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**Pace Micro Technology plc**

**Results for the year ended  
4 June 2005**

**12 July 2005**

**There will be a presentation for stockbroking analysts at 9.30am at Citigate Dewe Rogerson's office, 26 Finsbury Square, EC2A 1SH**

## PACE MICRO TECHNOLOGY PLC

### Results for the year ended 4 June 2005

#### SALIENT POINTS

- Turnover for the year (53 weeks) of £253.3m (2004: £239.9m)
- Profit before tax, amortisation of goodwill and exceptional items of £8.1m (2004: £5.9m)
- Full year gross margin of 20.8% (2004: 19.0%)
- Significant gross margin improvement from 16.8% in the first half to 26.6% in the second half, reflecting the improved mix of Pace's products to higher margin products together with increased service and engineering revenues
- Adjusted diluted earnings per share (stated before exceptional items and amortisation of goodwill) of 5.8p (2004: 4.5p)
- Net cash position £26.4m (2004: £20.4m)
- Volume shipments increased to 3.4 million set-top boxes (2004: 2.2 million)
- Further penetration of the US market achieved with multi-year agreement with Comcast Corporation, the US's largest provider of cable, entertainment and communications
- Capitalising on strengths of engineering and technology teams to develop competitiveness and leadership in the set-top box market and explore diversification opportunities
- Continued focus on productivity and performance improvement

Commenting on the results, Sir Michael Bett, Chairman, said:

"These improved results demonstrate Pace's continued technological leadership, greater penetration of the digital television global market and the management team's success in balancing the demands of gaining market share with control of productivity and business costs.

"Looking forward, the Board anticipates that revenues as currently forecast will be ahead of expectations, albeit at a slightly lower margin. There will be an uneven distribution of revenues between the first and second halves of the year, as deliveries on our new US and European business start at the end of calendar 2005 and grow in 2006. With first half results expected to be below break-even, second half revenues for the next year are expected to be significantly ahead of first half revenues.

"Pace is now in a much improved position and the Board is enthusiastic about the Company's current and future opportunities and is confident in the ability of Pace's employees to deliver upon them."

## Preliminary Announcement

The Board of Pace Micro Technology plc established a strategy two years ago to broaden its customer base and to align its business to the global pay TV market. The overall aim was to broaden the geographical spread of Pace's sales from an over dependence on a maturing UK market, and, in particular, to obtain a much improved position in the US market which represents an estimated 40% of the global pay TV market. In order to fulfil this strategy, we have been investing in the US market, at the same time as focusing research and development on more complex products, such as the Personal Video Recorder (PVR) and products for High Definition (HD) TV.

With the announcement of the agreement with Comcast in May 2005, Pace is well positioned to meet these strategic aims, although there remains considerable work to be done during the course of this year to deliver on the contractual requirements. This work makes predicting the results for this year harder than ever, however we are confident that, by the end of this year, the business will be in a strong position for continued growth.

The Pace Board is therefore delighted to report a further improvement in Pace's results for the year ended 4 June 2005.

We have achieved this improvement by delivering on a range of new contracts won in the previous year and a series of new business wins, most importantly in the US, due to our leadership in higher value set-top box technologies used in PVR and HD TV. At the same time we have continued to manage the level of business costs. Several new initiatives to improve productivity and extend our outsourcing activities are now under way as the management team recognises there is still significant room and opportunity for performance improvement.

### Results

Profit before tax, amortisation of goodwill and exceptional items improved to £8.1m (2004: £5.9m) on turnover of £253.3m (2004: £239.9m), with profit before tax of £7.1m (2004: £3.9m). Basic earnings per share were 5.4p (2004: 3.7p). Before goodwill amortisation and exceptional items, adjusted earnings per share were 5.9p (2004: 4.6p) and adjusted diluted earnings per share were 5.8p (2004: 4.5p).

The Board has decided not to recommend a dividend (2004: nil).

### Trading review

During the period Pace set a new record for set-top box shipments, with volumes increasing by 55% to 3.4 million. To improve margin performance Pace has limited its role in the low margin market for free-to-air set-top boxes and shifted the balance of shipments towards higher specification, higher-margin products for payTV operators. As a result, and with the addition of more service and engineering revenues, the Group increased annual gross margins for the year as a whole to 20.8% (2004: 19.0%) from 16.8% in the first half. Underlying product margins for the year were similar to the prior year.

The trading environment continues to be highly competitive and the management team is driving initiatives to improve efficiency and cost-effectiveness. These initiatives, which involve significant changes to how we manage our engineering development process, have associated implementation costs and gave rise to some exceptional costs last year. There will be further such costs in the year ahead. In addition we have expanded Pace's team of outsourced software engineers at Tata Elxsi in Bangalore, India and engaged an additional large scale manufacturing partner with design capabilities to complement our existing successful relationship with Solectron.

### United Kingdom

In the UK, Europe's most mature digital TV market, BSkyB continues to be an important customer as their Sky+ PVR service expands. We also made shipments to our cable customers Ntl and Telewest and won new business with a number of smaller companies. Total UK shipments remained constant at 1 million boxes and represented circa 40% of total revenues.

## EMEA

Shipments into Continental Europe increased to 1.9 million boxes (2004: 0.7m), largely due to our successful Sky Italia relationship. Pace was the lead supplier in Sky Italia's digital upgrade programme, which took place in the first half of the financial year and volumes were substantially lower in the second half as the upgrade programme completed.

Pace's relationship with Premiere in Germany expanded, with new orders for PVR and Europe's first high definition set-top box for commercial deployment. In Scandinavia and Germany we also continued to work with Viasat, for which we now provide a PVR, and for KDG. The year ended with another important customer win at UGC, owners of cable operator UPC. Pace was selected as a key vendor to supply set-top boxes for UPC's digital rollout in The Netherlands.

## Asia Pacific

In Asia Pacific, Pace's largest customer was Foxtel in Australia, which continued to purchase our cable and satellite set-top boxes and launched IQ, a new PVR service for which Pace was sole launch supplier. Elsewhere we maintained our long-term relationship with Sky New Zealand and are now working with them on PVR, in addition to establishing a number of new relationships with operators in markets as diverse as Pakistan, China and Hong Kong. Total shipments remained at 350,000 units.

## North America

In the US we continued to invest heavily, as we have done over the last five years. Set-top box shipments reduced slightly to 138,000 units (2004: 162,000) but the region's contribution objective was met due to increased engineering revenues. More importantly, we have won new business with Comcast, the world's largest and most important digital TV operator. The agreement includes a set-top box order with a total purchase value of between \$375 million and \$550 million, a joint development agreement whereby Pace and Comcast will work together on new technology projects and a licence for Comcast to use Pace's Engineware™ software platform in the North American market.

This agreement demonstrates that important operators now perceive Pace as a technology partner that can add value. It puts us at the centre of the world's largest payTV operator in the world's most technologically advanced payTV market. We have also shipped product to our other US cable customers Time Warner Cable and Bright House, our Canadian IPTV customer Sasktel and won business with Canadian cable operator Videotron.

## Future technologies

We continue to invest in technology development so that we can win the more profitable business ahead of the competition. For example, our long-term investment in multiroom and home networking technologies – distributing television around the home to multiple TVs – is beginning to excite our markets. Multiroom and home networking is expected to become an important long-term goal for advanced operators as it supports high value customer retention and revenue expansion.

Next year we will increase our focus on the new advanced coding standards, the growth of next generation mobile and high definition PVR platforms as well as expanding our work on alternative delivery platforms such as internet protocol television (IPTV). At the same time we will continue to investigate new markets in which we can apply our technological skills for new opportunities within the Intelligent Home.

## Financial review

Overheads have increased, due to the investment required to support Pace's new business wins. Selling, general and administrative expenditure (excluding operating exceptional items and goodwill amortisation) rose to £20.9m (2004: £18.5m) and engineering development expenditure rose to £24.0m (2004: £21.3m). As a percentage of revenue, total overheads excluding operating exceptional items and goodwill amortisation, were 17.7% (2004: 16.6%).

The Group continued its policy of providing for all current claims relating to the alleged use of the intellectual property of others and was able, as in previous years, to release part of the overall provision. In the year ended 4 June 2005, the level of releases exceeded new provisions by £0.8m (2004: £0.6m).

The period has benefited from a tax credit of £4.8m relating to the agreement of a prior year tax computation with the UK Revenue and Customs. At the end of the year we have approximately £12m of UK tax losses of which £8m is recognised in the form of a deferred tax asset. In future years, when UK tax losses are utilised, the Group will again bear UK corporate tax charges.

In January 2005, Pace agreed to pay a civil penalty of £450,000 in relation to a settlement with the Financial Services Authority (FSA), without admitting the FSA's conclusions. An exceptional provision of £1.5 m was made in the year ending 29 May 2004 to cover costs in relation to this matter and, following insurance recoveries and the payment of the penalty, there has been a £0.2m release of the provision in the period

Net assets at 4 June 2005, excluding goodwill, increased to £53.0m (2004, as restated: £40.1m). Net current assets were £61.0m (2004: £54.1m). Net cash balances at the year end were £26.4m (2004: £20.4m).

Stocks at the year end amounted to £10.1m (2004: £10.0m), comprising £2.3m of raw materials and work in progress and £7.8m of finished goods. The stock turnover rate was over 20 times based on year end stock levels (2004: 19 times). Debtors of £55.8m (2004: £64.7m) included insured balances of £36.8m (2004: £38.5m). The trade debt collection period was 8 weeks (2004: 11 weeks).

### **International Accounting Standards**

In the last year Pace commenced an analysis of the impact of International Accounting Standards (IAS), which the European Commission requires all EU-listed public companies to adopt. Pace's 2006 accounts will be presented under the IAS format, which for the year under review would have provided an improvement to profit before tax of £1.9m. The principal ongoing impact of IAS for Pace is the requirement under IAS38 to capitalise engineering development expenses, with subsequent amortisation as product shipments are made.

### **Board appointments**

Two new Non-executive Board members were appointed during February. The first, Marten Fraser, was the senior partner at PricewaterhouseCoopers Nottingham and the second, Pat Chapman-Pincher, is a founding partner of the Cavell Group. Bob Lambourne, a Pace Non-executive Director since 1996 has decided to retire from the Board at the AGM and our thanks go to Bob for his commitment and diligence over the last nine years.

### **Outlook**

Looking forwards Pace's full year business outlook is in line with expectations. Revenues are likely to exceed current expectations although gross margins will be lower than last year.

In the UK, a market that is becoming increasingly mature, we expect units and revenues to fall. Revenues in continental Europe and APAC are also expected to fall, although with a lower number of more complex units being shipped, average selling prices will rise. In the US, we continue to focus our efforts on building our relationships with Comcast, Time Warner and Bright House, as well as developing increasingly good relationships with other important operators.

There will be an uneven split of revenues between the first and second halves of the year, as deliveries on our new US and European business starts at the end of calendar 2005 and grows in 2006. As a result second half revenues for the next year are expected to be significantly ahead of first half revenues, with first half results expected to be below break-even. The new business Pace will deliver on during the course of next year includes a substantial range of new products and the outcome for the year is dependent on good execution of these contracts.

Pace is now in a much improved position and the Board is enthusiastic about the Company's current and future opportunities and is confident in the ability of Pace's employees to deliver upon them.

**Sir Michael Bett**

Chairman

12 July 2005

**CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE FIFTY THREE WEEK PERIOD ENDED 4 JUNE 2005**

	Note	2005 £000	2004 £000
Turnover	2	253,326	239,949
Cost of sales		(200,704)	(194,425)
		<hr/>	<hr/>
Gross profit		52,622	45,524
Other operating income and charges:			
<i>Before operating exceptional items</i>		(45,452)	(40,350)
<i>Operating exceptional items</i>	3	(145)	(1,500)
Total operating income and charges		(45,597)	(41,850)
		<hr/>	<hr/>
Operating profit		7,025	3,674
Non-operating exceptional item: loss on closure of business		(360)	-
Net interest receivable and similar charges		410	206
		<hr/>	<hr/>
Profit on ordinary activities before taxation		7,075	3,880
Tax credit on profit on ordinary activities	4	4,717	4,186
		<hr/>	<hr/>
Retained profit for the financial year		11,792	8,066
		<hr/>	<hr/>
Basic earnings per ordinary share	5	5.4p	3.7p
Basic diluted earnings per ordinary share	5	5.3p	3.6p
Adjusted basic earnings per ordinary share	5	5.9p	4.6p
Adjusted diluted earnings per ordinary share	5	5.8p	4.5p

**CONSOLIDATED BALANCE SHEET**  
**AT 4 JUNE 2005**

	Note	2005 £000	2004 As restated (note 6) £000
Fixed assets			
Intangible		8,872	9,436
Tangible		6,185	7,010
Investments		674	-
		<u>15,731</u>	<u>16,446</u>
Current assets			
Stocks		10,135	10,006
Debtors	7	55,836	64,724
- due within one year		51,827	60,912
- due after one year		4,009	3,812
Cash at bank and in hand		26,647	20,705
		<u>92,618</u>	<u>95,435</u>
Creditors: amounts falling due within one year		(31,666)	(41,378)
		<u>60,952</u>	<u>54,057</u>
Net current assets			
Total assets less current liabilities		76,683	70,503
Creditors: amounts falling due after more than one year		(205)	(246)
Provisions for liabilities and charges	8	(14,627)	(20,748)
Net assets		<u>61,851</u>	<u>49,509</u>
Capital and reserves			
Called up equity share capital		11,349	11,339
Share premium account		35,677	35,647
Profit and loss account		14,825	2,523
Total equity shareholders' funds		<u>61,851</u>	<u>49,509</u>

**CONSOLIDATED CASH FLOW STATEMENT  
FOR THE FIFTY THREE WEEK PERIOD ENDED 4 JUNE 2005**

	Note	2005 £000	2004 £000
Net cash inflow from operating activities	9	11,208	14,165
Returns on investments and servicing of finance		343	136
Taxation		(1,378)	391
Capital expenditure and financial investment		(3,559)	(2,665)
Acquisitions and disposals		(674)	(4,936)
		<hr/>	<hr/>
Cash inflow before financing		5,940	7,091
Financing		2	204
		<hr/>	<hr/>
Increase in cash in the year		5,942	7,295
		<hr/>	<hr/>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS**

	2005 £000	2004 £000
Increase in cash in the period	5,942	7,295
Cash flow from decrease in debt	38	34
	<hr/>	<hr/>
Movement in net funds in the year	5,980	7,329
Net funds at start of year	20,406	13,077
	<hr/>	<hr/>
Net funds at end of year	26,386	20,406
	<hr/>	<hr/>

**ANALYSIS OF CHANGES IN NET FUNDS**

	At 30 May 2004 £000	Cash flow £000	At 4 June 2005 £000
Cash at bank and in hand	20,705	5,942	26,647
Debt due within one year	(53)	(3)	(56)
Debt due after one year	(246)	41	(205)
	<hr/>	<hr/>	<hr/>
	20,406	5,980	26,386
	<hr/>	<hr/>	<hr/>

## NOTES

### 1 Basis of preparation

The annual financial statements are drawn up to the Saturday nearest to 31 May. The current year's financial statements are for the 53-week period ended 4 June 2005 and the previous year's financial statements are for the 52-week period ended 29 May 2004. The annual financial statements for the next period will be for a 52-week period ending 3 June 2006.

The financial information set out herein does not constitute the Group's financial statements for the periods ended 4 June 2005 and 29 May 2004 but is derived from those financial statements. The financial statements for the 52-week period ended 29 May 2004 have been delivered to the Registrar of Companies, and those for the 53-week period ended 4 June 2005 will be delivered following the Annual General Meeting. The auditors have reported on those financial statements; their reports were unqualified and did not contain statements under section 237 (2) or (3) of the Companies Act.

#### *Financial position and market conditions*

The performance of the Group has continued to improve in this period. Unit volumes and turnover have increased and the geographical diversity continues to widen. However, pressure on selling prices continues and the net profit margin remains low.

The risks in the digital broadcasting industry involve the application of new and evolving technologies and the nature of Pace's activities, which are characterised by large individual sales orders for goods and engineering support services, to a limited range of customers, are unchanged. Some customers are incurring losses as they implement their business plans and others continue to review the timing and nature of their plans.

These factors, particularly in the context of the level of net profitability, increase both the volatility of the business and the sensitivity of the judgements required to prepare the financial statements. In making these judgements, a consistent approach has been applied using all available information.

The Group ended the period with net cash balances of £26.4m and has uncommitted banking facilities in an amount of £20m, which are available until 30 September 2006.

The Board has built the above circumstances into their working capital forecasts and has modelled various business scenarios. Based on these, the Board has concluded that it is appropriate to confirm the going concern basis of preparation for the financial statements.

### 2 Turnover

	2005 £000	2004 £000
The geographical analysis of turnover by destination is as follows:		
United Kingdom	106,269	138,275
EMEA	98,095	56,812
Asia Pacific	24,547	19,986
North America	23,531	22,252
Rest of the World	884	2,624
	<hr/>	<hr/>
	253,326	239,949
	<hr/>	<hr/>

### 3 Operating exceptional items

	2005 £000	2004 £000
(Release)/cost regarding reference to Financial Services and Markets Tribunal	(180)	1,500
Restructuring costs	325	-
	<hr/>	<hr/>
	145	1,500
	<hr/>	<hr/>

In the previous year the Company was a party to a reference to the Financial Services and Markets Tribunal. The Board considered it appropriate to make an exceptional charge for costs associated with this reference. Following the settlement of the matter in the current period, the costs incurred, net of insurance recoveries, have been offset against the provision established.

The restructuring and reorganisation charges relate to an ongoing restructuring programme within the Group.

All of the above items are operating exceptional items.

### 4 Tax credit on profit on ordinary activities

	2005 £000	2004 £000
The tax credit is based on the profit for the year and represents:		
<i>Current tax:</i>		
United Kingdom corporation tax at 30% (2004:30%)	-	-
Overseas tax	(240)	44
Adjustment in respect of prior years	4,760	8,214
	<hr/>	<hr/>
	4,520	8,258
 <i>Deferred tax</i>		
Origination and reversal of timing differences	197	(4,072)
	<hr/>	<hr/>
	4,717	4,186
	<hr/>	<hr/>

No tax credit has been taken in respect of the exceptional items included within the above tax charges.

### 5 Basic and diluted earnings per share

	2005 pence	2004 pence
Basic earnings per share before amortisation of goodwill and exceptional items	5.9	4.6
Effect of amortisation of goodwill	(0.2)	(0.2)
Effect of exceptional items	(0.3)	(0.7)
	<hr/>	<hr/>
Basic earnings per share	5.4	3.7
	<hr/>	<hr/>

The calculation of basic earnings per share is based on profit for the year of £11,792,000 (2004: £8,066,000) divided by the weighted average number of ordinary shares in issue of 219,164,009 (2004: 218,497,203). Adjusted earnings per share before amortisation of goodwill and exceptional items is disclosed to indicate the underlying profitability of the Group and is based on profit of £12,861,000 (2004: £10,130,000).

	2005 £000	2004 £000
Earnings before amortisation of goodwill and exceptional items	12,861	10,130
Effect of amortisation of goodwill	(564)	(564)
Effect of exceptional items	(505)	(1,500)
Profit for the year	11,792	8,066

	2005 million	2004 million
<i>Number of shares</i>		
Weighted average number of ordinary shares in issue during the year	219.2	218.5
Dilutive effect of options outstanding	4.6	6.8
Diluted weighted average number of ordinary shares in issue during the year	223.8	225.3

Diluted earnings per ordinary share vary from basic earnings per ordinary share due to the effect of the notional exercise of outstanding share options.

## 6 Prior year adjustment

At 4 June 2005 the Pace Micro Technology Employee Benefits Trust and QUEST held shares in the Company which cost £21,421,000 (2004: £21,450,000). These shares are held to satisfy options granted to employees.

In line with the requirements of UITF Abstract No 38 "Accounting For ESOP Trusts", such amounts have been reclassified to show the Company's purchases of own shares as deductions from the Profit and Loss Account reserve in arriving at Shareholders' Funds. The previous treatment was to classify such amounts, net of impairment provisions, as assets in Fixed Asset Investments. The comparative figures in the financial information have been restated to reflect this change with a resulting impact on the comparative balance sheet as follows.

	29 May 2004 £000
Decrease in Investments and Net Assets	(2,436)
	<hr/>
Net decrease in Profit and Loss Account Reserve and Shareholders' funds	(2,436)
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There is no impact on the Profit and Loss Account for the year ended 29 May 2004 resulting from the above restatement.

## 7 Debtors

Debtors include a deferred tax asset of £4,009,000 (2004: £3,812,000) all of which is due after more than one year.

## 8 Provisions for liabilities and charges

	Royalties under negotiation (see below) £000	Onerous contracts £000	Warranties £000	Corporation Tax £000	Total £000
At 30 May 2004	7,864	1,828	5,696	5,360	20,748
Net (credit)/charge for the year	(816)	-	7,037	(5,360)	861
Utilised	(608)	(802)	(5,572)	-	(6,982)
At 4 June 2005	6,440	1,026	7,161	-	14,627

The owners of patents covering technology allegedly used by the Group have indicated claims for royalties relating to the Group's use (including past usage) of that technology. Whilst negotiations over these liabilities continue, they are not concluded. The Board has made provision for the potential royalties payable based on the latest information available. Having taken legal advice, the Board considers that there are defences available that should mitigate the amounts being sought. The Group will vigorously negotiate all claims but, in the absence of agreement, the amounts provided may prove to be different from the amounts at which the potential liabilities are finally settled.

The Board considers that to disclose the amounts unused following the negotiation of royalty claims during the year would be seriously prejudicial to other royalty claims currently under negotiation, in litigation or in dispute. Accordingly the directors have aggregated amounts released unused with additional provisions made in order to arrive at the net credit for the year shown above.

## 9 Net cash inflow from operating activities

	2005 £000	2004 £000
Operating profit	7,025	3,674
Amortisation of goodwill	564	564
Depreciation	4,419	5,317
Loss on sale of tangible fixed assets	1	317
(Increase)/decrease in stocks	(129)	5,961
Decrease/(increase) in debtors	9,152	(11,540)
(Decrease)/increase in creditors	(9,063)	10,728
Decrease in provisions for liabilities and charges	(761)	(856)
Net cash inflow from operating activities	11,208	14,165

The following information does not form part of the audited financial statements.

## 10 International Financial Reporting Standards (“IFRS”)

To date, the Group has prepared its accounts in compliance with UK Generally Accepted Accounting Principles (“UK GAAP”). EU regulations require the Group to adopt IFRS in its financial statements for the year ended 3 June 2006.

The following summarises the significant areas of financial impact to arrive at the IFRS adjusted amounts. Any adjustments referred to below are unaudited and included for illustrative purposes only.

### (a) Income statement reconciliation

The following table outlines the main adjustments on the Group profit before tax for the fifty-three week period ended 4 June 2005.

	Notes	£000
Profit before tax for period to 4 June 2005 –UK GAAP		7,075
Development costs	(i)	816
Share based payments	(ii)	(744)
Foreign exchange hedging	(iii)	892
Goodwill amortisation	(iv)	924
		<hr/>
Profit before tax for period to 4 June 2005 - IFRS		8,963

### (b) Opening net asset position

The following table outlines the main adjustments to be made to the net asset position of the Group at 29 May 2004

	Notes	£000
Net assets as 29 May 2004 – UK GAAP		49,509
Development costs	(i)	6,634
Foreign exchange hedging	(iii)	(1,005)
		<hr/>
Net assets at 29 May 2004 – IRFS		55,138

### (c) Net asset position at 4 June 2005

The following table outlines the main adjustments to be made to the net asset position of the Group at 4 June 2005

	Notes	£000
Net assets as 4 June 2005 – UK GAAP		61,851
Development costs	(i)	7,450
Foreign exchange hedging	(iii)	(113)
Goodwill amortisation	(iv)	564
		<hr/>
Net assets at 4 June 2005 – IRFS		69,752

## Notes

### i) Research and Development costs

Under IFRS, development costs, meeting specific criteria, must be capitalised as intangible assets and amortised over their useful economic life.

### ii) Share based payments

IFRS requires the fair value of share-based payments granted to employees since 7 November 2002 to be charged to the income statement over the vesting periods of the share instruments involved.

### iii) Foreign exchange hedging

Under IFRS the aggregate value of all the Group's outstanding derivatives will be shown as one asset on the balance sheet, which will be "marked-to-market" each year to reflect the underlying fair value.

### iv) Goodwill amortisation

IFRS prohibits the amortisation of goodwill on business combinations. Instead it requires goodwill arising on business combinations to be carried at cost less any impairment provisions.

**The Annual Report and Accounts will be posted to shareholders as soon as practicable and will be available to the public from the Company's registered office at Pace Micro Technology plc, Victoria Road, Saltaire, West Yorkshire, BD18 3LF.**

**There will be analysts presentation on 12 July 2005 at 9.30am at Citigate Dewe Rogerson's office at 26 Finsbury Square, London, EC2.**