

Esmertec continues its revenue growth in 1H 2005

Strengthens management team

Duebendorf-Zurich, Switzerland – September 21, 2005 – Esmertec™, a leading global, independent developer of software solutions for mobile handsets and embedded devices, announces today at a press conference in Zurich its half-year results, a strengthening of its senior management team and provides an update on the envisaged IPO of the company.

Esmertec's total revenue in the first half of 2005 increased by 129% to USD20.1 million compared to the total revenue of USD8.7 million in the corresponding period in 2004. Its EBITA margin, before exceptional items, was 17.4% for the first half of 2005. Exceptional items, which total USD2.9 million, consist of write-offs of a portion of IPO expenses and a bad debt provision for a customer who went into receivership. Net loss for the first half of 2005, including the exceptional expenses, totaled USD2.0 million, a significant improvement over the net loss of USD3.7 million in the first half of 2004.

In the senior management team, Alain Blancquart, Chairman and CEO, will be focusing on the corporate vision and strategic development of Esmertec Group. Jean-Claude Martinez has been promoted to President and COO of Esmertec AG, where he will be responsible for the day-to-day operation and management of the company.

Deborah Choate has been appointed as Corporate Chief Financial Officer, effective November 1, 2005. Ms. Choate has over 20 years of financial management experience and was previously VP in European Asset Management at Platinum Equity Advisors International. Prior to Platinum, she served as CFO and Group VP at Wavecom for 6 years, where she led the project team for Wavecom's simultaneous dual-listing on Nasdaq and the Nouveau Marché in 1999. Arno Waschkau continues in his function as CFO until end of October 2005 and will stay on as financial consultant to Esmertec until the end of 2005.

Jean-Pierre LeBlanc has been appointed as Chief Strategy Officer, a newly created function, where he will be responsible for initiating, driving and developing business relationships with Esmertec's strategic technology and solution partners. Prior to Esmertec, Mr. LeBlanc served as CTO and SVP New Technology at Cellon International

and brings to Esmertec over 20 years of experience in the mobile and software industry.

Esmertec's senior management team now consist of 7 persons, including Anne-Marie Larkin who continues to serve as Chief Technology Officer, and Sylvie Vollet who continues in her role as General Counsel and Director of Human Resources.

"We have in place a very experienced and skilled management team to bring the company forward to its next stage of growth," says Alain Blancquart, Chairman and CEO. "Each member of the team, with a minimum of 15 years of experience, is an expert in their field whether it is sales, management, operations, technology, legal, finance or strategy. Together, we are dedicated to capturing market share and extending our technology leadership by delivering innovative software products and solutions for mobile phones and embedded devices."

About Esmertec

Esmertec is a leading provider of software solutions for mobile phones and embedded devices. Our high-performance solutions are delivered to chipset and embedded devices manufacturers in mobile and landline telecommunication, home-multimedia, machine-to-machine and consumer electronics markets. Engineered for smallness, Esmertec's wireless Java (Java ME) solutions, mobile applications and components, and object-oriented software platform (OSVM™) are designed to extract maximum performance from hardware environments. Founded in 1999, Esmertec is a global company headquartered in Zurich, with engineering, sales and customer support operations in Switzerland, China, Denmark, France, Japan, Singapore, South Korea, Taiwan, the UK and the USA.
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Esmertec's IPO Key Data

| | |
|--------------------------------------|--------------------------------|
| Listing | SWX Swiss Exchange, Main Board |
| Ticker symbol | ESMN |
| Offered Shares | |
| • Newly-issued (capital increase) | up to 5,000,000 shares |
| • Selling shareholders in base offer | up to 450,000 shares |
| • Over-allotment option (greenshoe) | up to 815,000 shares |
| Lock-ups | 6 to 12 months |
| Planned time schedule | |
| • Offer period (bookbuilding) | September 22-28 |
| • Announcement of issue price | September 28 or 29 |
| • First trading day | September 29 |
| • Settlement | October 4 |

Esmertec's Key Financials

| USD millions | 2003 | 2004 | 1H 2004 | 1H 2005 |
|---|-------------|-------------|----------------|----------------|
| Total Revenue | 16.3 | 26.8 | 8.7 | 20.1 |
| Gross profit | 10.2 | 14.9 | 5.0 | 13.9 |
| <i>Gross margin</i> | 62.6% | 55.6% | 57.5% | 69.2% |
| Total operating expenses | 15.4 | 19.1 | 8.97 | 15.2 |
| Net income attributable to shareholders | -7.5 | -8.5 | -4.1 | -1.9 |
| EPS (USD per share) | -1.25 | -0.90 | -0.44 | -0.18 |
| Net cash used in operating activities | -9.7 | -15.2 | -5.3 | -7.5 |
| Cash and cash equivalents | 13.1 | 19.8 | 5.6 | 2.7 |
| Total equity | 25.1 | 19.8 | 21.2 | 19.2 |