

Cambridge Display Technology, Inc.

DISCLOSURE POLICY

Cambridge Display Technology, Inc. (“**CDT**”) is committed to disclosing all relevant information to the public in a fair and timely manner to facilitate an orderly market for its securities.

This disclosure policy sets out CDT’s policy with respect to disclosure of relevant information to the public and applies to the board of directors and to all employees of the corporation.

Any employee or director intending to disclose relevant information to any member of the public, whether **orally or in writing**, should request the approval of the Disclosure Committee in advance. In addition, any **unintentional disclosure** of relevant information to a member of the public should be reported immediately to the Disclosure Committee.

The following is a non-exhaustive list of the types of disclosure that must be pre-approved by the Disclosure Committee:

- documents filed with the US Securities and Exchange Commission (“**SEC**”);
- press and earnings releases or other communications with the media;
- communications with CDT shareholders;
- technical, business or investor presentations or speeches by employees or directors;
- information to be posted on CDT’s website; and
- all written and oral statements made to analysts or the “investment community”.

1. Disclosure Committee

The Board of Directors has authorized the establishment of a Disclosure Committee consisting of the Chief Executive Officer (“**CEO**”), the Vice President Finance (“**CFO**”), the Legal Counsel, the Vice President, Research and Development and the Vice President, Technology Development. The Disclosure Committee may decide to add or remove further members at any time. The Committee may seek guidance from outside legal, accounting or other advisers as it considers appropriate. The Committee may invite such officers and employees of CDT and its subsidiaries to its meetings as it may deem desirable or appropriate.

The purpose of the Committee is to ensure that disclosure controls and procedures are in place to ensure that (a) disclosures made by CDT to its securityholders and the investment community are accurate and complete, (b) such disclosures fairly present CDT’s financial condition and results of operations in all material respects, and (c) such disclosures are made on a timely basis as required by applicable law and the requirements of The NASDAQ Stock Market, Inc. (“**NASDAQ**”).

For any questions on matters related to disclosure please use the following contact details:

David Fyfe, CEO
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The Disclosure Committee will meet as conditions dictate. The committee will decide if and when material developments justify public release and will determine whether any changes need to be made to CDT's disclosure controls and procedures.

2. Approval of the Disclosure Committee

- 2.1. The approval of the Disclosure Committee must be obtained prior to any relevant information being disclosed to the public.
- 2.2. The approval of any two members of the Disclosure Committee will be deemed sufficient authority to disclose the relevant information, provided that:
 - 2.2.1. the two approving members do not include the author of the relevant information;
 - 2.2.2. the relevant information has been circulated to all members of the Disclosure Committee in advance of the approval by the two members; and
 - 2.2.3. the relevant information being considered does not require formal filing with the SEC or relates to earnings, in which case the information will require full Disclosure Committee approval or be passed to the Audit Committee as appropriate.

3. Material Non-Public Information

3.1. What is material information?

An important concept in the context of CDT's disclosure controls and procedures is **material non-public information**. There is no strict definition of what material information is but it is likely to include any information which **a reasonable investor would consider important in making a decision to buy, hold or sell CDT stock or other CDT securities**.

Common examples of information that will frequently be regarded as material are:

- projections of future earnings or losses;
- strategically important new inventions or patent applications;
- a new license, joint development agreement or other significant contract;
- news of a pending or proposed merger, acquisition, tender offer or joint venture;
- news of a significant sale of assets;
- initiation or expansion of dividend policies or the declaration of a stock split or the offering of additional securities;
- changes in management;
- any change in auditors;
- impending financial or liquidity problems/

3.2. What is public information?

Information will be considered non-public unless and until it is broadly disseminated to the investment community in accordance with all applicable laws and the rules and regulations of the NASDAQ. Information that is, for example, presented to a conference or even disclosed to a national newspaper may not be sufficiently broadly disseminated to avoid the rules on selective disclosure described in section 2.4 below. All information other than information that has been filed with the SEC in a Registration Statement or a Periodic or Current Report shall be considered non-public unless and until the Disclosure Committee decides otherwise.

3.3. No Legal Duty for CDT to disclose material non-public information

CDT is not under any general legal rule requiring it to disclose material non-public information except in certain circumstances, however, the exceptions are so numerous and, in many cases, imprecise that the Disclosure Committee must be informed as soon as possible of all relevant information to enable it to make an informed judgment within the timescale required by SEC and NASDAQ.

3.4. No Selective Disclosure of material non-public information

Provided there is no affirmative obligation on CDT to make a particular disclosure (see section 2.1 above), the timing of a particular disclosure is within the Disclosure Committee's judgment. However, the SEC's Regulation FD prohibits selective disclosure of material non-public information. Therefore, if the Disclosure Committee is of the opinion that relevant information has been intentionally or unintentionally disclosed to persons other than directors or employees of CDT, it will be obliged to disclose such information publicly through the appropriate channels. If such selective disclosure is intentional, the Committee will make the disclosure simultaneously or in advance. If such selective disclosure is unintentional, CDT will make the disclosure, within the later of 24 hours after discovery of the disclosure or before the next commencement of trading on the NASDAQ stock market.

3.5. Misstatements and Corrections

All disclosures must be truthful and must contain all information necessary to make any statements in it not misleading. In addition, CDT is required to disclose all material non-public information that causes any statement in a prior disclosure (on which investors are still likely to be relying) to become misleading.

It is essential that the Disclosure Committee is fully informed of all material company developments and information in order to evaluate it to determine whether any disclosure is necessary or whether such developments and information should remain confidential, and if so, what controls are needed to prevent selective disclosure.

No employee or director of CDT shall make any disclosure of material non-public information without authorisation from the Disclosure.

4. Corporation Spokespersons

The CEO and the Vice President, Finance are designated to speak on behalf of CDT (each a “**Spokesperson**”) in accordance with the procedures outlined in this Disclosure Policy. Others within the corporation may from time to time be designated by the Disclosure Committee to speak on behalf of the corporation or to respond to specific inquiries from the investment community or the media.

Each Spokesperson shall keep a written record of all disclosures made by them detailing the date and time of the disclosure, its content and to whom it was made. Spokespersons shall present such record to the Disclosure Committee on request.

Employees or directors other than the Spokespersons, shall *not* respond under any circumstances to inquiries from the investment community or the media unless specifically asked to do so by a Spokesperson.

5. Responding to Market Rumors

So long as it is clear that the corporation is not the source of a particular market rumor, the Spokespersons will respond consistently to those rumors, saying, “*It is our policy not to comment on market rumors or speculation.*” Should the NASDAQ request the corporation make a definitive statement in response to a market rumor that is causing significant volatility in CDT’s securities, the Disclosure Committee will consider the matter and determine whether to make a formal statement (which may be, “*It is our policy not to comment on market rumors or speculation.*”).

6. Forward-looking Statements

All forward-looking statements must be authorised by the Disclosure Committee prior to each public release. Forward-looking statements are **oral or written** statements relating

to projections, plans, objectives, forecasts and other discussions of future operations and would include:

- expected sales and income growth or loss;
- pricing and profit margins;
- significant new technological or product developments; and
- projected demand or market potential for CDT technology, products or services.

There is a safe harbour defense to securities litigation challenging forward-looking statements that fail to predict the future accurately.

For a written statement to fall within the safe harbour, the forward-looking statement must be accompanied by meaningful cautionary language that identifies the forward-looking statements and identifies the important factors that could cause the actual results to differ materially. Boilerplate disclaimers are insufficient for this purpose.

For an oral statement to fall within the safe harbour the statement must be accompanied by meaningful cautionary language that identifies the forward-looking statements and includes a declaration that additional information concerning factors that could cause results to vary materially is contained in a readily available written document such as a recent Form 10-K or 10-Q. Again, boiler-plate disclaimers are not sufficient.

7. Earnings Data

The SEC's Regulation G covers all public releases of material information that contain non-GAAP financial measures, whether in writing, orally or in a web cast and whether filed with the SEC or otherwise disclosed. A non-GAAP financial measure is a numeric measure of either historical or future performance, financial position or cash flow. Any public disclosure containing a non-GAAP financial measure (i) must not present non-GAAP financial measures in ways that are misleading to investors, and (ii) must contain the most directly comparable GAAP measures and a clearly understandable reconciliation of the GAAP and non-GAAP measures.

8. Preparing for Meetings and Calls with Analysts and Investors

All meetings and calls with analysts or investors, whether they are one-on-one or group meetings will be conducted by at least two Spokespersons. The Disclosure Committee will brief Spokespersons before such meetings or calls. The purpose of the briefing will be to ensure that there are no unintentional disclosures of material non-public information.

9. Analyst and Investor Meetings and Calls

CDT may hold meetings and conference calls with analysts and investors on a quarterly basis, (these will generally be held on the morning after the quarterly earnings public release has been issued), or as required for the discussion of public material information.

A tape recording of a conference call or meeting will be made and CDT may decide to make such recording publicly available for a period of time following the call.

The Vice President, Legal & IP will listen to the conference call or meeting to determine if non-public material information is disclosed (see the section 2.3 above). A transcript of the call will be reviewed and edited for transcript accuracy by the Disclosure Committee, and reviewed by the Vice President, Legal & IP. The transcript and the tape of the call will be retained as part of CDT's disclosure records.

At the beginning of any conference call or meeting, a Spokesperson will make a statement that forward-looking information may be discussed during the course of the call and, if so, it will be identified as such with words such as "believe," "expect," "anticipate," "intend," "plan," "estimate," "seek," "will," "may" or similar expressions and will be followed by appropriate cautionary language or reference to cautionary statements contained in recent readily available (publicly released) documents. Any excerpts from the conference call or meeting placed on CDT's website containing forward-looking statements must contain the full cautionary language.

10. Monitoring Advertising and Marketing Materials

The Director of Marketing will be responsible for monitoring corporate advertising and marketing materials to ensure that any statements made in such advertising or marketing are in compliance with this policy and will discuss any relevant matters with the Disclosure Committee.

11. Monitoring the Web Site

The Director of Marketing is responsible for overseeing the content of CDT's web site and, shall bring all relevant matters to the attention of the Disclosure Committee to ensure that information on the website is made available in accordance with this Disclosure Policy.

12. Review and Distribution of Analyst Reports on CDT

It is the corporation's policy that Spokespersons may review and comment on analysts' models or reports on request. However, a Spokesperson will comment only on factual information contained in the report or model and will not comment on analysts' conclusions or other information or opinions contained in their report or model. The Spokesperson will review the report with the analyst orally under the guidelines contained in sections 5 and 6 above.

CDT regards analyst reports as proprietary information belonging to the analyst's firm and will not provide such reports on the web site or through any other means to persons outside

of the corporation. Analyst reports on the corporation and available industry reports may be provided periodically to the board of directors and to senior management, as appropriate.

If drafts of analyst reports or models on which CDT has commented are kept, the draft should include a disclaimer statement that the report was reviewed for factual information only and no comment was made with regard to any other information, opinions or conclusions contained in the report or model.

Should CDT determine during the course of a quarter that its earnings are likely to differ materially from the consensus of analysts' estimates, the Disclosure Committee will determine the need and timing of a public release acknowledging that possibility, giving the reasons why and, if the actual earnings are lower than estimated by the analysts, what is being done about the situation. Only after the public release has been issued will CDT hold any discussions with analysts on this matter.

13. Strategic Executive Committee

Each member of CDT's Strategic Executive Committee is responsible for the education, monitoring and enforcement of this policy within their respective areas of responsibility.

I have read and understand CDT's Disclosure Policy.

Signature

Director/Employee Name

Date