For Immediate Release

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Siemens Micro Electronics Licenses FlexFire 1394 Semiconductor IP Cores From Innovative Semiconductors

CUPERTINO, Calif., December 7, 1998 – Siemens Microelectronics, and Innovative Semiconductors, today jointly announce a licensing agreement for Innovative's FlexFire IEEE-1394 Link Layer and PHY cores.

"Innovative Semiconductors is the leader in semiconductor IP for digital video and data communications applications. It and was the first company to deliver proven silicon for their cores and has aggressively driven this technology forward," stated Nick Seroff, manager of engineering for Siemens Micro Electronics. "We consider this a strategic purchase as the FlexFire 1394 technology will accelerate the convergence of computer and consumer appliances. We plan to integrate the architecture in future consumer and computer electronics products."

"We are pleased to be working with such a global leader in semiconductors," said Nabil Takla, president of Innovative Semiconductors. "Siemens is our first major European-based licensee, and their presence will help us expand the market for our video and communications IP products worldwide."

The IEEE 1394 standard is a low cost serial interface intended for transferring high speed data, especially video, between and among computing and consumer devices. Innovative Semiconductors offers a series of application-specific IEEE 1394 Link Layer controller cores, plus Physical Layer controller cores that implement both the analog and digital parts of the interface. Innovative's silicon-proven FlexFire 1394 products accelerate the development of ICs and ASICs and let semiconductor and systems companies bring1394-compatible products to market quickly.

About Innovative Semiconductors

Innovative Semiconductors, Inc. develops semiconductor Intellectual Property (IP) cores, the building blocks for high performance ICs and chip sets for video and communications applications. The company's products include cores that support the Video Interface Port (VIP) standard, the IEEE-1394 standard, the Universal Serial Bus (USB) standard, and video compression standards. Customers include 3Dfx, Accelerix, LSI Logic, OKI, S3, Samsung, SGS-Thomson, and Trident. Innovative Semiconductors is a member if the 1394 Trade Association, VESA, USB-IF, VSI, and RAPID. The company was founded in

1992, and is headquartered in Mountain View, CA. Further information can be found at http://www.isi96.com.

About Siemens

Siemens' Semiconductor Group is a leading worldwide provider of integrated circuits, memory products, RF components, smart card chips, discrete and power semiconductors, sensors and fiber optic components. The comprehensive product line of Siemens Semiconductors serves a wide range of customers active in telecommunications, automotive and consumer electronics, data processing and automation. Siemens Microelectronics is its U.S. affiliate. In fiscal 1997/98, the Semiconductor Group achieved sales of \$3.8 billion (DM 6.7 billion) and employed 25,000 people worldwide. The group plans to go public. For more information, please see www.smi.siemens.com.