

RFM News Release

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RF MONOLITHICS REPORTS FOURTH QUARTER AND FISCAL 2003 RESULTS

RFM Reports Increased Quarterly Profit

DALLAS, TEXAS, (October 14, 2003) RF Monolithics, Inc. [NASDAQ:RFMI] today reported net income for the fourth quarter ended August 31, 2003, was \$250 thousand, or a profit of \$0.03 per diluted share, compared to a net income of \$42 thousand, or \$0.01 per diluted share, for the fourth quarter of the prior year. The net loss for the year ended August 31, 2003, was \$3.3 million or \$0.47 per diluted share, compared to the net loss of \$442 thousand or \$0.06 per diluted share for the prior year. The loss for the current year includes \$3.8 million in special non-cash charges resulting from obsolescence and write-down of inventory and asset impairment taken in the third quarter.

Sales for the fourth quarter ended August 31, 2003, were \$11.1 million compared with sales of \$10.8 million reported for the third quarter and sales of \$11.3 million in the fourth quarter of the prior year. Sales for the year ended August 31, 2003, were \$42.9 million compared with sales of \$43.3 million for the year ended August 31, 2002.

President and CEO of RF Monolithics, Inc., David M. Kirk commented, "We were pleased to report the strongest quarterly pre-tax earnings in four years. We have been structuring the Company to produce results like these for some time now. We transitioned the Company into an entity flexible enough to respond to a receding economy. It has taken a lot of time and effort, but we feel we now have the infrastructure in place to respond to the dynamics and uncertainties of the world economy and produce the consistent performance our stakeholders expect. Sales were up slightly over our third quarter and our gross margin was at the high end of the 26-28% range, on target with our guidance. We reported net profit of \$250,000 and positive operating cash flow. Going forward, we plan to focus more attention on seeking growth opportunities."

Mr. Kirk further commented, "For our first quarter we expect sales to remain relatively flat, which would be an improvement over the trend we have seen for the past two years of approximately 6% fourth quarter to first quarter sales decline. This improvement is expected to result in part from the strength we are seeing in the satellite radio market. We also believe we can hold our gross profit margin at approximately 28% but this is strongly dependent on product mix. Our operating expenses should remain flat relative to sales, as we continue to closely manage these costs. We are making selective investments in product and market development to support our planned growth. We feel we are making tremendous progress in positioning the Company for growth and profitability."

Quarter Highlights:

- The Company reported its strongest quarterly pre-tax profit in four years.
- The Company reported a 3% increase in sales over its previous third quarter. Annual sales for the Company were relatively flat relative to the prior year's annual sales. Backlog at year-end was almost \$14 million, flat compared to the prior year, reflecting some economic stabilization.
- For the fourth quarter, the Company recorded its 3rd consecutive positive book-to-bill ratio.
- The Company reported record Virtual Wire® bookings for the quarter.
- The Company continues to maintain gross profit margins in the upper 20s range primarily due to its cost reduction programs.
- The Company reported its ninth consecutive quarter of positive operating cash flow.
- The Company is on target with the development of its 3rd generation Virtual Wire® products and expects to ship the 3rd generation products late in FY2004.
- Mid quarter the Company announced shipment of the one millionth filter for use in satellite radios. The Company's filters represent state-of-the-art in SAW design and provide the desired intermediate frequency filtering solution for satellite radio receivers. The Company expects to ship its two millionth filter late in calendar 2003, less than six months after it reached the one million filter milestone. This is indicative of how quickly the satellite radio application is ramping. While the bulk of the Company's activity is with Sirius Satellite Radio Inc. (NASDAQ: SIRI), it is working with both Sirius and XM Satellite Radio Holdings Inc. (NASDAQ: XMSR) on next generation products.
- The Company developed over 50 new products in fiscal year 2003. The market's reception of these new products was instrumental in offsetting pricing pressures the Company experienced for many of its mature product offerings for the same period.
- The Company reduced its bank debt another \$400 thousand in the quarter and a total of \$2.3 million for the year.

- The Company has begun a campaign to create awareness of its contribution to international wireless initiatives. Using the trademark “Wireless is...” the Company will communicate its role in the expanding world of wireless connectivity and its impact on everyday life.

- Product Mix for Fourth Quarter Sales was:

• Low-power Components	\$6.0 Million
• Virtual Wire® Products	\$2.4 Million
• Filter Products	\$1.9 Million
• Frequency Control Modules	\$0.6 Million
• Technology Development	<u>\$0.2 Million</u>
Total Product Sales	\$11.1 Million

- Market Diversification for Fourth Quarter Sales was:

○ Automotive	33 %
○ Consumer	15 %
○ Distribution	20 %
○ Industrial	17 %
○ Telecom	15 %

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, consumer, distribution, industrial and telecommunications markets worldwide. For more information on RF Monolithics, Inc., please visit our website at www.rfm.com.

* Certain names or marks mentioned herein may be claimed as the property of others.

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”, “feel”, “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, acts of war and acts of terrorism, as they affect the Company's customers and manufacturing partners; the timely development, acceptance and pricing of new product; 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>. 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.

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 1-866-518-1010. This replay will be active from 7:00 p.m. EST October 14 through 7:00 p.m. EST October 21, 2002.

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RFM Financial News Release

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

	Three Months Ended August 31,		Twelve Months Ended August 31,	
	2003	2002	2003	2002
	<u>(Unaudited)</u>		<u>(Unaudited)</u>	
Sales	\$11,090	\$ 11,285	\$42,935	\$ 43,254
Cost of sales	<u>7,956</u>	<u>8,032</u>	<u>33,782</u>	<u>32,636</u>
Gross profit	<u>3,134</u>	<u>3,253</u>	<u>9,153</u>	<u>10,618</u>
Research and development	872	839	3,266	3,133
Sales and marketing	1,268	1,230	4,877	4,777
General and administrative	661	745	2,648	2,835
Restructuring and Impairment		229	1,216	229
Operating expenses	<u>2,801</u>	<u>3,043</u>	<u>12,007</u>	<u>10,974</u>
Income (loss) from operations	333	210	(2,854)	(356)
Other income (expense), net	<u>(78)</u>	<u>(158)</u>	<u>(462)</u>	<u>(1,067)</u>
Income (loss) before income taxes	255	52	(3,316)	(1,423)
Income tax (benefit) expense	<u>5</u>	<u>10</u>	<u>25</u>	<u>(981)</u>
Net (loss) income	<u>\$250</u>	<u>\$ 42</u>	<u>\$ (3,341)</u>	<u>\$ (442)</u>
Earnings (loss) per share:				
Basic	<u>\$0.03</u>	<u>\$0.01</u>	<u>\$(0.47)</u>	<u>\$ (0.06)</u>
Diluted	<u>\$0.03</u>	<u>\$0.01</u>	<u>\$(0.47)</u>	<u>\$ (0.06)</u>
Weighted average common shares outstanding:				
Basic	<u>7,222</u>	<u>7,124</u>	<u>7,170</u>	<u>7,095</u>
Diluted	<u>7,605</u>	<u>7,188</u>	<u>7,170</u>	<u>7,095</u>

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

	August 31, <u>2003</u>	August 31, <u>2002</u>
ASSETS		
Cash and cash equivalents	\$216	\$ 273
Accounts receivable, net	6,913	7,374
Inventories	7,894	10,642
Other current assets	<u>322</u>	<u>429</u>
Total current assets	15,345	18,718
Net property and equipment	9,201	11,353
Other assets	<u>277</u>	<u>439</u>
Total	<u>\$24,823</u>	<u>\$ 30,510</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities	\$6,451	\$ 7,441
Long-term debt	<u>1,082</u>	<u>3,060</u>
Total liabilities	7,533	10,501
Stockholders' equity	<u>17,290</u>	<u>20,009</u>
Total	<u>\$24,823</u>	<u>\$ 30,510</u>

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