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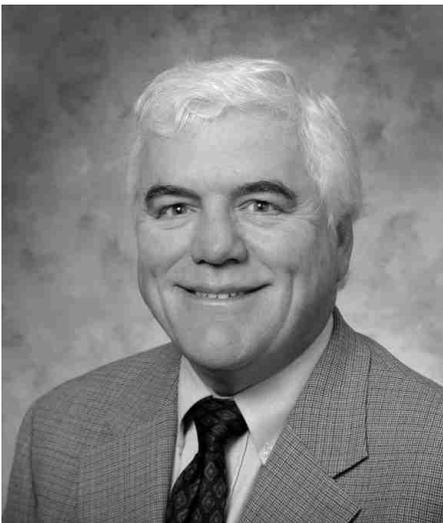
In The Last Two Years, Electroglas Has Become The Technology Leader In The Marketplace, By Using Direct-Drive Architectures For The First Time In Wafer Probers For The Semiconductor Industry, Which Has Given Them A Leg-Up On The Competition



Technology
Semiconductor Equipment & Materials
(EGLS-NASDAQ)

Electroglas, Inc.

5729 Fontanoso Way
San Jose, CA 95138
Phone: 408-528-3000



Tom M. Rohrs
Chairman and CEO

BIO:

Mr. Rohrs has been a Director of the Company since December 2004. Mr. Rohrs presently serves on the board of Magna Design Automation, Inc., Ultraclean Technologies, and several private companies. In addition, he is an adviser and consultant to a number of companies both public and private. Mr. Rohrs

spent five years with Applied Materials Inc., most recently as Senior Vice President, Global Operations, and was also a member of the company's Executive Committee. Prior to that, he held executive positions with Silicon Graphics, MIPS Computer Systems and Hewlett-Packard Company's Personal Computer Group. Mr. Rohrs holds a masters degree from Harvard Business School and a bachelors degree in Mechanical Engineering from Notre Dame University.

Company Profile:

Electroglas is a leading supplier of innovative wafer probers and software solutions for the semiconductor industry. For more than 40 years, Electroglas has helped integrated device manufacturers (IDMs), wafer foundries and outsourced assembly and test (OSAT) suppliers improve the overall effectiveness of semiconductor manufacturers' wafer testing. Headquartered in San Jose, California, the company has shipped more than 16,500 systems worldwide. Electroglas' stock trades on the NASDAQ Global Market under the symbol ``EGLS."

Interview conducted by:
Lynn Fosse, Senior Editor
CEOCFOinterviews.com

CEOCFO: Mr. Rohrs, how has Electroglas changed under your leadership?

Mr. Rohrs: "When I became the Company's Chief Executive about two years ago my first task was to reestablish a focus on our primary business and our most important products. Given the size of the company, the second thing was to establish a new company philosophy. Rather than continue as a vertically integrated company, we had to work and act as a

virtual company. This meant concentrating on those things that we do best and finding partners to work with us in those areas where we do not have a competitive advantage. To that end, we have focused entirely on two products, our 200 and 300mm (millimeter) wafer probers. We have begun to use indirect sales channels. We have started a relationship with Flextronics to take care of our operational activities. We have become a lot more efficient in terms of our productivity. We had over five hundred employees a few years ago. We will end this year with about 150. We have become more efficient in our utilization of assets. We dropped our inventory from almost \$20 million to about \$5 million while maintaining excellent service to our customers. We have changed quite a bit but we still have a ways to go. I believe we are on the right track."

CEOCFO: Will you tell us about your agreement with Amkor?

Mr. Rohrs: "That is an important agreement for us. Over the last year and a half, we have been reentering the market for 300mm probers. We have had two large competitors and they have essentially split the market between themselves. What we have been doing is going to customers and having them evaluate our tools. This process has gone quite well; to date. Well over two dozen different customers and sites have evaluated our EG6000 product. These customers have started to buy the product, but they have been buying in quantities of two or three. We needed to breakthrough at a large customer and secure a volume purchase agreement. Amkor is the one of the largest companies in the semiconductor assembly and test area. For a company

that large to choose Electroglas as one of their partners and to sign up to use our probers on significant parts of their production floors is a significant event. Not only is this a sizable deal for us but also it is a signal for the market that we are back in the game as a significant player.”

CEO CFO: What makes your product better; why did Amkor choose you and why should others choose Electroglas?

Mr. Rohrs: “Over the last couple of years, we have focused on our technology and we consider ourselves now to be the market place technology leader.

What we have done is use a different type of architecture using direct-drive architectures for the first time in probing. We then spent a lot of effort on the control systems and through those efforts we have the ability to do things that our competitors just cannot do; we have the highest accuracy in the industry, measured at plus or minus by about 1.5 micron through the X Y, and Z directions. We have unique technology that cancels vibrations in wafer tests. This means that the wafers are not vibrating against the pins of the probe card during test. We have the fastest throughput because our architecture allows us to move faster. The bottom line is higher yields for our customers and better productivity. What we are seeing in Amkor and other customers is that we truly bring significant value to their production floor.”

CEO CFO: What is the financial picture of the company?

Mr. Rohrs: “It is turning for the better. On one hand about a year ago we had some debt that was due in June of 2007. We were able to refinance that last spring so we have no debt payments other than interest due for the next three or four years. Then on the P&L last quarter, we reached a break-even point for cash flow and we will continue to improve on that in the next coming quarters. We are one of the few semi-conductor companies that has seen four consecutive quarters of

growth in both orders and revenue so the financial picture is getting brighter every day.”

CEO CFO: How much affect does the macro economy have as you go forward and how do you mitigate the negatives?

Mr. Rohrs: “There is no doubt that there has been a pretty significant slow-down in semiconductor equipment in the beginning part of this year. We have been able to work through that because we are providing some strong technical differentiation from our competitors. We have

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- Tom Rohrs

also worked hard in the last six months in taking our technology and beginning to apply it to markets outside of wafer tests. We are using all our precision motion control technology and using the standard EG6000 product in areas such as print applications and micro assembly applications. We are starting to see some good traction in those markets. Since we were able to move a wafer with world-class accuracy under a probe-card we have found that we can move substrate under print heads and objects under robots just as easily. That has proven to be an effective way for us to buffer ourselves against the difficulties of the economy.”

CEO CFO: How do you see growth the next couple of years?

Mr. Rohrs: “What we see is that we will get ourselves established in more and more significant accounts with our 300mm product. We also see ourselves in a position to grow market share over the next year to five percent and shortly after that to 10% and then we will become a fairly significant player. Over time, we can see ourselves regaining a leadership position in market shares of 30% or so and that is not dissimilar to what we continue to enjoy in the 200mm space. Probably 90% of the probe market is now 300mm, so that is why it is so important for us to make these gains over the last year. This growth will drive our business forward significantly. In addition, we also see significant opportunities to continue to innovate around our technology. A lot of the product differentiation comes from our control system.

We now have major elements of our technology patented. We just received three new patents in the last four or five months and we continue to see opportunities to continue to add value and strength to our technological leadership. Finally, there are other potential markets where we can use this precision motion technology outside of traditional wafer probing. I believe this will give us a revenue stream that over the next few years which could be

at least as large as the revenue stream coming from our traditional semiconductor test business. We see a lot of very good opportunities.”

CEO CFO: In closing, why should potential investors be interested and what might people miss that they need to understand about Electroglas?

Mr. Rohrs: “There are some key factors; one is that the balance sheet is quite strong, we don’t have any significant debt repayments for the next three to four years. We are moving into a positive cash position so that financial risk is dissipating quite quickly. We are moving to a

volume level where we will become profitable in the next couple of quarters. The operational risk is dissipating as well. We have obviously been very successful in getting our product evaluated and chosen by world-class manufacturers. We have a clear line of sight for substantial market share growth and in fact, we are probably

the best bet in the semiconductor equipment space for future market share growth at this point. Finally as icing on the cake, we have these new applications, which I believe can be a significant source of future revenue where we don't have to compete against the same two incumbents that we are up against in the

wafer space. Overall, I think it is a good story. We are at a point now where I do not think all this progress and potential is fully reflected or valued in our stock. My own personal opinion is I think it is a good bargain at these current levels."



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