



Sonics Poised To Become Key Semiconductor Industry Catalyst; Company Sustains Profitability, Broadens Samsung Relationship, and Expands Executive Team

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MOUNTAIN VIEW, Calif. --(Business Wire)-- Dec. 5, 2005 -- Sonics Inc.(R), the premier supplier of system-on-chip (SoC) SMART Interconnects(TM), today announces key corporate milestones that solidly position the company as an industry catalyst driving solutions for today's SoC designs. The company announces its fourth consecutive quarter of profitability, and a broadened relationship with Samsung Electronics, Korea. Samsung Ventures Investment Corporation has invested in Sonics Series D Preferred Stock. This investment builds upon earlier licensing agreements with Samsung Electronics. Sonics will use the proceeds to further accelerate the wide-spread adoption of its SMART Interconnects among semiconductor companies and original equipment manufacturers that develop SoC solutions.

Sonics' string of consecutive profitable quarters is based upon a consistent trend of balancing increasing royalty revenues with increasing license revenues. This trend is being driven by the adoption of SMART Interconnects in a broad base of consumer and wireless communications applications, such as cell phones, HDTV appliances, and wireless chip sets used in laptop and home router appliances. In addition to Samsung, Sonics' technology is in use by several market leading companies, including Texas Instruments, Toshiba, and Broadcom.

Samsung Ventures Investment Corporation joins a prestigious group of earlier strategic investors that includes Toshiba and Cadence Design Systems. The investment will provide additional cash for Sonics operations. "The actions announced today complete Sonics' transition to a growth company. Having strong partners, a broad base of applications being served, and our expanded management team, Sonics is now operating as a key catalyst company in the semiconductor industry affecting two significant worldwide technology transitions, digital TV and wireless communications," says Grant Pierce, chief executive officer and president, Sonics Inc.

Semico Research recently recognized a new "interconnect" segment of the semiconductor intellectual property (SIP) market. Sonics' four quarters of profitability secures a leadership position in the new segment. Sonics' SMART Interconnects, such as SonicsMX, are now recognized as a critical ingredient to implementing "platform" SoC architectures. These new architectures are proliferating as chip design complexity explodes, due to the "convergence" of communications and multimedia streaming on the same chip. This rise, along with increasingly competitive markets, shorter product life cycles, and rapidly deteriorating average selling prices for chips, has created an economic shift to outsourcing of the SoC interconnect design.

The company also announced today expansion of its executive team with the appointment of Dave O'Brien as vice president of SoC solutions and James Mac Hale as vice president of worldwide sales.

Dave O'Brien brings over 25 years experience of building and managing national and international service and support businesses. Before joining Sonics, O'Brien was vice president customer support for the Tools and Technology division at PeopleSoft and vice president and general manager of the Networking Software Division at Intel. O'Brien also held senior management positions with Trillium Digital Systems, Sequent Computers and Amdahl Corp.

James Mac Hale has more than 16 years experience in the intellectual property (IP) licensing business. Before joining Sonics, Mr. Mac Hale was vice president, Asia Operations at MIPS Technologies, Inc., where he established sales operations in Taiwan, China and Korea, and expanded

MIPS' customer base in Japan. Mac Hale previously served in a succession of roles at MIPS, including director of market development; director, semiconductor licensee marketing; and regional sales manager, North America.

About Samsung Ventures Investment Corporation

Samsung Ventures Investment Corporation manages US investment and investment-related activities for Samsung Group. The investment mandate for Samsung Ventures Investment Corporation tracks closely to the strategic priorities of Samsung core operating divisions, and encompasses investments in semiconductors, displays, telecommunications, and consumer electronics. Samsung Ventures Investment Corporation is currently actively investing in leading technology companies from a \$300 million fund.

About Sonics

Sonics, Inc. is the premier supplier of SMART Interconnects that deliver high SoC design predictability and increased design efficiency. Major semiconductor and systems companies including Broadcom, Samsung, Texas Instruments and Toshiba have applied Sonics' SMART Interconnects in leading products in the wireless, digital multimedia and communications markets. Sonics is a privately-held company funded by Investar Capital, Smart Technology Ventures, TL Ventures, Easton Hunt Capital, JAFCO Ventures, and H&Q Asia-Pacific. For more information, see www.sonicsinc.com

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