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SIGMA'S ADVANCED CHIPSET TO BE FEATURED IN USDTV'S NEXT-GENERATION SET-TOP BOX

Sigma's SMP8634 Chip To Power USDTV's New Set-Top Box Enabling Enhanced Video Capabilities Including: High-Definition, Advanced Codecs And Processing Power

LAS VEGAS, NV – April 25, 2006 – Sigma Designs (Nasdaq: SIGM), a leader in digital media processing for consumer electronics, today announced its advanced SMP8634 Chipset will power the MPEG-4 AVC set-top boxes (STB) utilized by U.S. Digital Television, LLC (USDTV) for its low-cost cable alternative. Currently, USDTV is transitioning its network to an advanced video compression technology, MPEG-4 AVC. USDTV's next-generation STB will have integrated MPEG-4 AVC technology in order to provide enhanced services for its customers. Some of these industry-leading features include all the latest codecs, high-definition video and set-top box processing power through the use of Sigma's powerful SMP8634. USDTV will demonstrate the first live MPEG-4 AVC broadcast over its digital terrestrial network at the National Association of Broadcasters Convention (NAB 2006) in Las Vegas, NV, April 24-27, at the ATSC DTV Hot Spot in the South Hall of the Las Vegas Convention Center.

"The new USDTV receiver will provide consumers with enhanced video features including advanced digital reception, PVR functionality and VOD services," said Richard Johnson, Chief Operation Officer, USDTV. "We are pleased with the state-of-the-art HDTV output and advanced features that Sigma Design's SMP8634 "System-on-a-chip" media processor will add to our next generation set-top box."

USDTV recently announced the details of its second-generation set-top box that will begin shipping to new customers in two phases starting in the fall of 2006. The last phase will ship in the first quarter of 2007 and incorporate a 250-gigabyte hard drive, which will support a variety of storage based and in-home networking services.

The USDTV STB incorporates a high-definition (HD) TV receiver and allows viewers to receive all the digital and HD programs sent out by local stations and national broadcast networks. Also, consumers with home-theater systems can take advantage of full-digital surround sound.

"USDTV has created a unique media hub for the home and we are pleased they have selected our chip as the core processor for its next generation set-top box," said Ken Lowe, VP of strategic marketing, Sigma Designs. "Our strength in the industry continues to grow, and working with companies like USDTV enables consumers to receive the best entertainment quality in their homes."

About the SMP8634

Sigma's SMP8634 media processor provides a complete system-on-chip (SOC) solution with powerful multimedia processing, robust content security system, and a full complement of peripherals. Its advanced decoder engines support video decoding of H.264 (MPEG-4 part 10), VC-1 as well as Windows Media® Video 9, MPEG-2 and MPEG-4 (part 2) with multiple streams, up to the equivalent of two high-definition video streams. High-performance graphics acceleration, multi-standard audio decoding, advanced display processing capabilities, and HDMI/HDCP output round out its multimedia core. Powerful content security is ensured through a dedicated secure processor, flash memory, and a range of digital rights management (DRM) engines for high-speed payload decryption. The SMP8634's 300-Mhz host CPU, 3.2 GB/second unified memory controller, Ethernet 10/100 controller, dual USB 2.0 controller, and IDE controller provide for a single-chip solution for most set-top boxes and consumer players.

Safe Harbor Statement

This press release may contain forward-looking statements, including statements about the projected timing and extent of customer shipments as well as the expected use of Sigma's MPEG decoder products. Actual results could vary from those projected in the forward looking statements as a result of various factors, including worldwide economic conditions, changes in the customer's ability or desire to complete the roll-out, consumer reaction to the new products and services being offered, the ability of Sigma to deliver sufficient quantity and quality of MPEG decoder chips, prices for the Sigma chips, alternative offerings by competitors, and the ability of the parties to work together successfully to achieve the rollout.

About Sigma Designs, Inc.

Sigma Designs (Nasdaq: SIGM) specializes in silicon-based MPEG decoding for streaming video, progressive DVD playback, and advanced digital set-top boxes. The company's award-winning REALmagic® Video Streaming Technology is used in both commercial and consumer applications providing highly integrated solutions for high-quality decoding of MPEG-1, MPEG-2 and MPEG-4. 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 USDTV:

U.S. Digital Television was formed in 2003 as the first "over-the-air" terrestrial digital subscription TV service in the United States and offers consumers a low-cost alternative to cable. The service is broadcast to customers for \$19.95 a month, using the digital signals of local TV station partners. Customers receive USDTV with a standard VHF/UHF antenna and a propriety digital TV converter box. The USDTV service includes all the local and national broadcast channels from networks like ABC, CBS, FOX and NBC, along with many leading cable networks such as, Fox News Channel, ESPN, ESPN2, Discovery, TLC, The Disney Channel, Toon Disney, Lifetime, Lifetime Movie Network, HGTV, The Food Channel and Starz. USDTV averages 30 all-digital channels per market and enables viewers to receive high-definition pictures and surround sound, when available from their local broadcast stations. The USDTV set-top-box produces a DVD quality picture on any TV and an HD quality picture and digital surround sound on an HD-Ready TV with home theater equipment. U.S. Digital Television, LLC was formed in 2005 with investments from Fox Television Stations, Inc., Hearst-Argyle Television, Inc., LIN TV Corp., McGraw Hill Broadcasting, Morgan Murphy Stations, and Telcom DTV, LLC. The company currently serves subscribers in Dallas/Fort Worth, Salt Lake City, Albuquerque, and Las Vegas. USDTV is headquartered in Salt Lake City, Utah. www.usdtv.com

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