



Esmertec signs agreement to acquire mobile software platform activities from Sagem Mobiles, supporting profitable growth and strategic positioning

The acquisition will significantly grow Esmertec's revenue for the coming years and expand its portfolio of products and services

- The acquisition of the mobile software platform activities and related assets from Sagem Mobiles
- 3-years profitable software license and services contract with Sagem Wireless for an aggregated minimum deal value of EUR 51 million
- The acquisition paid-off 100% in shares
- The final transaction subject to approval of employee representative bodies

DUEBENDORF-ZURICH, Switzerland – July 31, 2008 – Esmertec™ (SWX: ESMN), a leading edge provider of software platforms, applications and services to communication device manufacturers and mobile telecom operators, is pleased to announce that it has entered into agreement with Sofinnova Partners and Safran as shareholders of Sagem Wireless (company to be incorporated) to acquire Sagem Mobiles' software platform activities. This transaction is subject to approval of employee representative bodies.

"For the first half of 2008, under challenging market conditions, we anticipate to achieve a first time positive EBITA (subject to the final review by the Auditors) with a revenue above USD 17.5 million, paving the way to reach out for profitability for the full year 2008", said Thomas Hornung, Esmertec's CEO. In order to proactively cope with these challenges, Esmertec has been aiming to increase its footprint in the software stack of a mobile device and consequently to raise its value per shipped device. Therefore, the acquisition of Sagem Mobiles' software platform activities brings Esmertec to the next stage, strengthening its position as a software and services provider for the wireless and converging consumer electronics industry. By greatly diversifying its products and services portfolio, Esmertec is creating additional business opportunities which will support its growth for the coming years."



The acquisition provides the following benefits to Esmertec: The capability to grow Esmertec's business significantly on a profitable basis; strengthening Esmertec's customer relationships through additional products and services beyond Java™ in-device engines; an opportunity to further penetrate the high growth segment of voice-centric mobile phones, driven by the rapid expansion of mobile services in developing markets; acquired platform already deployed in millions of mobile phones, being adopted by major mobile phone manufacturers; substantial extension of the IP and patent base of Esmertec; fueling & complementing Esmertec's mid and long term strategy to extend its footprint in (mobile) software stacks by combining a world class, mature software platform with a flexible, future proof Java middleware and application layer to serve the upcoming mobile convergence and consumer electronics devices industry.

"We are pleased to welcome a great team of engineers, recognized for their competence and expertise", underlines Thomas Hornung. "Together with our existing research and development team, we will be ideally positioned to design and develop innovative software platforms & solutions".

The transaction, paid-off 100% in shares, is expected to be finalized before end of 2008. Following completion of the acquisition, Esmertec and Sagem Wireless will enter into a long term strategic agreement, underpinned by a first 3-year business relationship for an aggregated minimum value of EUR 51 million. Esmertec will provide Sagem Wireless with a mobile software platform and related services developed by a team of about 100 highly skilled engineers based in Cergy-Pontoise joining Esmertec's global team as part of the transaction.

About Esmertec

Esmertec is a leading provider of Java™ in-device engines and mobile services platforms. The company's high-performance solutions enable consumers to easily discover and access content and services on any mobile phone. Esmertec's customer database has grown to more than 90 customers, including mobile operators and manufacturers of mobile handsets, set-top boxes and interactive televisions. Its in-device engines power 1 out of 10 new phones (shipped in more than 233 million devices) and its USSD mobile services platforms serves more than 138 million mobile subscribers world-wide.

Esmertec is a founding member of the Google initiated Open Handset Alliance (OHA), delivering customized solutions for OHA's mobile platform Android.



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). www.esmertec.com

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