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Virage Logic Expands Distribution Model; 'First Mover' Status Among Emerging Foundries Underscores Market Leadership

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DongbuAnam, SilTerra, SMIC, and Tower Semiconductor Leverage New Distribution Model to Offer Virage Logic's Highly Differentiated IP Free-of-Charge to Their Customers

FREMONT, Calif., Jan. 24 /PRNewswire-FirstCall/ -- In response to emerging foundries' desire to increase their market share at 130-nanometer (nm), Virage Logic Corporation (Nasdaq: VIRL - News), a leading provider of semiconductor intellectual property (IP) platforms, has expanded its distribution model. The new "Foundry Pays" model enables emerging foundries to license Virage Logic's IPrima(TM) Foundation IP platform and make it available free-of-charge to their customers. Customers benefit with free access to Virage Logic's advanced IP and still have the option to tap into Virage Logic's superior customer support services offering.

To date, Virage Logic has signed on DongbuAnam, SilTerra (see related press release: SilTerra to Provide Virage Logic's IPrima Foundation for Its 130nm Process Customers), SMIC and Tower Semiconductor under the new Foundry Pays distribution model. Long considered the physical IP (memories, logic and I/Os) technology leader, this move furthers Virage Logic's "first mover" status among emerging foundries and underscores the company's growing market leadership position at the advanced process technologies of 130nm and below.

"The expansion of Virage Logic's business model from a customer-paid licensing and wafer-based royalty-bearing model to include an option for emerging foundries to license and provide its IPrima Foundation IP free-of-charge underscores the growing demand for the company's advanced process technology IP solutions," said Rich Wawrzyniak, senior analyst, ASICs Services, Semico Research Corporation. "This is a win-win move in that it makes Virage Logic's technically advanced IP more broadly accessible and should provide the emerging foundries with key competitive advantages."

"We are pleased to expand our distribution model to enable our emerging foundry partners to better meet the needs of their global customers," said Adam Kablanian, Virage Logic's CEO and president. "With an established customer base at 130nm, more than 45 90nm customers and already two 65nm customers, Virage Logic is clearly leading the way in offering IP solutions for advanced SoC designs and we look forward to making our IP more broadly accessible through our new Foundry Pays model."

About Virage Logic's IPrima Foundation

Virage Logic's IPrima Foundation -- comprising the Area, Speed and Power (ASAP) Memory(TM) High-Density (HD) Memories, ASAP Logic(TM) HD Standard Cells and Base I/O Libraries -- is built to satisfy a wide range of design requirements. IPrima Foundation users also have optional access to Virage Logic's rich portfolio of highly differentiated application-optimized IP, including the industry's only integrated embedded self-test-and-repair memory, the STAR Memory System(TM), as well as the ASAP Memory High-Speed (HS) and Ultra-Low-Power (ULP) product lines, the ASAP Logic Ultra-High-Density (UHD) and ULP Standard Cell Libraries and the patented ASAP Logic HD and HS Metal Programmable Cell Libraries.

Availability

Virage Logic IPrima Foundation design kits for DongbuAnam, SMIC and Tower's 130nm processes are available today free-of-charge for download from Virage Logic's "Members" section of its website at www.viragelogic.com. IPrima Foundation front-end design kits optimized for SiTerra's 130nm process will be available for download in late February 2005. Production release for SiTerra's 130nm process will be in June 2005.

Virage Logic's global support team is available to provide a broad range of support services for IPrima Foundation customers. Support pricing is based on customers' specific support requirements.

About Virage Logic Corporation

Founded in 1996, Virage Logic Corporation rapidly established itself as a technology and market leader in providing advanced embedded memory intellectual property (IP) for the design of complex integrated circuits. Today the company is a global leader in semiconductor IP platforms comprising embedded memories, standard cells, and I/Os and is pioneering the development of a new class of IP called Silicon Aware IP. Silicon Aware IP tightly integrates Physical IP (memory, logic and I/Os) with the embedded test, diagnostic, and repair capabilities of Infrastructure IP to help ensure manufacturability and optimized yield at the advanced process nodes. Virage Logic's highly differentiated product portfolio provides higher performance, lower power, higher density and optimal yield to foundries, integrated device manufacturers (IDMs) and fabless customers who develop products for the consumer, communications and networking, hand-held and portable, and computer and graphics markets. The company's comprehensive quality efforts are validated in its FirstPass-Silicon Characterization Lab, which helps ensure high quality, reliable IP across a wide range of foundries and process technologies. Headquartered in Fremont, California, Virage Logic has R&D, sales and support offices worldwide. For more information, visit www.viragelogic.com.

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Statements made in this news release, other than statements of historical fact, are forward-looking statements, including, for example, statements relating to trends, business outlook, products, and customer relationships. Forward-looking statements are subject to a number of known and unknown risks and uncertainties, which might cause actual results to differ materially from those expressed or implied by such statements. These risks and uncertainties include Virage Logic's ability to forecast its business, including its revenue, income and order flow outlook; Virage Logic's ability to execute on its strategy to become a provider of semiconductor IP platforms; Virage Logic's ability to continue to develop new products and maintain and develop new relationships with third-party foundries and integrated device manufacturers; adoption of Virage Logic's technologies by semiconductor companies and increases or fluctuations in the demand for their products; the company's ability to overcome the challenges associated with establishing licensing relationships with semiconductor companies; the company's ability to obtain royalty revenues from customers in addition to license fees, to receive accurate information necessary for calculating royalty revenues and to collect royalty revenues from customers; business and economic conditions generally and in the semiconductor industry in particular; competition in the market for semiconductor IP platforms; and other risks including those described in the company's Annual Report on Form 10-K for the period ended September 30, 2004, and in Virage Logic's other periodic reports filed with the SEC, all of which are available from Virage Logic's website (www.viragelogic.com) or from the SEC's website (www.sec.gov), and in news releases and other communications. Virage Logic disclaims any intention or duty to update any forward-looking statements made in this news release.

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Emerging Foundry Partner Quotes

DongbuAnam Semiconductor

"The delivery of highly-differentiated, silicon-proven IP - backed by superior customer support -- makes Virage Logic an ideal partner for DongbuAnam," said Dr. Jae Song, executive vice president of worldwide marketing, DongbuAnam Semiconductor. "Virage Logic's IPrima Foundation Platform for our 130nm processes enables us to provide to our growing worldwide customer base competitive advantages in cost, performance, time-to-market and time-to-volume."

SilTerra

"We were very impressed with Virage Logic's silicon-proven IP at the 180nm node and liked their superior customer support," said Bruce Gray, president and interim CEO of SilTerra. "We wanted to provide our customers with the most robust design libraries so their products can take full advantage of our 130nm process capability and ramp up for volume production quickly. By leveraging Virage Logic's expertise as a leading semiconductor intellectual property provider, our customers will have access to the highest quality libraries in the industry."

SMIC

"We are very pleased to deepen our partnership with Virage Logic by offering their silicon-proven IPrima Foundation Platform, which is optimized for our 130nm process, to our rapidly growing customer base free-of-charge," said Dr. Sam T. Wang, president, SMIC Americas. "Virage Logic's proven track record of superior customer support is another reason we feel they are the right fit for our customers, who can count on Virage Logic to help them meet their time-to-market and time-to-volume pressures without sacrificing quality."

Tower Semiconductor

"We partnered with Virage Logic at 130nm because of our mutual success in previous technology generations, silicon-proven libraries on our process and their commitment and focus on delivering highly differentiated IP," noted Doron Simon, president, Tower Semiconductor USA Inc. "Not only are we offering certain IP free of charge to our customers, we are also bringing them an IP resource with experience in advanced process technologies, which we consider a strategic advantage."

Source: Virage Logic Corporation