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**SIGMA SIGNS DEFINITIVE AGREEMENT FOR ACQUISITION OF
GENNUM'S VXP® IMAGE PROCESSING BUSINESS**

*Strategic Acquisition Will Enable Sigma To Bring Broadcast Quality Video Output To
Consumer Televisions*

MILPITAS, CA – January 3, 2008 – Sigma Designs (Nasdaq: SIGM), a leader in digital media processor SoC's for consumer electronics, today announced that it has signed a definitive agreement to acquire assets of the VXP® Image Processing business from Gennum Corporation (TSX: GND). Gennum, headquartered in Burlington, Canada, designs innovative optical, analog and mixed-signal semiconductor solutions and IP cores for the world's most advanced consumer connectivity, enterprise, video broadcast and data communications products.

Consumers in the U.S. and abroad are moving steadily toward a complete home ecosystem comprised of high definition video, including HDTV televisions, premium HD video services and Blu-ray/HD-DVD players. As a consequence, there is an increasing expectation that the on-screen image will be a near perfect reproduction of the original film or video and that processing artifacts will be virtually eliminated. This level of perfection results from the myriad of techniques employed in high performance image processing, which Sigma intends to offer as part of their future line of integrated media processor SoCs for HDTV and other markets.

Gennum's VXP® group is an industry leader in the development of advanced single-chip image processors delivering broadcast studio quality, artifact-free images for professional AV processing, video projection, and digital television applications. Over the last five years, the VXP group has achieved many industry firsts, including the first integrated 10-bit video processing solution, the first true 1080p de-interlacing solution and the first independent channel dual-core

video processor. Its advanced image processing algorithms include scaling, de-interlacing, frame rate conversion, noise reduction and image enhancement. Sigma expects this acquisition to be accretive to its earnings in fiscal year 2009 through revenue growth and improved cost efficiencies.

Upon completion of the acquisition, the VXP group will remain in the greater Toronto area as a technology center focused on the development of image processing solutions for integrated consumer chipsets as well as growing their present business in leading edge professional and home theatre applications. The group currently employs approximately 46 people, 42 of which are engineers with expertise in algorithms, IC design and software development. The VXP group holds rights to a total of ten patent applications and has rights to use three patents.

“Gennum’s innovative line of VXP image processing products and skilled VXP design team will allow us to expand into the professional market and add broadcast studio quality to our IC offerings for high-volume consumer applications in set-top boxes for IPTV, high-definition disc players and digital televisions,” said Thinh Tran, President and CEO, Sigma Designs. “The addition of the VXP group’s leading video processing further extends Sigma’s world leadership in multimedia SoC solutions.

“Sigma has established itself as one of the industry leaders in consumer media processor chips,” said Dr. Franz Fink, president and CEO of Gennum. “VXP technology offers a suite of advanced image processing capabilities making it a good complement to Sigma’s current portfolio of products.”

Under the terms of the agreement, Sigma Designs will make cash payment of approximately \$18 million and assume specified liabilities in exchange for assets of the VXP group, its current product line, inventory and equipment. Sigma intends to retain the VXP group employees and support current customers. The acquisition is subject to various standard closing conditions, including applicable consents and regulatory approvals, and is expected to close mid February 2008.

Safe Harbor Statement

This press release may contain 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, including statements about the anticipated benefits of the proposed acquisition of the Gennum VXP Group

and the consummation of the acquisition. Actual results could vary from those projected in the forward looking statements as a result of various factors, including the ability to effectively integrate an acquired business and technologies, worldwide economic conditions, consumer reaction to the new products and services being offered, alternative offerings by competitors, and the ability of the parties to work together successfully to achieve the anticipated benefits of the proposed acquisition. Other risk factors are detailed from time to time in our SEC reports, including our quarterly report on Form 10-Q as filed December 13, 2007. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Sigma undertakes no obligation to publicly release or otherwise disclose the result of any revision to these forward-looking statements that may be made as a result of events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

About Sigma Designs, Inc. Sigma Designs is a leading fabless provider of highly integrated system-on-chip, or SoC, solutions that are used to deliver multimedia entertainment throughout the home. Sigma's SoC solutions combine its semiconductors and software and are a critical component of multiple high-growth, consumer applications that process digital video and audio content, including internet protocol TV, or IPTV, high definition DVD players, high definition TVs, or HDTVs and portable media players. Headquartered in Milpitas, Calif., Sigma Designs also has sales representatives in the United States, Belgium, China, Japan and Taiwan and sells its products through a third-party distributor in Korea. For more information, please visit Sigma Designs' web site at www.sigmadesigns.com.

About Gennum

Gennum Corporation (TSX: GND) designs innovative semiconductor solutions and intellectual property (IP) cores for the world's most advanced consumer connectivity, enterprise, video broadcast and data communications products. Leveraging the company's proven optical, analog and mixed-signal products and IP, Gennum enables multimedia and data communications products to send and receive information without compromising the signal integrity. A winner of a Technical Emmy® award for advances in high definition (HD) broadcasting, Gennum is headquartered in Burlington, Canada, and has global design, research and development and sales offices in Canada, Mexico, Japan, Korea, Germany, United States, Taiwan and the United Kingdom. www.gennum.com

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