



NEWS ANNOUNCEMENT For Immediate Release

Media Contact:
Bob Menzies
Lages & Associates
(949) 453-8080
bob@lages.com

Fresco Microchip Corporate Contact:
Melissa Chee
Director, Marketing and Business
Development
(905) 480-9109
pr@frescomicrochip.com

FRESCO MICROCHIP SECURES US\$14 MILLION in SERIES B FUNDING

TORONTO, Canada, January 24, 2008 – Fresco Microchip Inc., a developer of leading edge RF, mixed-signal, and digital signal processing integrated circuits (ICs), today announced that its has secured US\$14.3 million in Series B funding led by Celtic House and Ventures West.

Fresco Microchip is bridging the global analog-digital television divide with its innovative semiconductor solutions that consumer electronics and PC manufacturers are designing into their next-generation platforms such as DTVs, set-top boxes, DVD-Rs, DVRs, and notebooks to offer true broadcast TV quality.

“By bringing together decades of industry experience in three technology disciplines: next-generation RF, mixed-signal, and digital signal processing, Fresco Microchip is redefining traditional analog-digital engineering boundaries,” said Ted Anderson, Managing General Partner of Ventures West. “Fresco’s distinctive combination of technical and market expertise has enabled the company to create a highly compelling system solution for the world’s leading consumer electronics manufacturers in an established market that is experiencing tremendous growth.”

“The demand for ubiquitous TV content anyplace, anytime, anywhere continues to accelerate around the world,” said Brian Antonen, Partner of Celtic House. “Fresco’s breakthrough technology bridges the gaps of cost, power, and performance by

establishing a new benchmark for high quality TV performance and significant system cost reduction across a broad spectrum of television platforms. The team's proven track record make Fresco well-suited to our investment philosophy in early-stage companies with a defensible technology for broad customer traction in large, rapidly growing markets."

Since securing a Series A round of funding in 2005, the company has achieved several major technical and market milestones including the announcement of its latest chip, the FM2050, multiple design wins with a leading CE manufacturer and PC ODM, and was recently recognized as one of Canada's Top 10 Technology companies.

"We will accelerate traction of our latest chip with top tier CE manufacturers and PC customers as well as kick start our next-generation of product development in the broad television market," said Lance Greggain, CEO, President, and co-founder of Fresco Microchip. "This latest investment from two of Canada's premier venture capital firms demonstrates strong investor confidence as the company is well-positioned to continue to execute to our operational plan and long-term growth trajectory."

About Ventures West

Ventures West Capital Ltd., 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 150 companies. Ventures West has the people, the expertise, and the capital to help entrepreneurs develop emerging technology companies into market leaders. For more information, visit www.ventureswest.com

About Celtic House

Celtic House Venture Partners is a leading venture capital firm dedicated to helping entrepreneurs build high velocity technology companies from the ground up. Since 1994, Celtic House has funded over 60 companies and committed over US\$500 million—more than 70% to concept-stage start-ups. By working closely with company management, Celtic House has generated billions in stockholder value and proceeds through 17 successful exits to date, 13 of which were seed-funded by Celtic House. Today, Celtic House is working with more than 20 active portfolio companies from its

offices in Ottawa, Toronto and London, UK. For more information, please visit www.celtic-house.com

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.

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