



Investor Presentation

March 2008



Safe Harbor

Certain statements in this presentation concerning our future growth prospects are forward-looking statements, which involve a number of risks, and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, anticipated trends and challenges in our business and the markets in which we operate; plans for future products and services and for enhancements of existing products and services; our anticipated growth strategies; our ability to attract customers; and sources of new revenue. The Company does not undertake to update any forward-looking statement that may be made from time to time by or on behalf of the Company.



Sigma Designs In Perspective

UNIQUE AND DIVERSIFIED PRODUCTS

- ✓ Media Processors (SoC)
- ✓ UWB Wireless
- ✓ Image Processing

WELL-ENTRENCHED MARKET LEADERSHIP

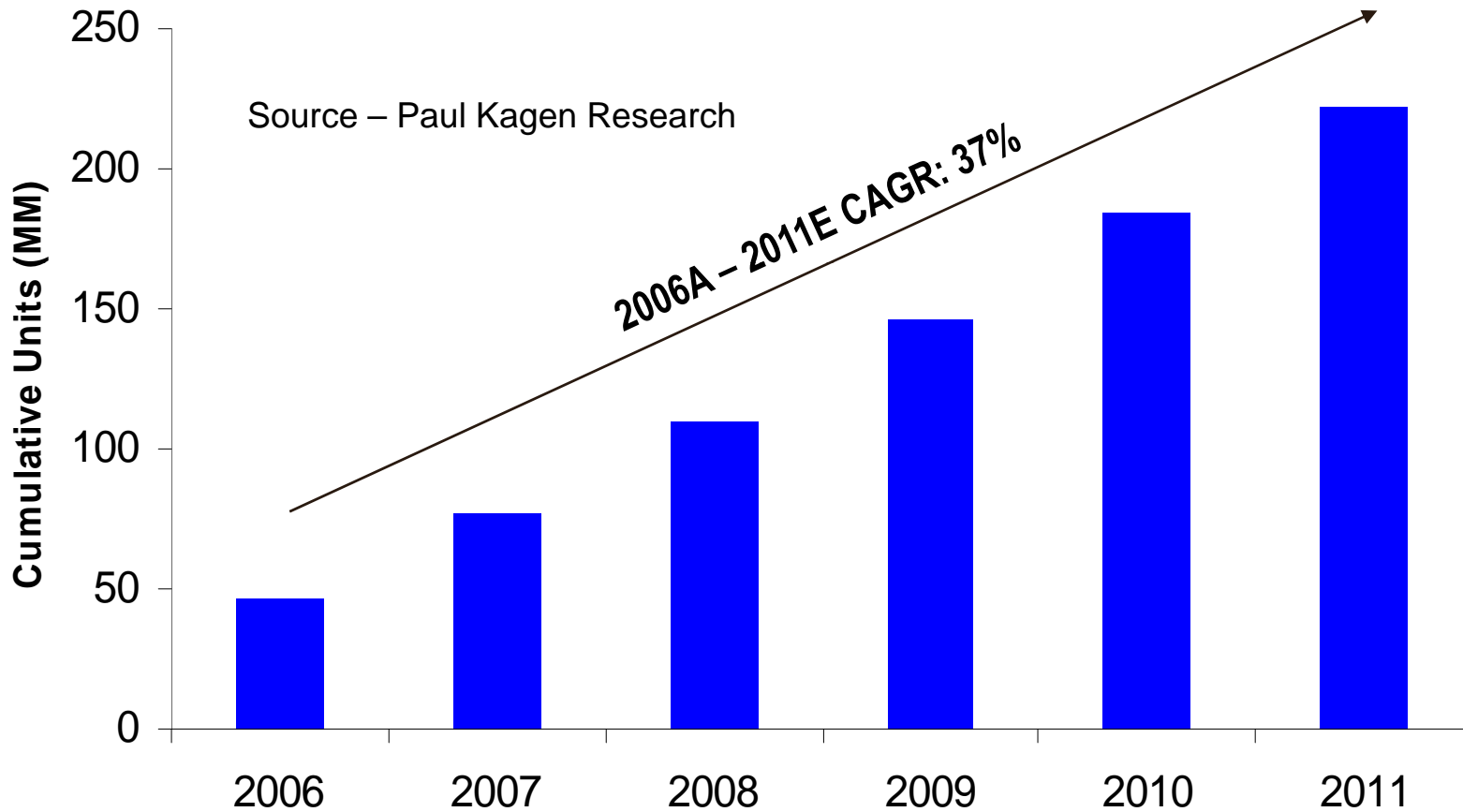
- ✓ IPTV Set-top box
- ✓ High Definition DVD
- ✓ Connected HDTV
- ✓ Media Extenders

HIGH GROWTH AND PROFITABILITY

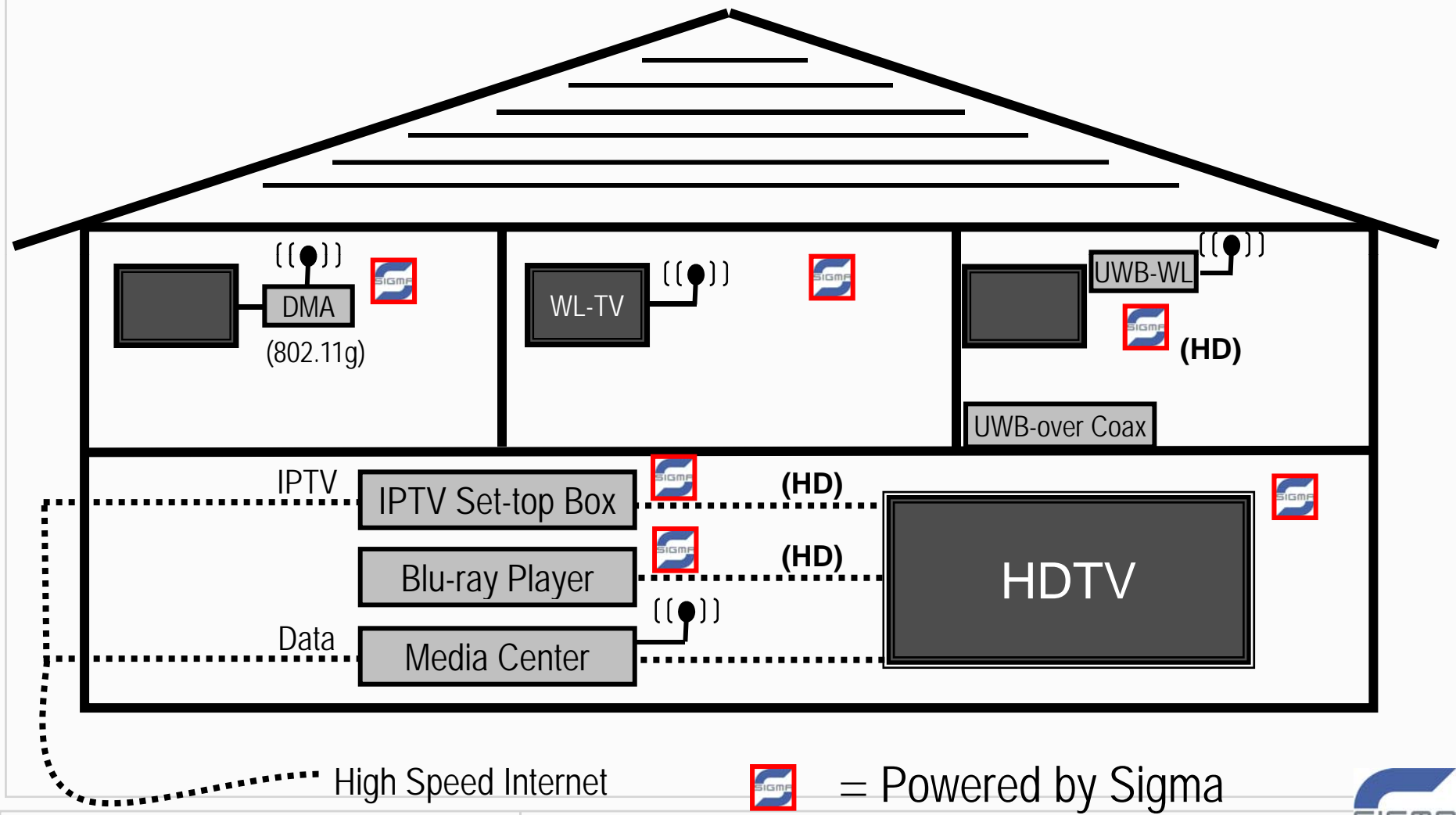
- ✓ 9 Sequential Quarters of Double-digit Growth
- ✓ 51% Gross Margin – FY08
- ✓ 32% Net Operating Income – FY08



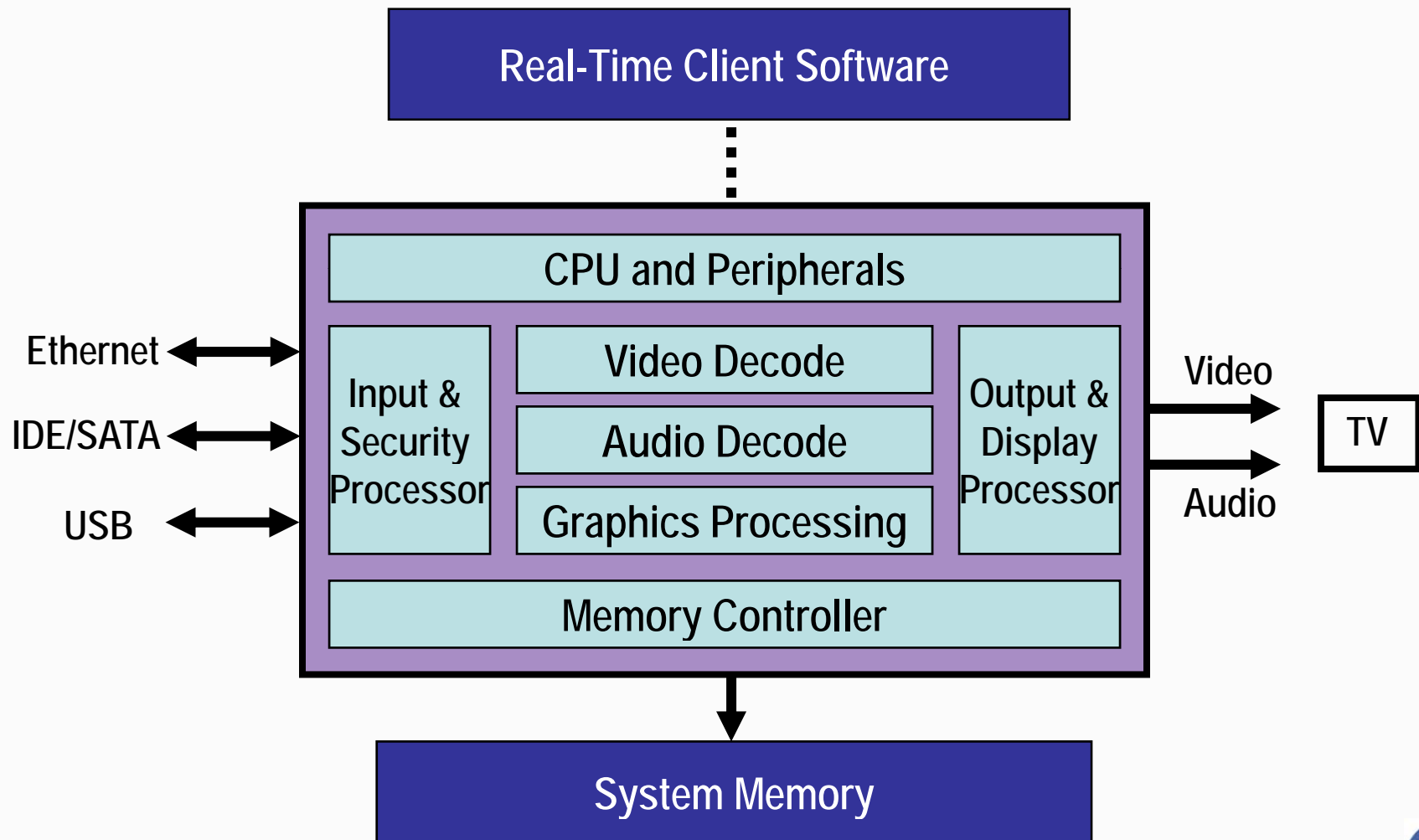
The Worldwide HDTV Market



Home Entertainment Evolution

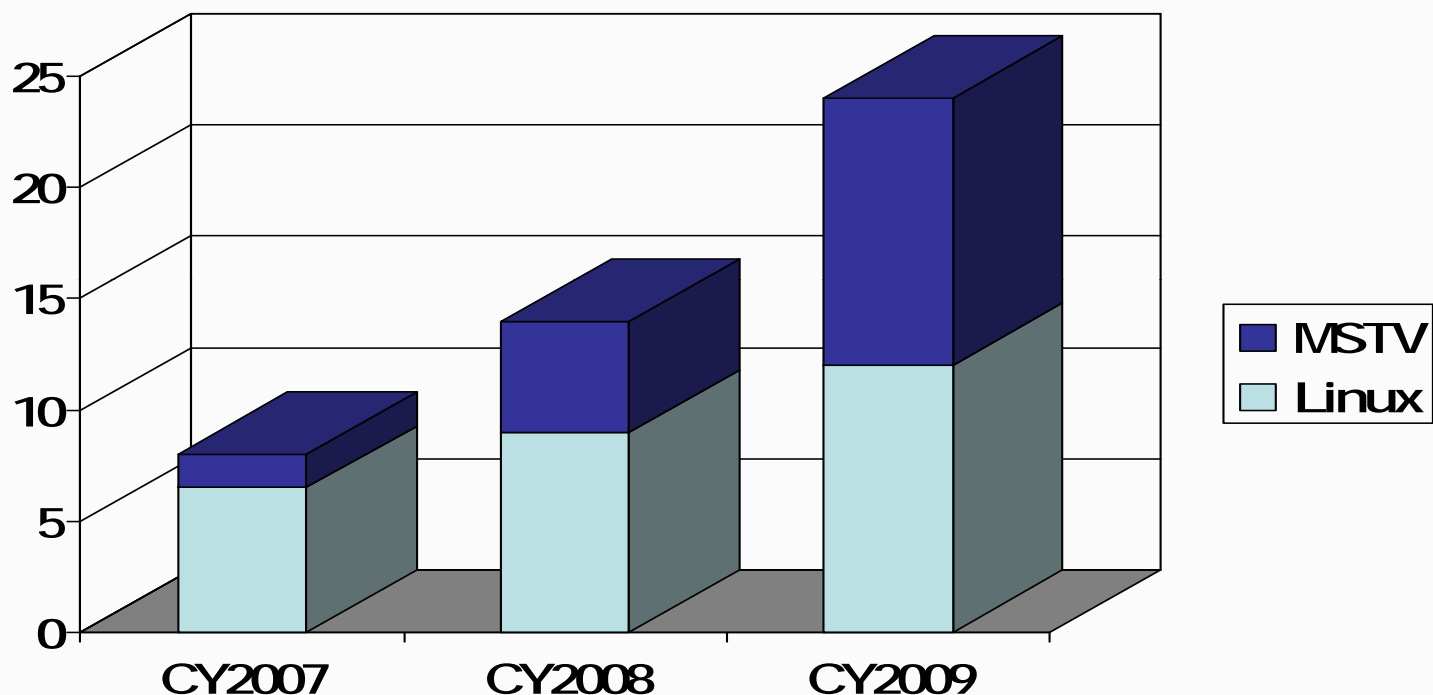


Media Processor Technology



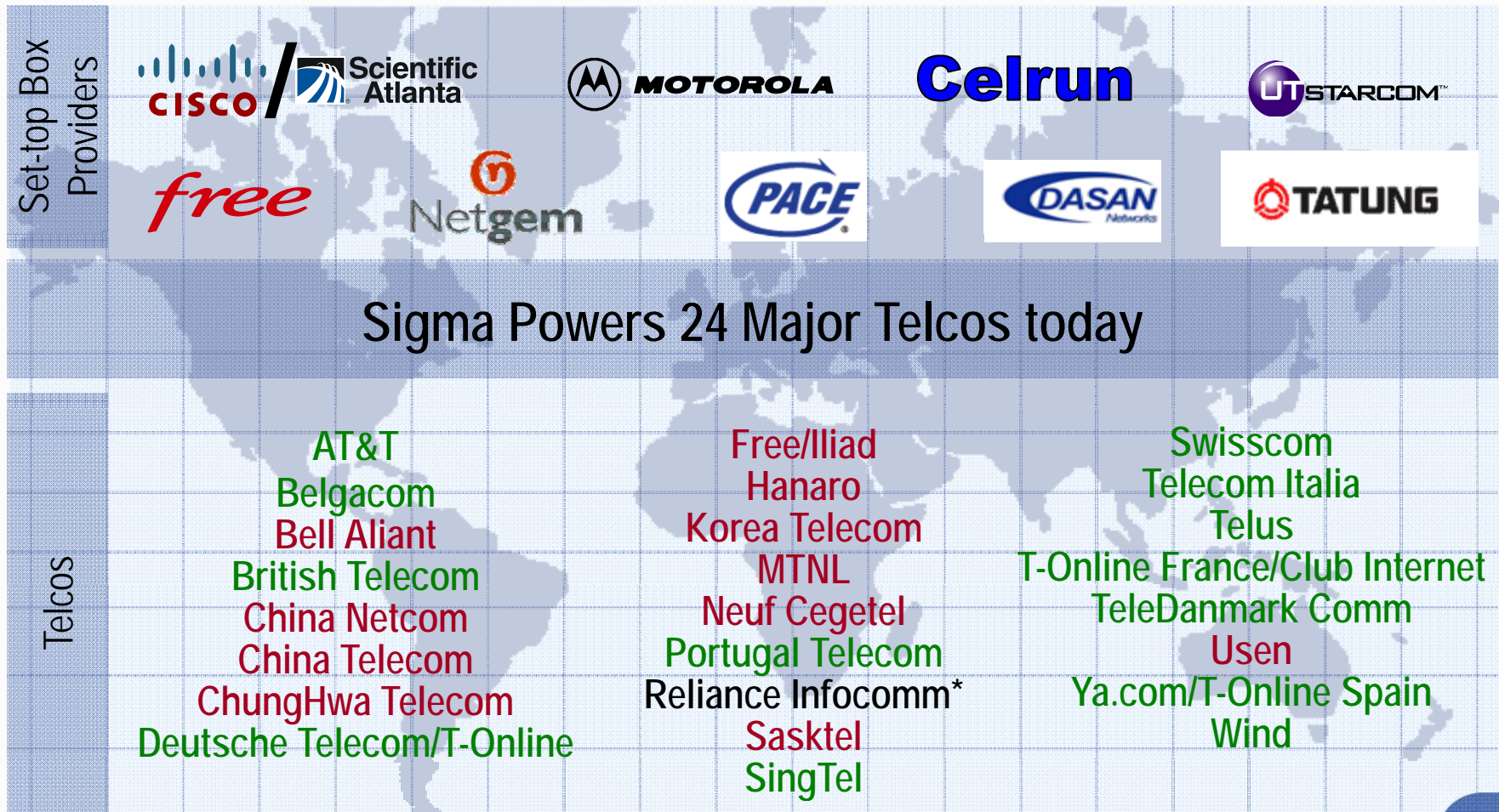
IPTV - A Large and Growing Market Opportunity

Worldwide IPTV Set-top box SoC Unit Forecast (Sigma est.)



- Worldwide demand – 24 major carriers in deployment
- Linux segment requires specialized software and partners
- Microsoft segment requires MSTV pre-qualification

IPTV Customer Deployments



■ Linux

■ Microsoft

* Volume deployments have not started



IPTV - Taking Share Is Harder Than Making Noise

Sigma's formidable position

- ✓ Incumbent – 9 STBs, 24+ telcos
- ✓ Next generation chips have started
- ✓ Software compatibility
- ✓ Greatest proven expertise
- ✓ Further integration is in process

Competitive threats: ST, Broadcom

- ✓ SW still in development (MS & Linux)
- ✓ Zero HD IPTV deployments to date
- ✓ No volume anticipated in 2008
- ✓ Must compete 1 telco and 1 software solution at a time

Market entry barriers

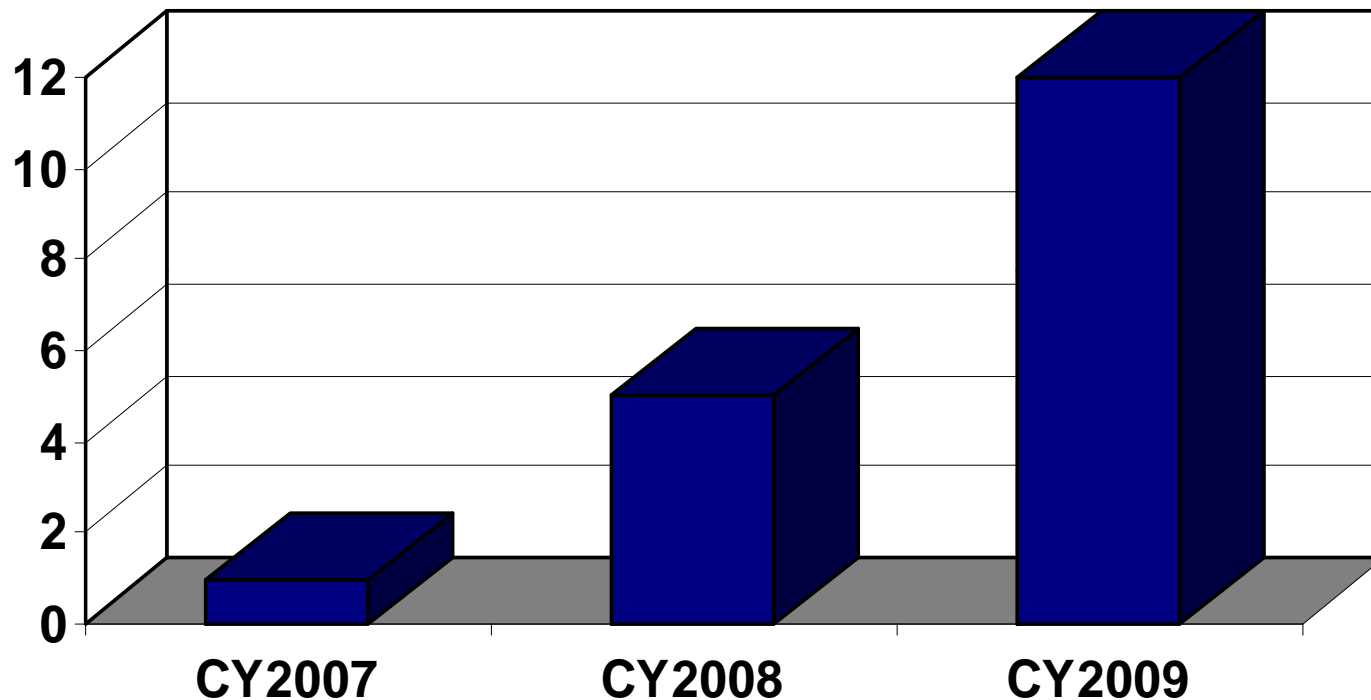
- ✓ Qualification (MSTV, others)
- ✓ Telco need/timing/risk
(earliest next gen = Q1'09)
- ✓ Complete Solution (HW+SW)

Bottom-line: Sigma should grow market share and revenue this year



Blu-ray - Poised To Take Off in 2008

Worldwide Blu-ray Player Unit Forecast (Sigma est)



- Demand increasing proportional to HDTV install base
- New suppliers coming in 2008, including a number from China & Taiwan
- Prices expected to drop below \$200 for aggressive suppliers

Blu-ray - Fragmentation along with growth

Sigma's position

- ✓ A supplier to the leaders: Samsung, Sony, Sharp, Panasonic, Pioneer
- ✓ Full software suite
- ✓ Next generation chips (soon) – size reduction and integrated functions

Competitive threats

- ✓ Broadcom – some wins w/issues
- ✓ Captive chips - Panasonic
- ✓ Eventual – Zoran, STM, Renesas, Mediatek, NEC

Market entry barriers

- ✓ Highly integrated chips
- ✓ Higher performance levels
- ✓ Software suite/third party

Bottom-line: Sigma should see revenue growth this year



Emerging Opportunity: HDTV

Connected HDTV Segment

- ✓ Sigma pioneered and dominates
- ✓ Key wins: HP, LG, Pioneer, Sampo, Sharp, Sony



Mainstream HDTV Segment

- ✓ Strategy: Studio quality video in a consumer TV
- ✓ Key elements: Media processor SoC, VXP image processing, OpenCable, other.
- ✓ Leverage: relationships, high performance architecture, decoder technologies.

Current success is driven by our connectivity expertise. The next generation will have a considerable advantage in picture quality.



Emerging Opportunity: Media Extenders

Whole-home audio/video/internet access is getting bigger

- ✓ Whole-home PVR ... most new cable/sat/IPTV services
- ✓ Windows Media Extender ... media center to any TV
- ✓ AppleTV ... Internet to any TV



Sigma is the current market leader

- ✓ Wins at D-Link, Linksys, Netgear, Sharp, Sony

Sigma has all the next generation technologies

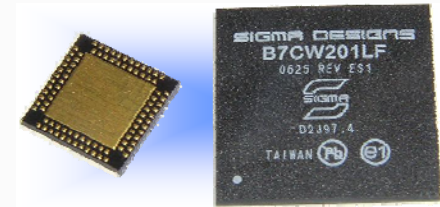
Sigma is Microsoft's partner for next generation devices



Emerging Opportunity: UWB Devices

Industry leading UWB technology

- ✓ Intelligent Array Radio (IAR™) for superior non-line of sight targets
- ✓ Meets all major worldwide standards



Audio/Video Cable Replacement

- ✓ Wireless HDAV - eliminates HDMI/AV cable for wall-mounted TV
- ✓ Wireless Speakers – enables cable-free speaker connection

Home Entertainment Networking: Coax+Wireless

- ✓ Enables easy multi-TV home installations
- ✓ Many large carriers in extended evaluations

USB Cable Replacement: Upcoming opportunity

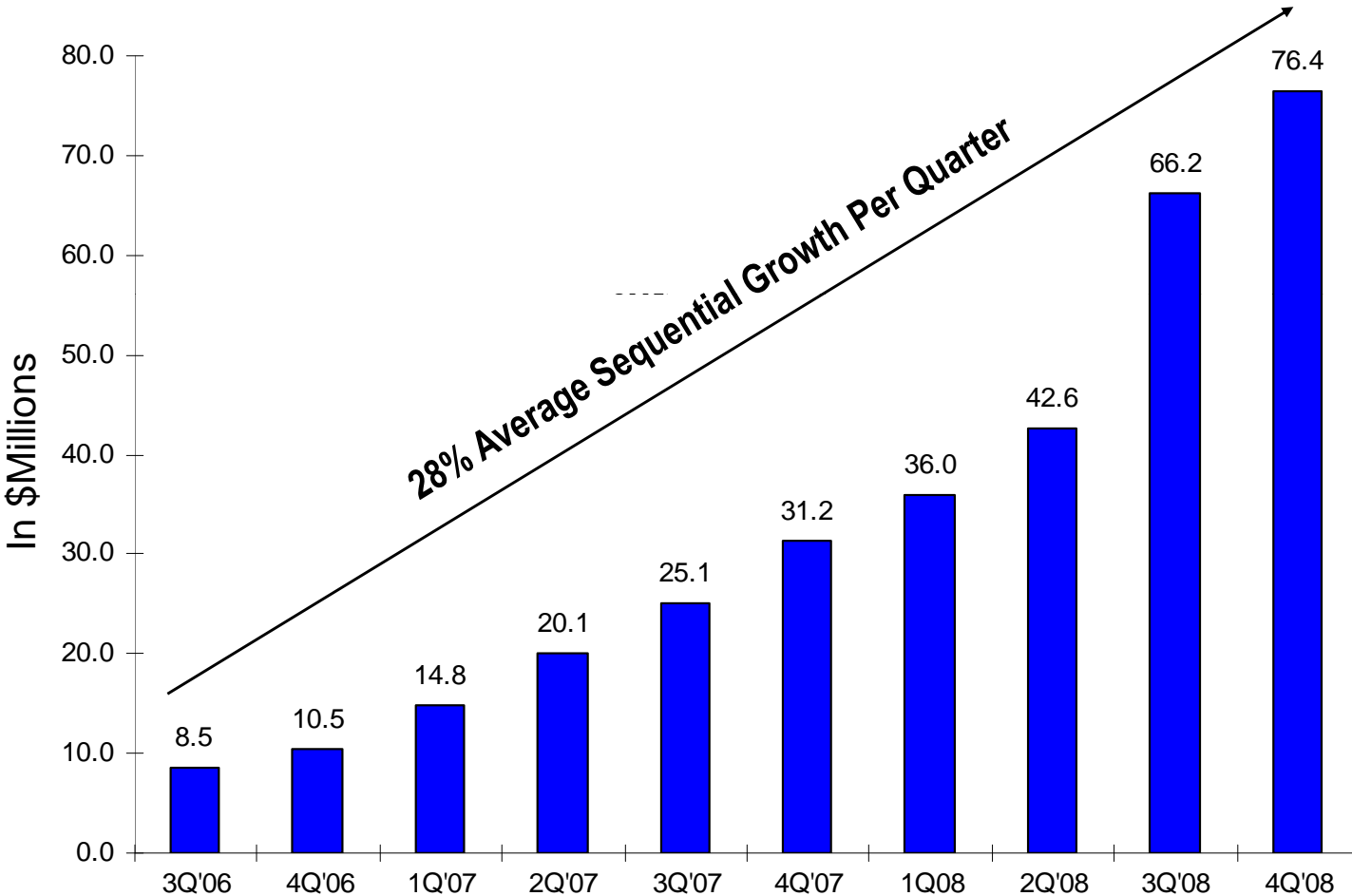




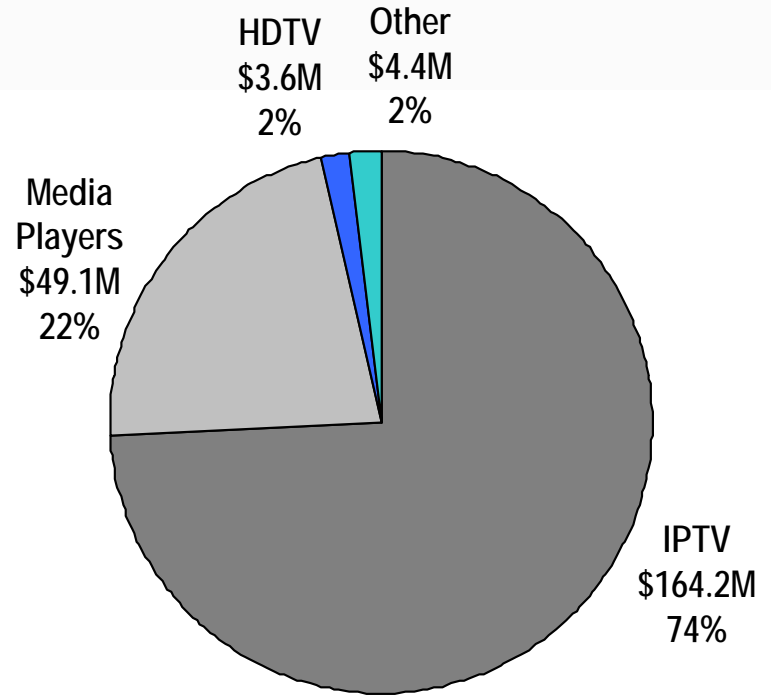
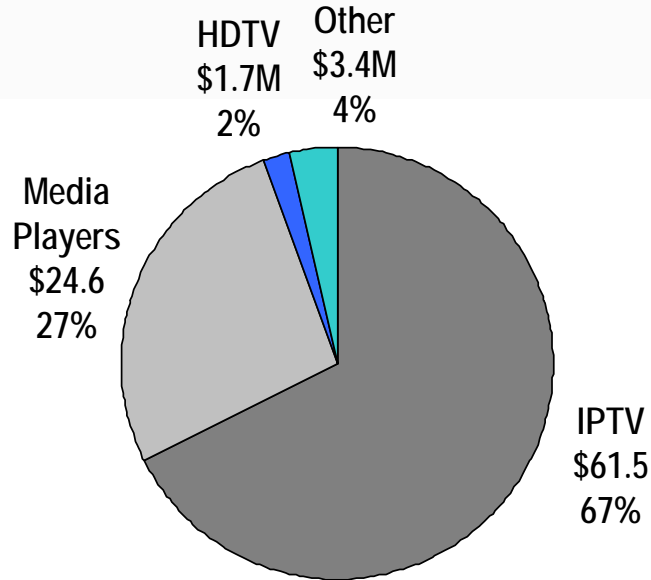
Financial Review



Quarterly Revenue Growth



Revenues By End Market



Total Revenue:

\$91.2M

143% Annual Growth

\$221.2M

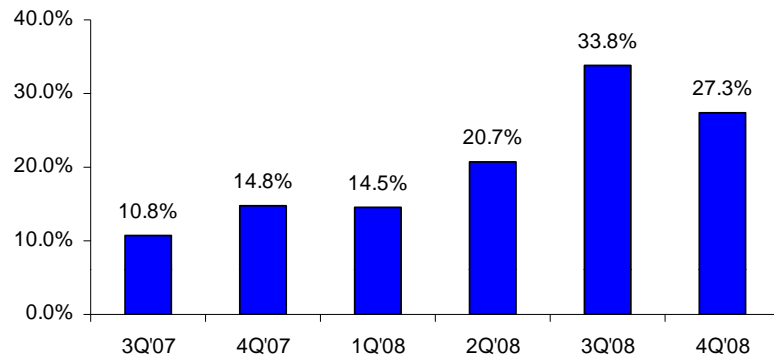
FY07

FY08

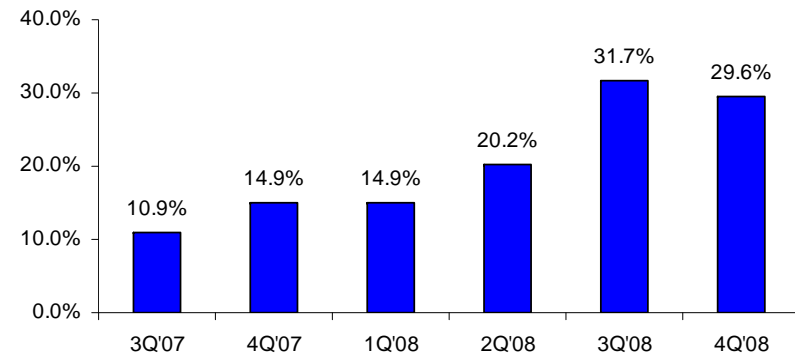


Quarterly Financials

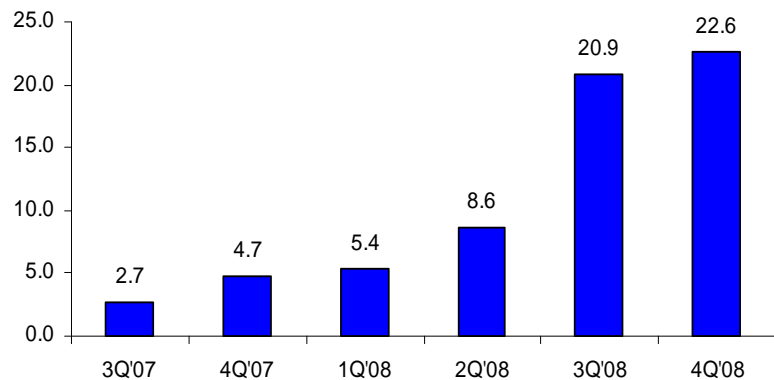
Operating Margin* (%)



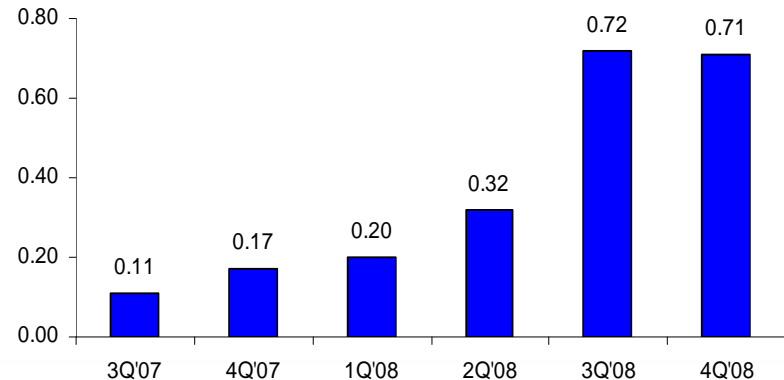
Net Margin* (%)



Net Income* (\$)



Diluted EPS* (\$)



* These figures are GAAP, except for the 4Q08 exclusion a \$12.4M/\$0.41 benefit from the release of the company's tax valuation reserve



Key Operating Metrics

(US\$mm, except per share data)	3Q'07	4Q'07	1Q'08	2Q'08	3Q'08	4Q'08
Revenue	\$25.1	\$31.2	\$36.0	\$42.5	\$66.2	\$76.4
Qtly YoY Rev. Growth	195%	198%	143%	111%	164%	145%
GAAP Gross Margin	48%	51%	49%	52%	53%	49%
GAAP Operating Margin	11%	15%	15%	21%	34%	27%
GAAP EPS (Diluted)	\$0.11	\$0.17	\$0.20	\$0.32	\$0.72	\$0.71*
Non-GAAP EPS	\$0.19	\$0.26	\$0.32	\$0.48	\$0.79	\$0.80

* This figure excludes a \$0.41 benefit from the release of the company's tax valuation reserve



Balance Sheet Overview

(in millions)	FY07	3Q08	4Q08
Cash, Equivs & Investments	\$33.5	\$263.4	\$276.0
Net Working Capital	\$38.8	\$275.3	\$263.2
Total Assets	\$76.1	\$330.0	\$379.5
Total Debt	\$0.1	\$0.0	\$0.0
Shareholders Equity	\$53.0	\$302.3	\$345.6
Shares Outstanding	22.9	29.1	30.0

CY2008 Outlook

- ✓ IPTV: Strong market growth with continued growth in market share and revenue for Sigma.
- ✓ Blu-ray: Very strong market growth with continued design wins and revenue growth for Sigma.
- ✓ Emerging Markets: Demand starting in 2nd half 2008 with growing revenue contributions for Sigma.
- ✓ ST, Broadcom Impact: Long-term competitors to face with little business impact this year.



Thank You

