

Esmertec Announces Robust Operational Performance in Q1 2007

**Market share in mobile handset market grows from 3.4% in Q1 2006
to 7.7% in Q1 2007 due to growing shipments**

DUEBENDORF -ZURICH, Switzerland – May 30, 2007 – Esmertec™ (SWX: ESMN), a focused provider of software and services to communications device manufacturers and mobile telecom operators, is pleased to announce that operational performance in the first quarter was robust and develops within the company's expectations. Esmertec reaffirms its outlook of expected revenues 2007 of over USD 34 million and a positive cash flow from operations for the full year.

In the **Mobile & Multimedia Devices Segment** shipments by customers in the first quarter 2007 reached 19.9 million units, reflecting an increase of 159.9% compared to the first quarter 2006. The growth in the first quarter 2007 is on a level of 19.8% (previous quarter: fourth quarter 2006 even on a level of 29.7% due to strong Christmas sales). As a result, Esmertec's market share increased from 3.4% in the first quarter 2006 to 7.7% in the first quarter 2007. Performance reflects strong ongoing shipments by existing customers. As of March 31, 2007, Esmertec's software has been shipped in over 120 million mobile handsets and consumer electronic devices. Esmertec expects shipments and market share to continue to strengthen in the course of the year.

The operations of the **Mobile Operator Segment** also continued to expand. The cumulated mobile subscriber base with access to Esmertec's Cellidium USSD browsing solution grew by 3.1% in the first quarter 2007 from 70.4 million as at December 31, 2006 to 72.6 million subscribers as at March 31, 2007.

Jean-Claude Martinez, CEO of Esmertec, commented: "In the first quarter 2007 we have managed to reinforce our market presence in the mobile handset market, which resulted in an increased market share. Furthermore, we see a robust interest in our USSD browsing solution from mobile operators in emerging as well as developed markets. Consequently, it is our ambition to further increase our market shares. We expect revenues in 2007 to be over USD 34 million and cash flow from operations to be positive for the full year 2007."

This communication contains forward-looking statements based on current expectations and assumptions of the company's management only, and involve certain risks and uncertainties. The forward-looking statements contained herein could be substantially impacted by risks and influences that are not foreseeable at present, so that actual results may vary materially from those anticipated, expected, or projected. Esmertec disclaims any intention or obligation to update and revise any forward-looking statements, whether as a result of new information, future events or otherwise.

About Esmertec

Esmertec is a focused provider of software and services to communications device manufacturers and mobile telecom operators. The company provides software platforms that enable the deployment of content and applications in devices and over servers. Customers include mobile telecom operators and manufacturers of mobile handsets, set-top boxes and interactive televisions. Esmertec's software and service capabilities excel with its reliability as well as fast and local execution. Founded in 1999, Esmertec is headquartered in Zurich-Switzerland with subsidiaries in China, France, South Korea, and the USA, and offices in Taiwan and the UK. Since 2005, Esmertec has been listed on the SWX Swiss Exchange (ESMN). www.esmertec.com

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