

Gennum and Sigma Designs Reach Definitive Agreement for Purchase of VXP® Image Processing Business

BURLINGTON, Ontario - January 3, 2008 - Gennum Corporation (TSX: GND) and Sigma Designs (Nasdaq: SIGM) announced today the companies have reached a definitive agreement for Sigma's purchase of Gennum's VXP® image processing business. Gennum announced its intention to explore strategic alternatives for its VXP Group in August 2007. Today's milestone is part of Gennum's ongoing strategy to focus on delivering proven optical, analog and mixed-signal solutions for the video broadcast, data communications and consumer connectivity markets.

"We are intently focused on closely collaborating with our customers to deliver compelling and innovative solutions for the video broadcast, consumer and data communications markets and turning our customers' visions into a reality," said Dr. Franz Fink, President and CEO of Gennum. "The sale of the VXP Group streamlines our organization so we can continue to aggressively pursue opportunities in high-growth markets requiring optical, analog and mixed-signal products."

VXP is one of the most advanced single-chip image processors available today delivering crisp, natural looking, artifact-free images on displays of any size. Advanced image processing algorithms incorporated into each VXP integrated circuit (IC) ensures outstanding image quality for the consumer display, television and video projection markets.

"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 Think 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 will acquire all aspects of the VXP Group including, but not limited to, products, and intellectual property. Approximately 46 employees will be joining Sigma Designs as part of the sale and the VXP Group, headed by David Lynch, plans to remain in Burlington. The transaction, which is subject to customary closing conditions, is anticipated to be completed by mid-February 2008. Cash proceeds from the sale of the VXP business are approximately U.S. \$18 million.

This is the third sale of non-core assets over the past six months. As previously announced, Gennum's hearing instruments products and manufacturing operations were sold to Sound Design Technologies, a Gores Equity portfolio company, in October 2007 for approximately U.S. \$12.5 million, while Gennum's consumer headset business was sold to CellPoint AB in August 2007. Gennum has also begun to build around its core capabilities in optical and analog and mixed-signal portfolio as it completed its acquisition of Snowbush Microelectronics in October 2007 for approximately CDN \$24 million.

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

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.

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