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**CML MICROSYSTEMS PLC
2003 FINAL RESULTS****Results in Line with Expectations; Maintained Dividend;
Board Confident the Group is well placed**

CML Microsystems Plc ("CML"), which designs, manufactures and markets a broad range of semiconductor products, primarily for the global communications market, announces its Final Results for the full year ended 31 March 2003.

CML's semiconductor circuits and devices serve customers in electronic manufacture, assembly and distribution in the wire-line telecom, wireless data and private mobile/and radio markets. CML is listed on the London Stock Exchange and is traded OTC as an ADR in the US. The group has operating subsidiaries in the UK, US and Singapore.

Commenting on the results, George Gurry, Chairman said:

"In my interim statement dated 19th November 2002, I stated that it would be challenging for the group to avoid reporting a loss for the full year and I am disappointed to reveal that this has proven to be the case.

Although these results are in line with market expectations, the underlying product sales achieved into historically good geographical areas for the group, such as Korea and parts of Europe, declined further in the second half and firm signs of a significant improvement are not yet apparent.

Despite these challenging conditions, the group has a policy of focussed investment in product development. For 2003, R&D activities for the year increased, with expenditure of £2.28m, up 17%."

Financial Highlights

- Turnover of £12.38m, (2002: £16.24m), down 24%.
- Operating loss £0.578m (2002: £1.588m profit).
- Pre-tax loss £322k (2002: profit before tax £2.10m).
- Basic EPS of 0.53p (2002:12.51p); improved tax position.
- Net cash reserves of £9.59m (2002: £11.77m).
- Shareholders net assets per share stood at 132.97p (2002: 141.31p).
- Cash flow from trading operations positive.
- Cash per share of 65.65p (2002: 80.54p).
- 2003 R&D increased to £2.28m (2002: £1.94m) up over 17%.
- Dividend maintained at 10.5p per share (2002: 10.5p).
- Underlying operating costs reduced by 11% to £7.36m (2002: £8.24m).

Business Review

- CML Microcircuits (UK) significant decline in sales, Korea, Italy, Spain the largest shortfalls.
- As conditions improve, Company active in exploiting opportunities.
- USA to play increasing role in future success.
- Singapore subsidiary showed greater resilience.
- China becoming an increasingly important market.
- New subsidiary formed called Applied Technology (UK).
- Specialist RF and software skills for current and emerging markets.

Regarding prospects, George Gurry, Chairman said:

"I remain confident that the group is well placed to respond appropriately to conditions as they change."

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