

Esmertec reduces debts and increases equity by early conversion of outstanding convertible bonds

Esmertec underpins its growth strategy by significantly strengthening its balance sheet

DUEBENDORF-ZURICH, Switzerland – November 16, 2007 – Esmertec™ (SWX: ESMN), leading edge provider of software platforms, applications and services to communications device manufacturers and mobile telecom operators, is pleased to announce that it expects to conclude amendments of terms and conditions with bondholders ("early conversion"). This transaction will reduce the debts and increase the equity and therefore will lead to a significantly stronger balance sheet of Esmertec. This "early conversion" is expected for a clear majority of the face value of outstanding convertible bonds. As per today the Company holds commitments for "early conversion" for more than 50% of the face value.

According to the offer made to all bondholders, the conversion price, the maturity date and the non-conversion premium will be amended as follows:

For the bondholders accepting the offer, the conversion price is reduced to CHF 10.00 and bonds will be immediately converted into Esmertec shares after registration of the increased capital in the commercial register. The remaining bondholders may opt for acceptance of the offer up to November 30th, 2007. For investors not entering into the offer all terms and conditions of the bonds remain unchanged.

Consequently, Esmertec's capital structure as well as its liquidity situation will be significantly improved. "The new capital structure will help us to achieve our future targets. The strong balance sheet will support our growth-strategy", says Konrad Hurni, CFO of Esmertec.

Due to the reduced conversion price, an increase of the conditional capital in the nominal amount of CHF 92,096.60, representing 920,966 new shares is needed. To this end, Esmertec's Board of Directors invites to an Extraordinary General Meeting (EGM) that will be held on December 6th, 2007 at the Airport Conference Center, Zurich Airport. The only agenda item will be to agree on creating new conditional capital of 920,966 shares. Today, Esmertec has sent invitations for the EGM to all registered shareholders.

The same day, December 6th, 2007 Esmertec will host a Technology Day at its headquarters in Duebendorf, Switzerland. Please join Esmertec to get a hands-on experience of the company's state of the art technology and know-how.

About Esmertec

Esmertec is a leading edge provider of software platforms, applications and services to communications device manufacturers and mobile telecom operators 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 is a founding member of the Open Handset Alliance. 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 is listed on the SWX Swiss Exchange (ESMN).

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