



# PRESS RELEASE

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## CML MICROSYSTEMS Plc

### INTERIM RESULTS

CML Microsystems Plc ("CML"), which designs, manufactures and markets a broad range of semiconductor products, primarily for the global communications market, announces its Interim Results for the half year ended 30 September 2006.

CML's semiconductor solutions serve customers in the wire-line telecom, wireless data, two-way radio, memory card controller and programmable platform markets. Operations are in the UK, Germany, the US, Singapore, China and Taiwan.

#### **Commenting on the results, George Gurry, Chairman said:**

"As advised with my AGM Statement in August, the Group's trading results for the opening half are significantly down against those for the comparable period the year earlier."

#### **Financial Highlights**

- Turnover down 34% to £9.46m (2005: £14.24m)
- Loss before tax of £0.8m (2005: Profit before tax of £1.4m)
- Loss per share of 4.90p (2005: Earnings per share of 7.83p)
- Cash reserves remain at a satisfactory level

#### **Business Review**

- Reduction in shipments to key Memory Card Controller, with customer exiting the Flash Memory market
- Good progress in product markets generally
- Increased customer design-in activity and customers entering production phase for two-way Radio
- New high performance Radio Frequency product for professional digital radio has begun deliveries
- Delays in new product development for Memory Controller and Programmable Platform areas
- Second half losses will be materially above those recorded in the first half

#### **Regarding prospects, George Gurry, Chairman said:**

"I will not conceal my disappointment with these results and the present outlook for the second half, but I balance the causes and the performance strengths of your Company to expect a return to profitability reasonably soon thereafter."

#### **Enquiries:**

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