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Sigma Designs and Microsoft Collaborate on Advanced IPTV System-on-a-Chip for Microsoft Mediaroom

Powerful Sigma Designs SMP8654 Media Processor Improves Cost/Performance Range For Microsoft Mediaroom Deployments

LAS VEGAS, Calif. – April 14, 2008 – Sigma Designs (Nasdaq:SIGM), a leader in digital media processing system-on-a-chips (SoCs) for consumer electronics, and Microsoft Corp., today announced a collaboration to enable the Microsoft Mediaroom Internet Protocol Television (IPTV) and multimedia platform to operate on next-generation set-top boxes using the new Sigma SMP8654 SoC. The solution will provide a high-performance, cost-effective design that will give service providers the ability to offer innovative connected TV services, such as PC to TV photo and music sharing and also DVR Anywhere, which gives consumers the flexibility to watch their recorded programs on any TV in their home.

As a second generation SoC platform for Microsoft Mediaroom, Sigma's SMP8654 builds on the successful legacy of its predecessor, the SMP8634, while improving overall performance by approximately 50%. The new collaboration reflects the strength of Microsoft and Sigma's continuing technology partnership and expands the range of partner solutions available within the Microsoft Mediaroom ecosystem.

"Sigma's new system-on-a-chip technology gives our customers new ways to reduce costs and improve the performance of their IPTV service deployments," said Christine Heckart, general

manager of marketing for Microsoft TV. “Sigma has been a key partner in the Microsoft Mediaroom ecosystem for more than two years. Our latest SoC collaboration with Sigma will give our customers the ability to offer their subscribers new ways to get the best in TV plus all their media, such as photos, music and favorite shows, in one place.”

The SMP8654 includes a 500 Mhz Mips 24k main CPU which enables crisp user interaction and a wider range of application-based features that enhance the “future-proofing” of this platform. A second Mips processor called the IPU manages interrupt operations and offloads system tasks, such as portions of the network stack to further optimize main CPU utilization. In addition, the SoC also maintains software compatibility with the Sigma Multimedia Library to uniquely build on the proven performance and reliability of Microsoft Mediaroom.

“We are very pleased with the success we’ve experienced as a key technology partner within the Microsoft Mediaroom ecosystem,” said Ken Lowe, vice president of strategic marketing for Sigma Designs. “Microsoft is a key driving force in the development of the IPTV industry, and we are energized to be moving into our second generation platform together.”

About Sigma’s SMP8654 System-on-a-Chip Solution

Sigma’s SMP8654 media processor integrates a complete complement of next-generation capabilities for a single-chip system-on-chip (SOC) solution with a multi-core architecture, powerful multimedia processing, robust content security system, and a full complement of peripherals. The SMP8654 features a powerful 500-Mhz Mips host CPU, a second processor called the IPU for offloading burdensome real-time tasks, and a third processor dedicated to managing security functions. Its advanced decoder engines support high definition video decoding of H.264 (MPEG-4 part 10), Windows Media® Video 9, VC-1, MPEG-2 and MPEG-4 (part 2), the new AVS standard, and can support up to 16 independent streams on screen in different formats. High-performance graphics acceleration, multi-standard audio decoding, advanced display processing capabilities, and HDMI 1.3 output round out its multimedia core. Powerful content security is ensured through a dedicated secure processor, on-chip flash memory, and a range of digital rights management (DRM) engines for high-speed payload decryption. Additional functions include dual 32-bit DDR-2 memory controllers, dual Gigabit Ethernet controller, dual USB 2.0 controller, NAND flash controller, and SATA controller provide for a single-chip solution for most set-top boxes and consumer players.

About Microsoft Mediaroom

The award-winning Microsoft Mediaroom Internet Protocol Television (IPTV) and multimedia software platform is driving the future of television by enabling broadband service providers to deliver new connected TV and entertainment experiences to consumers worldwide. Microsoft Mediaroom provides new ways for consumers to experience TV as part of their connected, digital lifestyle, while also creating new business opportunities for broadband service providers, hardware manufacturers, content creators, advertisers and application developers. Over 20 of the world's leading service providers across four continents have selected the Microsoft Mediaroom platform to drive their digital TV services. More information on Microsoft Mediaroom and the opportunity to deliver the best in TV plus all your media in one place is available at <http://www.microsoft.com/tv> and <http://www.microsoftmediaroom.com>.

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 media processor and wireless chipset 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 rollout, 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 Microsoft

Founded in 1975, Microsoft (Nasdaq "MSFT") is the worldwide leader in software, services and solutions that help people and businesses realize their full potential.

About Sigma Designs, Inc.

Sigma Designs (Nasdaq: SIGM) specializes in silicon-based media processors and wireless chipsets for IPTV set-top boxes, digital media receivers, high definition DVD players, HDTV, and portable media players. The company's industry-leading media processor architectures feature high definition video, advanced codec support (H.264, VC-1, MPEG-2), and secure media processing in a complete system-on-chip (SOC) solution. 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.