

25 April 2007

Zetex plc

AGM Statement

At the Annual General Meeting today of Zetex plc, the designer and manufacturer of analog semiconductor solutions, the Chairman, Liz Airey, issued the following statement on current trading prospects.

“As anticipated in the outlook section of the Preliminary Results issued on 22 February 2007, industry conditions have been less robust in the first quarter of 2007 than in 2006 due to the continued unwinding of excess inventory in end markets. These conditions are anticipated to persist until the end of the second quarter.

Zetex revenues in the first quarter were considerably ahead of the first quarter of 2006. First half revenues, as predicted at the time of the preliminary statement made in February 2007, are expected to be in line with the second half of 2006 and well ahead of the first half of 2006.

We still anticipate that market conditions will improve in the second half. In the context of this market environment the board continues to be confident that the execution of our strategies will deliver growth in the second half of the year. In line with our strategy, we have opened a sales office in Taiwan and will continue to invest in sales resources with focus on Taiwan, China and Korea. We made further progress in enhancing our R&D capabilities in order to accelerate the enrichment of our product portfolio.

Gem Mill, the former operating site in Chadderton, UK, was sold in March to a national house builder for residential development with net sale proceeds of £2.6m. This resulted in an exceptional profit on disposal of £2.0m.

Cash and working capital continues to be actively managed with the result that the group's cash position remains strong and has risen over the first quarter. Inventory turns are expected to improve as planned over the course of the year. As explained in our 2006 annual report, the group has substantial exposure to the US dollar and has an ongoing hedging policy that limits the impact on operating profit. By way of benchmarking the potential impact, if the current level of dollar / sterling were to persist throughout the year, profit before adjusted items would be adversely impacted by approximately £1 million.

Taking all these factors into account the board believes that sales for 2007 will be weighted, as last year, to the second half. The board further believes that profit before adjusted items will also be weighted to the second half and, before taking into account the effect of the currency fluctuations referred to above, be in line with expectations.”

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