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**Sigma Designs and Blue7 Communications Introduce
Intelligent Array Radio™ Technology in Windeo® RF IC**

***The World's First UWB RF In CMOS Process With
Multiple Integrated Radios For Superior Quality Video Streaming***

MILPITAS, Calif., – January 3, 2006 – Sigma Designs (Nasdaq: SIGM), a leader in digital media processing for consumer electronics, and Blue7® Communications, a pioneer in Ultra-Wideband (UWB) semiconductor products, today demonstrated its second generation Windeo® RF device (B7CW101) and introduced its patent-pending Intelligent Array Radio™ (IAR) technology that integrates three radios on a single chip. The Windeo chipset is based on the WiMedia UWB common radio platform, an all-CMOS UWB solution with RF and baseband chips, and is targeted for digital entertainment systems: HDTVs, set top boxes, home A/V servers, PVRs, DVD players and recorders. Sigma Designs and Blue7 will host demonstrations of their new technology in Las Vegas, Nev. at the Consumer Electronics Show (CES) January 5-8, at Sigma's suite H2825 located in the Hilton.

“Sigma Designs has a long standing history of being a pioneer in video streaming,” said Think Tran, chairman and CEO of Sigma Designs. “Together with Blue7 Communications, we are able to leverage Sigma's solid tradition of expertise and creativity, with the proven technological prowess of Blue7's new wireless technology. This new year brings with it a promise of excitement and continued leadership in the industry.”

In a recent demonstration, the new Windeo RF device enabled seamless streaming of wireless MPEG video through a wall and a group of people between the transmit, and receive radios without any interruptions. Blue7 showcased the Windeo Chipset with IAR technology, which achieves extended range, and supports a highly reliable wireless

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connection. Blue7 easily demonstrated true wireless video streaming over an extended range of up to 20 meters at 106.7 Mbps and 10 meters at 200 Mbps.

The Windeo chipset featuring the innovative Intelligent Array Radio is a complete UWB solution that is comprised of the Windeo RF (B7CW101) and the Windeo baseband (B7CW201) chips. The baseband chip integrates the baseband PHY, MAC engine, security, Quality-of-Service and an embedded 32-bit RISC processor. The chipset can support up to three antennas simultaneously.

Wireless video applications demand extremely reliable links between the video sources and displays in order to become the common feature in all digital home entertainment devices. All HDTV, set top box and A/V home server developers require reliable video streaming, even with obstructions between the transmit and receive radios.

“The Windeo chipset with Intelligent Array Radio is the first solution in the UWB space that brings a compelling advantage to home entertainment products,” said Hung Nguyen, president and CEO of Blue7 Communications. “Our solution provides a longer range, and meets cable replacement objectives without compromising video quality.”

“We have talked to several consumer electronics OEMs. The features on their checklists that they consider most critical while choosing an UWB solution for their wireless video streaming products is Quality-of-Service (QoS) and the capability to overcome interference and obstruction. Unreliable and low QoS wireless video streaming will result in the consumer returning their equipment to the store. The Windeo chipset gives the consumer flexibility in where to place their devices, and at the same time, guarantees superior quality and uninterrupted video streaming.” said Akinori Matsuda, who heads the Business Advancement Initiative Division at Fuji Electric Device Technology Co., Ltd. “We have seen an increasing demand for wireless audio/video streaming applications. Consumers do not like the plethora of wires behind their entertainment center. A standards-based technology like the Windeo Chipset is truly needed in the market today.”

The Windeo evaluation kit (B7CWEVAL-KIT-2) with IAR technology will be available in the first quarter of 2006.

About Sigma Designs, Inc.

Sigma Designs (Nasdaq: SIGM) specializes in silicon-based media processors for IPTV set-top boxes, digital media receivers, high definition DVD players, HDTV, and portable media players. The company’s award-winning REALmagic® Video Streaming Technology is used in a variety of consumer applications providing highly integrated solutions for high-quality decoding of H.264, WMV9, MPEG-4, MPEG-2 and MPEG-1. Headquartered in Milpitas, Calif., the company also has sales offices in China, Europe, Hong Kong, Japan, Korea and Taiwan. For more information, please visit the company’s web site at www.sigmadesigns.com/.

About Blue7 Communications

Blue7[®] Communications is a semiconductor company that develops wireless System-on-a-Chip ICs for the Consumer Electronics, Digital Entertainment, PCs & Peripherals and Mobile Devices markets. Blue7[®] is focused on servicing the burgeoning and promising Ultra Wideband markets and currently has customers and partners evaluating their devices.

Founded in 2002, Blue7[®] has a team of experienced executives and talented engineers, with expertise in RF, Mixed-Signal, ASIC, wireless communications, signal processing, firmware and software development. Blue7[®] Communications is a Contributor Member of the WiMedia Alliance. For more information, please visit the company's web site at www.blue7com.com.

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