

**Pure Wafer plc**  
("Pure Wafer" or the "Company")

**Trading Update and Directorate Change**

Swansea based Pure Wafer plc, the provider of high quality silicon wafer reclaim services for many of the world's leading semiconductor manufacturers, would like to update the market on its trading expectation for the financial year to 30th June 2008.

The Board reported with its interim results that our customers were experiencing severe trading conditions as the semiconductor industry continues its prolonged recession, which together with new competition in Taiwan, has resulted in price pressure for its services.

The deterioration of the semiconductor industry has accelerated during the second half of the financial period, during which the company has experienced a reduction in its volume of business in the last quarter of the financial year to date as customers reduce their reclaim wafer inventories by de-stocking as part of their response to reduce their substantial trading losses.

Management have taken action to increase sales volumes which has resulted in an expected improvement in trading in June, with an increase in volumes, however it is too early to tell if this demonstrates a sustained upturn.

Cost reduction activities undertaken by the Company to offset falling selling prices have taken place during the period and these will be fully realised during financial year 2009.

The ramp up of 300mm capability into our US plant has been slower than expected due to the industry slowdown. Qualification is underway with all major US customers however the pace of these qualifications has been slowed at the customer sites due to them prioritising other engineering activities.

This recent reduction in volume business together with the continued downward pressure on selling prices has had an adverse affect on trading performance. As a result the Board expects turnover to be approximately £21.0 million resulting in an EBITDA of £3.5 million and loss before tax of £0.15 million for the financial year to 30 June 2008.

When last tested the Board was within its banking covenants however based on the revised expected outturn for the year the Board would expect these covenants to be breached for the period to 30<sup>th</sup> June 2008. The Board is in active discussions with its bankers regarding renegotiating these covenants going forwards and believes that the bank remain supportive of the business.

The board also announces that Paul Dolan has stepped down as Interim Group Finance Director with immediate effect and has been replaced by Stephen Young on the board as Interim Group Finance Director. Stephen has been with the business as interim UK finance director since 14<sup>th</sup> April 2008 and is a chartered management accountant (CIMA)

and an experienced public company finance director whose previous position was with British Biocell International (formerly BBI Holdings plc) from August 2001.

The following information is provided in compliance with the provisions of Rule 17 of the AIM Rules:

*Director Name:* Stephen Michael Young, aged 45

*Directorships held during the past five years:*

Alchemy Laboratories Limited  
British Biocell International Limited  
Qnostics Limited

There are no further disclosures to be made in respect of Mr Young under the provisions of paragraph g of Schedule Two of the AIM Rules for Companies.

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