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SIGMA MAKES SOURCE CODE AVAILABLE FOR ITS MPEG-4 VIDEO CODEC

MILPITAS, Calif.—August 22, 2002—Sigma Designs, Inc. (Nasdaq: SIGM), a leader in IP video streaming solutions, today announced the release of the source code behind its free MPEG-4 video CODEC that works as a plug-in under Windows® and encodes digitized video content into fully compatible ISO MPEG-4 video files. The complete source code will be available for download starting August 23rd, free of charge, through Sigma's website (www.sigmadesigns.com) to support developers wishing to enhance the MPEG-4 encoding.

"We are pleased to provide the development community with an open source MPEG-4 CODEC, and anticipate that this will accelerate technical improvements and enhance the proliferation of MPEG-4 content," stated Ken Lowe, Sigma Designs' vice president of business development.

About Sigma Designs, Inc.
Sigma Designs 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/.

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