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**SIGMA MEDIA PROCESSORS POWER ADVANCED
COMMUNICATIONS' IPTV SET-TOP BOXES ACROSS JAPAN**

*Companies enter collaborative relationship to develop next generation
IPTV set-top boxes for the Japanese market*

MILPITAS, Calif. – June 25, 2008 – Sigma Designs (NASDAQ: SIGM), a leader in digital media processing and wireless system-on-chip (SoC) solutions for consumer electronics, and Advanced Communications Co., Ltd (Adcom), a Japanese communications technology company, today announced that Sigma's highly integrated SMP8654 media processors will be used to power Advanced Communications' IPv6 set-top boxes (STBs) currently being deployed by major telecom companies, cable providers, hotels, convenience stores, restaurants, and Karaoke centers throughout Japan. Furthermore, the companies have entered into a collaborative relationship to develop next-generation IPTV set-top boxes for the Japanese market based on Sigma's SMP8654 media processor and Adcom's iSense IPTV software platform solution.

As part of this collaboration, Sigma's chips are integrated into Adcom's new iSense platform, which power the IPv6 STBs. The iSense also comes with a software development kit (SDK) for next generation networking (NGN) where all home telco-based and consumer electronics will communicate in an "all-IP" fashion. The iSense platform is also being used to power and build in IP-based functionality for set-top boxes manufactured by Japanese consumer electronics companies.

“We are pleased that Sigma’s media processors power the new iSense platform and IPv6 STBs and help us further expand into the Japanese IP STB business and consumer markets,” said Yukihiro Yamada, CEO at Advanced Communications. “We recognize Sigma’s world leadership in the IP market and wanted to be certain our highly flexible, expandable solutions used the most experienced, advanced audio/video and multimedia processing technology on the market today.”

“We are excited about our continued expansion of IPTV customers in Japan,” said Ken Lowe, vice president of strategic marketing at Sigma Designs. “We work closely with worldwide telcos and set-top box manufacturers in the development of our industry leading system-on-chip IPTV solutions. We intend to continue that focus to ensure their successful use by Advanced Communications and the company’s Japanese-based consumer electronics customers.”

Advanced Communications’ IPv6 STBs - powered by Sigma’s SMP8654 media processors -support multicasting, video-on-demand (VOD), recording and playback functionality and digital rights management (DRM) requirements. The solution handles multi-task performance by processing multiple streams of content in tandem at speeds up to 20 Mbps, and advanced encryption technology for enhanced copyright protection. In addition, the product is supported by the Association of Radio Industries and Businesses (ARIB), a standardization organization in Japan designated as the center of promotion of the efficient use of the radio spectrum and frequency change.

Sigma’s SMP8654: The Next Generation IPTV SoC Solution

Sigma’s SMP8654 media processor integrates a complete complement of next-generation capabilities for a single-chip system-on-chip (SoC) solution with powerful multimedia processing, robust content security system, multiple on-chip CPUs, and a full complement of system peripherals. Its combination of on-chip processors and memory controllers yield an impressive 50% increase in overall performance to provide the headroom needed for next generation IPTV service features. At the same time, taking advantage of the latest memory components and integrated peripherals, the SMP8654 can reduce sub-system cost by around 30 percent compared to its predecessor, the industry leading SMP8634.

From a media processing standpoint, the SMP8654 offers a full complement of advanced decoder engines with high definition video decoding, including H.264 (MPEG-4 part 10), Windows Media® Video 9, VC-1, MPEG-2 and MPEG-4 (part 2), and the new AVS standard. 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. The SMP8654 also features a full complement of system peripherals, including a dual Gigabit Ethernet controller, dual USB 2.0 controller, NAND flash controller, IR controller, and SATA controller.

About Sigma Designs, Inc.

Sigma Designs is a leading fabless semiconductor provider of highly integrated system-on-chip (SoC) solutions that are used to deliver multimedia entertainment throughout the home. Sigma's SoC solutions include media processing, wireless communications, and video image processing along with system software to form the critical components of consumer electronic products that include Internet protocol TV (IPTV) set-top boxes, Blu-ray players, high definition televisions (HDTV), and media communication devices. Headquartered in Milpitas, Calif., Sigma Designs has direct sales representatives in the United States, Europe (Belgium), China, Japan, Taiwan and a third-party distributor in Korea. For more information, please visit Sigma Designs' web site at www.sigmadesigns.com.

About Advanced Communications Co., Ltd.

Advanced Communications develops various systems based on communication technology, such as IPSTB, real-time Encoder, or the ATM network bandwidth administrative system. IPSTB and its system is widely employed by major telecom companies, cable providers, convenience stores, hotels, restaurants, or Karaoke boxes, and is highly evaluated. More information is available at www.adcom.co.jp/english

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.