CML Microsystems Plc

PRESS RELEASE

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CML MICROSYSTEMS Plc
AGM STATEMENT

CML Microsystems Plc ("the group"), which designs, manufactures and markets a broad range of semiconductor products, primarily for the global communications industry, held its Annual General Meeting at 12.00 noon in Stock, Essex.

Following the formal proceedings of the AGM, George Gurry, Chairman of CML Microsystems, made the following statement regarding Group trading during the first quarter of this current trading year.

"This concludes the formal items on today's agenda, but before moving on to other business I will take this opportunity to comment on the results before you, and to offer an insight into the group's trading during the opening months of the current year.

I am sure we all feel regret that your company has incurred a trading loss in the year just ended, however well foreshadowed this outcome may have been.

As you will see from my statement, trading conditions showed a worsening in some key markets during the second half, most notably in the third quarter, and a halt to the downward trend in overall sales was not seen until the final months of the past year.

I remain very cautious about the prospects for early recovery in several of the group's market areas, but I can now report that trading results for the first three months of this year are modestly ahead of those for the preceding quarter.

Difficult market conditions are not deflecting your company from its pursuit of opportunities for future growth, and the acquisition of Hyperstone AG, a German fab-less semiconductor company, was completed earlier this month.

The acquisition of Hyperstone is expected to be earnings neutral this year and positive thereafter.

ENDS

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