing an increasingly big part in our daily lives. Smart metering especially is finding its way into our households. This began with 'smart' digital gas and electricity meters. Such meters can be controlled and read out remotely and for example relay meter readings to the network manager every 15 minutes. But they have ports that also allow other equipment to be controlled remotely. For example, a signal can be sent to cut the power if the electricity grid is overloaded. There are many more household items that can be controlled wirelessly: heating, lighting, washing machine and oven. Homes will become smart homes with their own energy management systems.'

You can read the full presentation and the report on the meeting on the website.



16 October 2014

Seminar
RoodMicrotec

Stuttgart, Germany



22 - 23 October 2014

Electronics
Design Show

Coventry, Great Britain De Vere Hotel
at the Ricoh Arena

RoodMicrotec will perform a seminar of Failure and Technology Analysis, Qualification & Reliability at the Electronics Design Show



28 - 30 October 2014

Airtec

Frankfurt, Germany Hall 11.0 Booth C 70



11 - 14 November 2014

electronica

Munich, Germany Hall A 5 Booth 101

Colophon

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