



NEWS ANNOUNCEMENT For Immediate Release

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Fresco Microchip Secures US\$14.7 Million in Funding

Toronto, Ontario, Canada - July 20, 2005 – Fresco Microchip, a developer of leading edge silicon tuner and demodulator products for television and consumer electronics applications, announced today the completion of the first of three tranches in a US\$14,700,000 round of financing. The venture capital financing was led by Celtic House Venture Partners and Ventures West, two of the largest early-stage technology investors in Canada. The proceeds will be used to develop initial products based on Fresco's proprietary, radio frequency integrated circuit technology.

"We are elated to work with Canada's premier investors," said Lance Greggain, Fresco's president and CEO. "Both have long histories of investment with technology leaders and we are excited they have chosen to invest in our innovative silicon tuner and demodulation technology." Greggain is the former founder and CEO of Jaldi Semiconductor Corp., which was sold to Pixelworks, Inc. in 2002.

Founded in 2005, Fresco Microchip was created to address the changes that are occurring in the digital television market. The world's broadcast industry is rapidly evolving from analog to digital broadcasting and this initiates the need for universal reception and signal conversion for legacy analog, digital terrestrial and cable transmissions. Across consumer applications, the market opportunity exceeds a billion dollars.

“We have invested in a team with a great track record and pioneering technology in an extremely exciting space,” said Brian Antonen, Partner at Celtic House Venture Partners. “The marketplace for silicon tuners and demodulators spans across all televisions, set-top boxes and cable modems.”

“The commercial opportunities for silicon tuners are tremendous,” added Ted Anderson, Partner at Ventures West. “In addition to displacing cumbersome tuner modules and discrete demodulators, a huge growth opportunity exists within mobile phones and PDAs; an opportunity driven by the integration and innovation that Fresco will provide.”

About Fresco Microchip, Inc.

Fresco Microchip is a fabless semiconductor company focused on leading edge RF, mixed-signal and digital signal processing architectures for consumer markets. Founded in 2004, Fresco Microchip has established a team of technology, sales and marketing veterans in the TV semiconductor industry with strong track records, multiple design patents and long-standing customer relationships with the world's most recognizable and respected consumer electronic brands. The company is headquartered in Toronto, Canada, with design centers in Ottawa, Canada and Irvine, California. For more information visit: www.frescomicrochip.com.

About Celtic House

Celtic House Venture Partners, a private venture capital firm, is a leading investor in early-stage technology companies in Canada and Europe. Celtic House focuses on investments in five industry sectors: semiconductors, systems, MEMS, optics and software. The firm has offices in Ottawa, Toronto and London, UK. Celtic House's current portfolio companies include: Cavendish Kinetics, Sandvine, Tropic Networks, ViXS Systems, Sirific, Third Brigade and Got Corp. For more information, please visit www.celtic-house.com.

About Ventures West

Ventures West Management Inc., a private venture capital investment group, is one of Canada's leading investors in early stage technology companies. Since its founding in 1968, Ventures West has formed eight venture capital funds which total over \$700

million and has invested in more than 130 companies. Ventures West has the people, the expertise, and the capital to help entrepreneurs develop emerging technology companies into market leaders. Investments focus on four technology sectors: Biotechnology, Communications, Energy Technology and Information Technology. For more information, visit www.ventureswest.com

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