SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 8-K/A

Current Report Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): August 3, 1998

inTEST Corporation

(Exact Name of Registrant as Specified in Charter)

Delaware	0-22529	22-2370659
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

2 Pin Oak Lane, Cherry Hill, New Jersey	08003
(Address of Principal Executive Offices)	(Zip Code)

Registrant's telephone number, including area code: (609)424-6886

The Current Report on Form 8-K filed by inTEST Corporation (the "Company") on August 5, 1998 is hereby amended to include the financial information required in Item 7.

ITEM 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS.

(a) Financial Statements of Business Acquired:

TESTDESIGN CORPORATION

INDEX TO FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholder
TestDesign Corporation

We have audited the accompanying balance sheets of TestDesign Corporation (the "Company") as of May 31, 1998 and June 30, 1997, and the related statements of earnings, shareholder's equity, and cash flows for the eleven months ended May 31, 1998, and for the year ended June 30, 1997. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of TestDesign Corporation as of May 31, 1998 and June 30, 1997, and the results of its operations and its cash flows for the eleven months ended May 31, 1998, and for the year ended June 30, 1997, in conformity with generally accepted accounting principles.

KPMG PEAT MARWICK LLP

Mountain View, California
July 2, 1998

TESTDESIGN CORPORATION
BALANCE SHEETS
(In thousands, except for share data)

	May 31, 1998	June 30, 1997
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 49	$ 318
Marketable securities	-	81
Trade accounts and notes receivable, net of allowance for doubtful accounts of $54 as of May 31, 1998 and June 30, 1997	1,272	939
Inventories	943	892
Deferred tax asset	200	28
Other current assets	37	95
Total current assets	2,501	2,353
Property and equipment:		
Machinery and equipment	1,037	953
Leasehold improvements	33	30
	1,070	983
Accumulated depreciation	(708)	(548)
Net property and equipment	362	435
Total assets	$2,863	$2,788
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities:		
Accounts payable	$ 284	$ 480
Accrued expenses	436	192
Warranty reserve	20	20
Line of credit	-	201
Payable to related party	115	386
Income taxes payable	268	115
Total current liabilities	1,123	1,394
Commitments (Note 6)		
Subsequent event (Note 10)		
Shareholder's equity:		
Common stock, no par value, 1,000,000 shares authorized; 70,000 shares issued and outstanding	9	9
Retained earnings	1,731	1,380
Unrealized gain on securities	-	5
Total shareholder's equity	1,740	1,394
Total liabilities and shareholder's equity	$2,863	$2,788

See accompanying notes to financial statements.

TESTDESIGN CORPORATION
STATEMENTS OF EARNINGS
(In thousands)

	Eleven Months Ended May 31, 1998	Year Ended June 30, 1997
Revenues	$7,713	$9,471
Cost of revenues	4,825	6,135
Gross profit	2,888	3,336
Expenses:		
Selling	538	414
Research and development	403	327
General and administrative	1,357	1,738
Operating income	590	857
Other income (expense):		
Interest income	1	-
Interest expense	(12)	(27)
Other, net	17	(38)
Total other income (expense), net	6	(65)
Earnings before income taxes	596	792
Income tax expense	245	325
Net earnings	$ 351	$ 467

See accompanying notes to financial statements.

TESTDESIGN CORPORATION
STATEMENTS OF SHAREHOLDER'S EQUITY
ELEVEN MONTHS ENDED MAY 31, 1998 AND YEAR ENDED JUNE 30, 1997
(In thousands, except for share data)

	Common Stock		Retained Earnings	Unrealized Gain On Securities	Total Shareholder's Equity
	Shares	Amount			
Balances, July 1, 1996	70,000	$ 9	$ 913	$ -	$ 922
Unrealized gain on securities	-	-	-	5	5
Net earnings	-	-	467	-	467
Balances, June 30, 1997	70,000	9	1,380	5	1,394
Realized gain on securities	-	-	-	(5)	(5)
Net earnings	-	-	351	-	351
Balances, May 31, 1998	70,000	$ 9	$1,731	$ -	$1,740

See accompanying notes to financial statements.

TESTDESIGN CORPORATION
STATEMENTS OF CASH FLOWS
(In thousands)

	Eleven Months Ended May 31, 1998	Year Ended June 30, 1997
Cash flows from operating activities:		
Net earnings	$ 351	$ 467
Adjustments to reconcile net earnings to net cash (used in) provided by operating activities:		
Depreciation and amortization	166	196
Gain on sale of assets	(5)	-
Gain on sale of securities	(5)	-
Write-down of investment	-	50
Changes in operating assets and liabilities:		
Trade receivables	(333)	99
Inventories	(51)	221
Deferred income taxes	(173)	91
Other current assets	58	20
Accounts payable	(196)	(1,331)
Accrued expenses	244	(8)
Payable to related party	(271)	249
Income taxes payable	153	(19)
Net cash (used in) provided by operating activities	(62)	35
Cash flows from investing activities:		
Short-term investments, net	81	(10)
Proceeds from sale of property and equipment	7	-
Purchase of property and equipment	(94)	(217)
Net cash used in investing activities	(6)	(227)
Cash flows (used in) provided by financing activities - (repayments of) proceeds from line of credit	(201)	201
(Decrease) increase in cash and cash equivalents	(269)	9
Cash and cash equivalents at beginning of period/year	318	309
Cash and cash equivalents at end of period/year	$ 49	$ 318
Supplemental disclosures of cash flow information:		
Cash paid during the period/year for:		
Income taxes	$ 262	$ 197
Interest	$ 12	$ 27

See accompanying notes to financial statements.

TESTDESIGN CORPORATION
NOTES TO FINANCIAL STATEMENTS
MAY 31, 1998 AND JUNE 30, 1997
(In thousands, except share data)

(1) NATURE OF OPERATIONS

TestDesign Corporation (the "Company") was incorporated in the state of California in 1985 and is wholly owned by one shareholder who is also the President. The Company designs prototypes and fabricates high technology electronic test hardware products used in the semiconductor manufacturing industry worldwide. The major customers of the Company include Hewlett-Packard, Intel, Motorola, National Semiconductor, Philips, Cypress Semiconductor, and other semiconductor manufacturers.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Cash and Cash Equivalents

Short-term investments, which have maturities of three months or less when purchased, are considered to be cash equivalents and are carried at cost, which approximates market value.

(b) Marketable Securities

The Company accounts for marketable securities in accordance with Statement of Financial Accounting Standards (SFAS) No. 115. These investments are classified as "available-for-sale." Such investments are recorded at fair value, with unrealized gains and losses reported as a separate component of shareholder's equity. The cost of securities sold is based upon the specific identification method.

(c) Inventories

Inventories consist of raw materials, work in progress, and finished goods. Inventories are stated at lower of cost (first in, first out) or market value (net realizable value).

(d) Property and Equipment

Machinery and equipment are stated at cost. The estimated useful lives range from five to seven years. Leasehold improvements are recorded at cost and amortized over the shorter of the lease term or estimated useful life of the asset. Depreciation is based upon the estimated useful life of the assets using the double declining balance method.

(e) Income Taxes

Income taxes are accounted for by the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Income Taxes (Continued)

years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. Valuation allowances are established when necessary to reduce deferred tax assets to the amounts expected to be realized.

(f) Revenue Recognition

Revenues from sales of products are recognized upon shipment to customers.

(g) Research and Development

Research and development costs are expensed as incurred.

(h) Product Warranties

The Company generally provides product warranties and records estimated warranty expense at the time of sale based upon historical claims experience.

(i) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(3) CONCENTRATIONS OF CREDIT RISK

The Company's customers are in the semiconductor industry. During 1998 and 1997, the Company had sales to certain customers that exceeded 10% of the Company's revenues. Those sales as a percentage of total revenue were as follows:

Customers	1998	1997
A	34%	56%
B	11%	3%
C	1%	12%

(In thousands, except share data)

(3) CONCENTRATIONS OF CREDIT RISK (Continued)

Additionally, as of May 31, 1998 and June 30, 1997, these three customers accounted for a total of 44% and 58% of trade receivables, respectively.

(4) INVENTORIES

Inventories held as of May 31, 1998 and June 30, 1997, were comprised of the following:

	May 31, 1998	June 30, 1997
Raw materials	$ 750	$ 457
Work in process	188	264
Finished goods	43	171
Reserve for slow moving and obsolete inventory	(38)	-
	$ 943	$ 892

(5) LINE OF CREDIT

In 1997, the Company entered into a line of credit agreement dated June 10, 1997, with a credit limit of $500 and an interest rate of 9.25% as of June 30, 1997. The debt is personally guaranteed by the sole owner of the Company. The Company has $-0- and $201 outstanding under the line of credit as of May 31, 1998 and June 30, 1997, respectively. Borrowings under this line of credit are principally used for working capital purposes. The line of credit was terminated in February 1998.

(6) COMMITMENTS

The company leases premises in Sunnyvale, California, which commenced on January 1, 1998, under a noncancelable operating lease expiring in the year 1999. The Company rents its offices and warehouse space under term leases expiring in December 1999. The aggregate minimum rental commitments under the noncancelable operating lease in effect as of May 31, 1998, are as follows:

Year Ending May 31,	
1999	$ 146
2000 and thereafter	79
	$ 225

(In thousands, except share data)

(6) COMMITMENTS (Continued)

Rental expense for the eleven months ended May 31, 1998, and for the year ended June 30, 1997, was $124 and $121, respectively.

(7) INCOME TAXES

The components of income tax expense, as presented in the accompanying statements of earnings, are comprised of federal and state taxes. The components of income taxes for the eleven months ended May 31, 1998, and for the year ended June 30, 1997, are as follows:

	Eleven Months Ended May 31, 1998	Year Ended June 30, 1997
Income taxes:		
Current:		
Federal	$ 337	$ 180
State	81	54
	418	234
Deferred:		
Federal	(146)	61
State	(27)	30
	(173)	91
	$ 245	$ 325

The following reconciles the expected corporate federal income tax expense (computed by multiplying the Company's income before taxes by 34%) to the Company's income tax expense for the eleven months ended May 31, 1998, and for the year ended June 30, 1997:

	May 31, 1998	June 30, 1997
Expected income tax expense	$ 201	$ 243
State income tax, net of federal benefit	36	56
Other	8	26
	$ 245	$ 325

(In thousands, except share data)

(7) INCOME TAXES (Continued)

The tax effects of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amount used for income tax purposes that give rise to significant portions of deferred tax assets and liabilities as of May 31, 1998 and June 30, 1997, are presented below:

	May 31, 1998	June 30, 1997
Deferred tax assets:		
Accruals and reserves	$ 185	$ 24
Capital loss carryforwards	36	36
Deferred state taxes	15	4
Total gross deferred tax assets	236	64
Valuation allowance	(36)	(36)
Net deferred tax assets	$ 200	$ 28

Capital loss carryforwards are fully offset by the valuation allowance. Based on the Company's history of prior operating earnings and its expectation of the future, management believes that taxable income will more likely than not be sufficient to realize the net deferred tax assets of $200 as of May 31, 1998.

(8) EMPLOYEE BENEFIT PLANS

On July 1, 1994, the Company adopted its 401(k) Savings and Profit Sharing Plan (the Plan), which is open to all of its employees who exceed 18 years of age and have 6 months of service.

A feature of the Plan includes a mandatory matching requirement equal to 25% of an employee's contribution for employee contributions up to 5% of gross salary. Matching contributions for the Plan accrued during the eleven months ended May 31, 1998, and for the year ended June 30, 1997, were $7 and $5, respectively.

A feature of the Plan allows the Company to make discretionary matching contributions up to 6.5% of an employees' gross salary for the year. Contributions accrued for profit sharing during the eleven months ended May 31, 1998, and for the year ended June 30, 1997, were $-0- and $48, respectively. During 1998, due to the implementation of the new bonus and commission plan, the Company has not elected to make profit sharing matching contributions.

(In thousands, except share data)

(9) ACCRUED EXPENSES

Accrued expenses as of May 31, 1998 and June 30, 1997, consisted of the following:

	May 31, 1998	June 30, 1997
Accrued commissions	$ 69	$ 107
Accrued vacation	39	28
Accrued management fee to Prim	250	-
Other	78	57
	$ 436	$ 192

(10) SUBSEQUENT EVENT

In July 1998, TestDesign's sole shareholder entered into an agreement to sell all of the Company's common stock to inTEST Corporation. The purchase agreement provides for certain representations, indemnifications, and warranties for items which may eventuate including tax and litigation.

(11) RELATED PARTY

Prim Distribution, Inc. ("Prim") is a subchapter S corporation wholly owned by the sole shareholder of TestDesign and was organized primarily to provide management services to the Company. Prim invoiced TestDesign for management fees in respect of services provided during 1998 and 1997 of $250 and $950, respectively.

The balances owed to Prim of $115 and $386 as of May 31, 1998 and June 30, 1997, respectively, are reflected as current liabilities as there are no written loan agreements and no fixed repayment terms specified for these amounts.

(12) INVESTMENT

During 1997, $50 representing an investment in the stock of Triple S Engineering Corporation (the "Corporation") carried at historical cost was written off as the Corporation declared bankruptcy. Management believes the write-off was necessary to reflect a permanent impairment in the value of this investment.

ITEM 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS (Continued)

(b) Pro Forma Financial Information:

Background

On August 3, 1998, the Company acquired 100% of the issued and outstanding common shares of TestDesign Corporation ("TestDesign"). The acquisition price consisted of a cash payment of $4.4 million and the issuance of 625,000 shares of the Company's common stock. Although the Company's common stock had a market price of $4.75 per share on the closing date of the transaction, all of the 625,000 shares issued in connection with the acquisition are subject to legal restrictions on transfer and have been valued at a 10% discount to the market price of the shares. In addition, the Company incurred transaction costs of an estimated $425,000 in completing the acquisition. The following allocation of the purchase price is preliminary and subject to change:

Cash payment	$4,400
625,000 common shares at $4.28	2,672
Transaction costs	425
Total purchase price	7,497
Estimated fair market value of identifiable assets acquired	1,683
Goodwill to be amortized	$5,814

The goodwill of $5.8 million resulting from the acqusition of TestDesign will be amortized over a period of 15 years. In June 1997, in connection with the Company's initial public offering (the "Offering"), the Company terminated its status as an S corporation. Simultaneous with the closing of the Offering, the Company acquired the 21% minority interests in each of its three foreign subsidiaries, which resulted in goodwill of $1.3 million, which is being amortized over 15 years.

The following pro forma balance sheet and statements of earnings reflect the combination as if it had occurred on June 30, 1998 for purposes of the pro forma balance sheet and as of January 1, 1997 for purposes of the pro forma statements of earnings and include certain pro forma adjustments which gives effect to these events.

(b) Pro Forma Financial Information: (Continued)

inTEST Corporation
Pro Forma Consolidated Balance Sheet
As of June 30, 1998
(In thousands, except share data)

	Historical			
	inTEST	TestDesign	Adjustments	Pro Forma
ASSETS:				
Current assets:				
Cash and cash equivalents	$13,215	$ 114	$(4,825)	$ 8,504
Trade accounts and notes receivable	3,472	957		4,429
Allowance for doubtful accounts	(143)	(54)		(197)
Inventories	1,645	937		2,582
Other current assets	474	235		709
Total current assets	18,663	2,189	(4,825)	16,027
Net property and equipment	472	347		819
Other assets	139	-		139
Goodwill	1,245	-	5,814	7,059
Total assets	$20,519	$ 2,536	$ 989	$24,044
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities:				
Accounts payable	$ 1,054	$ 348		$ 1,402
Accrued expenses	648	190		838
Payable to related parties	-	115		115
Domestic and foreign income taxes payable	259	200		459
Total current liabilities	1,961	853		2,814
Stockholders' equity:				
Preferred stock, $.01 par value; 5,000 shares authorized; no shares issued or outstanding	-	-		-
Common stock, $.01 par value; 20,000,000 shares authorized; 6,536,034 shares issued and outstanding	59	3	3	65
Additional paid-in capital	13,981	6	2,660	16,647
Retained earnings	4,705	1,674	(1,674)	4,705
Accumulated other comprehensive expense	(187)	-		(187)
Total stockholders' equity	18,558	1,683	989	21,230
Total liabilities and stockholders' equity	$20,519	$ 2,536	$ 989	$24,044

(b) Pro Forma Financial Information: (Continued)

PRO FORMA ADJUSTMENTS DETAIL

Cash	
inTEST-Cash payment for purchase of TestDesign	$(4,400)
inTEST-Payment of transaction costs	(425)
	$(4,825)

Goodwill	
inTEST-Establish goodwill from purchase of TestDesign	$ 5,814
	$ 5,814

Common Stock	
inTEST-Record par value of shares issued in purchase of TestDesign	$ 6
TestDesign-Eliminate common shares purchased	(3)
	$ 3

Additional Paid in Capital	
inTEST-Record difference between par value and market value of shares issued less 10% illiquidity discount	$ 2,666
TestDesign-Eliminate paid in capital	(6)
	$ 2,660

Retained Earnings	
TestDesign-Eliminate prior retained earnings	$(1,674)
	$(1,674)

(b) Pro Forma Financial Information: (Continued)

inTEST Corporation
Pro Forma Consolidated Statements of Earnings
(In thousands, except share data)

	Year Ended December 31, 1997				Six Months Ended June 30, 1998			
	Historical				Historical			
	inTEST	TestDesign	Adjustments	Pro Forma	inTEST	TestDesign	Adjustments	Pro Forma
Revenues	$20,746	$ 8,943		$29,689	$10,789	$ 3,892		$14,681
Cost of revenues	7,808	5,700		13,508	4,334	2,457		6,791
Gross profit	12,938	3,243		16,181	6,455	1,435		7,890
Operating expenses:								
Selling expense	2,789	500		3,289	1,419	307		1,726
Research and development expense	1,737	384		2,121	855	215		1,070
General and administrative expense	2,225	1,609	$ (22)	3,812	1,176	702	$ 144	2,022
Total operating expenses	6,751	2,493	(22)	9,222	3,450	1,224	144	4,818
Operating income	6,187	750	22	6,959	3,005	211	(144)	3,072
Other income (expense):								
Interest income	349	1		350	266	-		266
Interest expense	(15)	(21)		(36)	(2)	(5)		(7)
Other	(74)	(10)		(84)	11	8		19
Total other income (expense)	260	(30)		230	275	3		278
Earnings before income taxes and minority interest	6,447	720	22	7,189	3,280	214	(144)	3,350
Income tax expense	2,090	297	770	3,157	1,218	88	20	1,326
Earnings before minority interest	4,357	423	(748)	4,032	2,062	126	(164)	2,024
Minority interest	(25)	-	25	-	-	-		-
Net earnings	$ 4,332	$ 423	$ (723)	$ 4,032	$ 2,062	$ 126	$ (164)	$ 2,024
Pro forma earnings per share-basic	$0.74			$0.71	$0.35			$0.31
Pro forma weighted average common shares outstanding-basic	5,068,349		625,000	5,693,349	5,911,034		625,000	6,536,034
Pro forma earnings per share-diluted	$0.73			$0.71	$0.35			$0.31
Pro forma weighted average common and common stock equivalent shares outstanding-diluted	5,092,490		625,000	5,717,490	5,921,862		625,000	6,546,862

(b) Pro Forma Financial Information: (Continued)

PRO FORMA ADJUSTMENTS DETAIL

The pro forma statements of earnings of the Company for the year ended December 31, 1997 and the six months ended June 30, 1998 reflect:

(a) the amortization of goodwill resulting from the acquisition of TestDesign and the acquisition of the minority interests in the Company's three foreign subsidiaries which occurred concurrent with the closing of the Company's initial public offering in June, 1997.

(b) the adjustment to administrative expense to reflect the reductions in salary expense that will occur as a result of the acquisition of TestDesign.

(c) the increase in income tax expense resulting from the termination of the Company's status as an S corporation shortly before the closing of its initial public offering and from the aforementioned reduction in administrative expense. TestDesign was a C corporation prior to its acquisition by the Company.

(d) the elimination of the minority interest charge reflected in the Company's historical financial statements, as if the acquisition of the minority interest in its three foreign subsidiaries had occurred on January 1, 1997.

	Year Ended 12/31/97	Six Months Ended 6/30/98
General and Administrative Expense:		
inTEST-Goodwill adjustment from acquisition of minority interest in three foreign subsidiaries	$ 40	
inTEST-Goodwill adjustment from acquisition of TestDesign	388	$ 194
TestDesign-Adjust administrative expense - 1/1/97-6/30/98	(450)	(50)
	$ (22)	$ 144
Income Tax Expense:		
inTEST-Increase in tax provision resulting from change from S corp to C corp for period 1/1/97-6/19/97	$ 590	
TestDesign-Increase in tax provision resulting from decrease in administrative expense - 1/1/97-6/30/98	180	$ 20
	$ 770	$ 20
Minority Interest:		
inTEST-Elimination of minority interest resulting from acquisition of minority interests in three foreign subsidiaries	$ 25	
	$ 25	

(c) Exhibits:

23. Consent of KPMG Peat Marwick LLP

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

inTEST CORPORATION

By: /s/ Hugh T. Regan, Jr.

Hugh T. Regan, Jr.
Treasurer and
Chief Financial Officer

Date: October 2, 1998

EXHIBIT INDEX

23. Consent of KPMG Peat Marwick

EXHIBIT 23

CONSENT OF INDEPENDENT AUDITORS

The Board of Directors
TestDesign Corporation

We consent to the inclusion of our report dated July 2, 1998, with respect to the balance sheets of TestDesign Corporation as of May 31, 1998 and June 30, 1997, and the related statements of earnings, shareholder's equity, and cash flows for the eleven months ended May 31, 1998 and for the year ended June 30, 1997, which report appears in the Form 8-K/A of inTEST Corporation dated August 3, 1998.

KPMG Peat Marwick LLP

Mountain View, California
September 24, 1998