



Company Contact:
David Faulkner
Cimetrix Incorporated
Phone: (801) 256-6500
Fax: (801) 256-6510
dave.faulkner@cimetrix.com

Editorial & Analyst Contact:
Stew Chalmers
Positio Public Relations
Phone: (408) 453-2400
Fax: (408) 453-2404
stew@positiopr.com

6979 South High Tech Drive
Salt Lake City, Utah 84047-3757
801-256-6500
Fax: 801-256-6510
www.cimetrix.com

Cimetrix Reports Second Quarter Financial Results

*Revenue Increases 15% for Quarter, 11% for Six-Month Period
Two New Major OEM Customers in Quarter Raises Year-To-Date Total to Six*

SALT LAKE CITY, Utah – August 15, 2005 – Cimetrix, Inc. (OTCBB: CMXX), a leading provider of factory automation software for the global semiconductor and electronics industries, today reported financial results for its second quarter and six-month period ended June 30, 2005.

Second Quarter Results

Net sales for the quarter increased 15% to \$1,145,000 from \$999,000 for the same quarter last year. Software revenue increased 21% to \$666,000 from \$551,000 in the comparable quarter last year, while services and support revenue increased 7% to \$479,000 from \$448,000.

Total costs and expenses increased by 26% to \$1,147,000 from \$910,000 in the second quarter last year. While cost of sales continued to decline as the Company decreased its unfunded investments in OEM account development, that decline was more than offset by increases in the three remaining expense categories. General and administrative expense increased in support of the Company's overall expansion efforts. Selling, marketing and customer support expense trended higher as the Company strengthened its worldwide customer support capabilities and continued to invest in developing the Japanese market. The increase in research and development expense was attributable primarily to Cimetrix's leadership role in the emerging Interface A standards and its associated CIMPortal™ product family.

Cimetrix reported a net loss of \$36,000, or less than one cent per basic and diluted share, in the second quarter versus net income of \$22,000, or less than one cent per basic and diluted share, in the same quarter a year ago.

The Company closed the quarter with cash and cash equivalents of \$2.8 million, up from \$868,000 at year end, primarily as the result of the successful equity placement by the Company of \$2.0 million in January, 2005. Working capital at June 30, 2005, increased to \$2.0 million versus \$168,000 at year end.

Six-Month Results

Net sales increased 11% through the first six months of 2005 to \$2,298,000 from \$2,064,000 in the comparable period of 2004. Software revenue increased 12% to \$1,445,000 from \$1,286,000, while services and support revenue increased 10% to \$853,000 from \$778,000 in the same period a year ago.

Total costs and expenses increased 26% to \$2,362,000 from \$1,880,000. Like the second quarter, the Company experienced increases in all expense categories with the exception of cost of sales.

For the six-month period, Cimetrix reported a net loss of \$135,000, or less than one cent per basic and diluted share, versus net income of \$42,000, or less than one cent per basic and diluted share, in the same

period a year ago. The Company generated net cash from operating activities of \$37,000 for the six months ended June 30, 2005.

“We are pleased with our financial performance during the first half of 2005,” said Bob Reback, president and CEO of Cimatrix. “At a time when most capital equipment suppliers are experiencing ongoing declining sales, Cimatrix has sustained its sales momentum, growing revenue year-over-year. We attribute this growth to a large and growing base of 300 mm OEM customers who are committed to shipping products with our high performance connectivity software. This growth in top line revenue has also enabled us to make some significant first-half investments in new product development and improving our global sales and service capabilities, while operating at essentially a break-even level on both net income and cash.”

“For the second half of the year, we will continue making the necessary investments in infrastructure, product portfolio and global services to build and sustain long-term value for our customers and shareholders,” Reback added. “In addition, we expect to begin seeing a return on our investments in products that support Interface A as well as development of the Japanese market.”

Second Quarter and Subsequent Highlights

- Revenue growth of 15% compared with the second quarter of 2004. Six-month revenue increased 11% over the same period a year ago.
- Year-to-date net cash provided by operating activities of \$37,000.
- Two new major OEM design wins, raising the year-to-date total to six.
- In July, Cimatrix was selected by International SEMATECH Manufacturing Initiative (ISMI) to supply Interface A client software to ISMI member companies and equipment OEMs who provide Interface A products. This agreement further establishes Cimatrix as a leader in the Interface A initiative.

About Cimatrix Incorporated

Cimatrix designs, develops, markets and supports factory automation software for the global semiconductor and electronics industries. Cimatrix's connectivity software allows equipment manufacturers to quickly implement the SECS/GEM and Interface A standards, with over 10,000 connections shipped worldwide, and provides solutions to meet the 300mm SEMI communications standards, with OEM customer installs in all major 300mm fabs. Cimatrix's PC-based motion control software is used by leading equipment manufacturers for demanding robotic applications. Cimatrix provides total solutions for its customers with engineering services and passionate technical support. Major products include CIMConnect™, CIM300™, CIMPortal™ and CODE™ (Cimatrix Open Development Environment). For more information, please visit www.cimatrix.com.

Safe Harbor Statement

The matters discussed in this news release include forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Statements about the Company's prospects for future growth and profitability are forward-looking statements. The comments made by the Company's senior management in regards to future developments are based on current expectations and involve risks and uncertainties that may adversely affect expected results including but not limited to market acceptance of the Company's products, the ability of the Company to sufficiently increase revenues to offset the additional expenditures by the Company in

anticipation of future growth, the implementation of performance requirements by SEMI, an independent industry trade group, the competitive position of the Company and its products, which include CODE, CIMConnect, CIM300 and CIMPortal product families, the economic climate in the markets in which the Company's products are sold, technological improvements, and other risks discussed more fully in filings by the Company with the Securities and Exchange Commission. Many of these factors are beyond the control of the Company. Reference is made to the Company's most recent filings on Forms 10-K and 10-Q, which detail such risk factors.

Consolidated Condensed Statement of Operations
(Unaudited)

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|--------------------------------|-------------------|------------------------------|--------------------|
| | <u>2005</u> | <u>2004</u> | <u>2005</u> | <u>2004</u> |
| Sales | | | | |
| Software | \$ 666,000 | \$ 551,000 | \$1,445,000 | \$1,286,000 |
| Services and support | <u>479,000</u> | <u>448,000</u> | <u>\$ 853,000</u> | <u>\$ 778,000</u> |
| Total net sales | <u>\$1,145,000</u> | <u>\$ 999,000</u> | <u>\$2,298,000</u> | <u>\$2,064,000</u> |
| Costs Expenses | | | | |
| Cost of sales | 132,000 | 236,000 | 239,000 | 390,000 |
| General and administrative | 314,000 | 202,000 | 686,000 | 553,000 |
| Selling, marketing and customer support | 425,000 | 270,000 | 851,000 | 522,000 |
| Research and development | <u>276,000</u> | <u>202,000</u> | <u>586,000</u> | <u>415,000</u> |
| Total costs and expenses | <u>1,147,000</u> | <u>910,000</u> | <u>2,362,000</u> | <u>1,880,000</u> |
| Income (loss) from operations | <u>(2,000)</u> | <u>89,000</u> | <u>(64,000)</u> | <u>184,000</u> |
| Other income (expenses) | | | | |
| Interest income | 15,000 | 2,000 | 27,000 | 10,000 |
| Interest expense | <u>(49,000)</u> | <u>(69,000)</u> | <u>(98,000)</u> | <u>(152,000)</u> |
| Total other expenses | <u>(34,000)</u> | <u>(67,000)</u> | <u>(71,000)</u> | <u>(142,000)</u> |
| Income (loss) before income taxes | (36,000) | 22,000 | (135,000) | 42,000 |
| Provision for income taxes | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net income (loss) | <u>\$ (36,000)</u> | <u>\$ 22,000</u> | <u>\$ (135,000)</u> | <u>\$ 42,000</u> |
| Income (loss) per common share | | | | |
| Basic | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Diluted | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Weighted average shares outstanding | | | | |
| Basic | <u>30,319,000</u> | <u>27,660,000</u> | <u>29,808,000</u> | <u>27,643,000</u> |
| Diluted | <u>30,319,000</u> | <u>27,839,000</u> | <u>29,808,000</u> | <u>27,818,000</u> |

Consolidated Balance Sheets

| | June 30, <u>2005</u> (Unaudited) | December 31, <u>2004</u> |
|---|--|-----------------------------|
| Assets | | |
| Current Assets | | |
| Cash and cash equivalents | \$ 2,819,000 | \$ 868,000 |
| Accounts receivable, net | 987,000 | 1,081,000 |
| Prepaid expenses and other current assets | <u>33,000</u> | <u>84,000</u> |
| Total current assets | 3,839,000 | 2,033,000 |
| Technology, net | 206,000 | 229,000 |
| Property and equipment, net | 140,000 | 82,000 |
| Other assets | <u>25,000</u> | <u>14,000</u> |
| Total assets | <u>\$ 4,210,000</u> | <u>\$ 2,358,000</u> |
| Liabilities and Stockholders' Equity (Deficit) | | |
| Current liabilities | | |
| Accounts payable | \$ 101,000 | \$ 114,000 |
| Accrued expenses | 282,000 | 298,000 |
| Deferred revenue | 532,000 | 548,000 |
| Current portion of long-term debt | <u>910,000</u> | <u>905,000</u> |
| Total current liabilities | 1,825,000 | 1,865,000 |
| Long-term debt, net of current portion | <u>699,000</u> | <u>691,000</u> |
| Total liabilities | <u>2,524,000</u> | <u>2,556,000</u> |
| Stockholders' equity (deficit): | | |
| Common stock, \$.0001 par value, 100,000,000 shares authorized; 30,344,317 shares issued | 3,000 | 3,000 |
| Additional paid-in capital | 30,797,000 | 28,778,000 |
| Treasury stock, at cost | (49,000) | (49,000) |
| Accumulated deficit | <u>(29,065,000)</u> | <u>(28,930,000)</u> |
| Total stockholders' equity (deficit) | <u>1,686,000</u> | <u>(198,000)</u> |
| Total liabilities and stockholders' equity (deficit) | <u>\$ 4,210,000</u> | <u>\$ 2,359,000</u> |