

RFM News Release

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RF MONOLITHICS REPORTS FIRST QUARTER RESULTS

RFM Reports Profit for 3rd Consecutive Quarter

DALLAS, TEXAS, (December 19, 2002) RF Monolithics, Inc. [NASDAQ:RFMI] today reported net income for the first quarter ended November 30, 2002, was \$54 thousand, or a profit of \$0.01 per diluted share, compared to a net loss of \$565 thousand, or \$0.08 per diluted share, for the first quarter of the prior year. The Company reported sales for the first quarter were \$10.6 million compared with sales of \$11.7 million in the first quarter of the prior year. The Company attributes the year-over-year decline in sales to global economic conditions.

President and CEO of RF Monolithics, Inc., David M. Kirk commented, “We are pleased with the Company’s performance, considering the depressed economic environment in which we are operating. This is the third consecutive quarter in which we have reported a profit. Also this quarter, our business model allowed us to lower our breakeven to below our previous level of \$11.3 million in sales. Our gross margin and operating expenses for the quarter were slightly lower as expected. We continue to produce positive cash flow and reduce our liabilities. We are strengthening our relationships with our manufacturing partners and our relationship with our bank. We are continuing to explore growth opportunities and, overall, are right on track with our five year strategic plan.”

Mr. Kirk further commented, “We are still not getting visibility from our customers to predict sales volume more than a quarter out. However, our current bookings rate indicates second quarter sales may be 5 to 7 percent lower than this quarter. We are seeing signs of softness in domestic and Asian automotive order rates as well as softness in European distribution channels. For the past couple of years, our second quarter has recorded our lowest quarterly sales. This may be the result, in part, of the holiday season falling within our second quarter as well as the lack of global economic recovery. Pricing and product mix will have an impact on second quarter gross profit margin, but we expect to maintain a

margin in the 26 to 27 percent range. We also expect to hold our operating expenses flat with this quarter's expense levels."

Quarter Highlights:

- The Company reported its third consecutive quarter of profit despite lower than anticipated sales.
- The Company reported sales down approximately 6% from the previous quarter. This decrease was primarily in distribution and industrial sales for Low-power Products.
- The Company saw some increase in sales this quarter in markets supporting telecommunication and automotive applications.
- The Company lowered its breakeven from \$11.3 million to approximately \$10.5 million in sales as it continues to benefit from its ongoing cost reduction programs.
- The Company reported gross profit margin of 27.1%. Year-over-year the Company's gross profit margin has improved approximately 6 margin points, primarily due to the Company's move to lower cost offshore assembly. The 1.7 margin points decline from the fourth quarter was due primarily to the product mix not being as favorable as the previous quarter's mix.
- The Company reported positive cash flow from operations of over \$1 million for its first quarter and reduced its liabilities by approximately \$2 million. This was the Company's sixth consecutive quarter of positive operating cash flow.
- Subsequent to quarter end, the Company signed an amendment to its banking agreement increasing the Company's availability under its line of credit, by including direct shipments from its offshore manufacturing partners in the Company's borrowing base.
- The Company has negotiated a tentative agreement to purchase one of the two buildings it currently occupies through a long-term lease agreement. By the end of its second quarter, the Company expects to finalize the purchase resulting in reduced occupancy cost at its Dallas facility.
- Product Mix for First Quarter Sales was:

• Low-power Components	\$6.5 Million
• Virtual Wire® Products	2.1 Million
• Filter Products	1.4 Million
• Frequency Control Modules	0.4 Million
• Technology Development	<u>0.2 Million</u>
Total Sales	\$10.6 Million

About RFM

RFM, headquartered in Dallas, Texas is a leading developer, manufacturer and supplier of a broad range of radio frequency components and modules based on surface acoustic wave

technology for the automotive, distribution, consumer, industrial and telecommunications markets worldwide.

Forward-Looking Statements:

This news release contains forward-looking statements, made pursuant to the Safe Harbor Provision of the Private Securities Litigation Reform Act of 1995, that involve risks and uncertainties. Statements of the Company's plans, objectives, expectations and intentions involve risks and uncertainties. Statements containing terms such as "believe", "expects", "plans" "anticipates" or similar terms are considered to contain uncertainty and are forward-looking statements. Further, the Company's actual results could differ materially from those discussed. Factors that could contribute to such differences include, but are not limited to, general economic conditions as they affect the Company's customers and manufacturing partners, the timely development, acceptance and pricing of new products, the successful implementation of improved manufacturing processes, the dependence on offshore manufacturing, the impact of competitive products and pricing, availability of sufficient materials, labor, and assembly capacity to meet product demand, as well as the other risks detailed from time to time in the Company's SEC reports, including the report on Form 10-K for the year ended August 31, 2002. The Company does not assume any obligation to update any information contained in this release.

Management Conference Call:

RFM will host a Conference Call, open to the public, today at 5:00 p.m. EST. The public will have the opportunity to listen to the Conference Call over the Internet or by dialing a toll-free number. Below is the information you will need:

Internet Access-

RFM at <http://www.rfm.com> . Click on the "Investor Relations" section and then click on "WebCast Live". You may also access the Conference Call at <http://ccbn.com>. Click on "Company Boardroom" then Click on "Conference Calls" tab, Click on "RF Monolithics". To listen to the live call, please go to the Web site at least 15 minutes early to download and install any necessary audio software. A replay will be available on CCBN's retail.

Telephone Access-

The toll-free dial-in number is 1-877-888-3490 and there is no password. Please call 10 minutes prior to scheduled start time. After the Conference Call, a replay will be available and can be accessed by dialing 1-888-509-0082. This replay will be active from 7:00 p.m. EST December 19 through 7:00 p.m. EST December 23, 2002.

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RF Monolithics, Inc.
Condensed Consolidated Statements of Operations
(In Thousands, Except Per Share Amounts)

	Three Months Ended November 30,	
	<u>2002</u>	<u>2001</u>
	(Unaudited)	
Sales	\$ 10,628	\$ 11,680
Cost of sales	<u>7,752</u>	<u>9,201</u>
Gross profit	2,876	2,479
Research and development	788	740
Sales and marketing	1,220	1,181
General and administrative	<u>665</u>	<u>730</u>
Operating expenses	<u>2,673</u>	<u>2,651</u>
Income (loss) from operations	203	(172)
Other expense, net	<u>(143)</u>	<u>(393)</u>
Income (loss) before income taxes	60	(565)
Income tax benefit	<u>6</u>	<u>(0)</u>
Net Income (loss)	<u>\$ 54</u>	<u>\$ (565)</u>
Earnings (loss) per share:		
Basic	<u>\$.01</u>	<u>\$ (.08)</u>
Diluted	<u>\$.01</u>	<u>\$ (.08)</u>
Weighted average common shares outstanding:		
Basic	<u>7,132</u>	<u>7,068</u>
Diluted	<u>7,177</u>	<u>7,068</u>

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RF Monolithics, Inc.
Condensed Consolidated Balance Sheets
(In Thousands)

	November 30, <u>2002</u> (Unaudited)	August 31, <u>2002</u>
ASSETS		
Cash	\$ 94	\$ 273
Accounts receivable, net	6,593	7,374
Inventory	10,799	10,642
Other current assets	<u>417</u>	<u>429</u>
Total current assets	17,903	18,718
Net property and equipment	10,436	11,353
Other assets	<u>363</u>	<u>439</u>
Total	<u>\$ 28,702</u>	<u>\$ 30,510</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities	\$ 5,886	\$ 7,441
Long-term debt	2,471	2,844
Other liabilities	235	216
Total liabilities	<u>8,592</u>	<u>10,501</u>
Stockholders' equity	<u>20,110</u>	<u>20,009</u>
Total	<u>\$ 28,702</u>	<u>\$ 30,510</u>

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