



Press Release
Paris, January 14, 2004

Fund Raising

DiBcom increases its capital with 10.7 million Euros *and welcomes four new international investors*

DiBcom, a fabless semiconductor company specialized in chipsets for the reception of Digital Terrestrial Television (DTT) in portable and mobile environments, is keen to announce the closing of its third round of financing for a total amount of 10.7 million euros. Six international investors are participating in the new capital increase: Convergent Technologies, Crédit Lyonnais Private Equity, Infineon Ventures, Motorola Ventures, Société Générale Asset Management and Vertex Venture Capital - Israel. This new capital increase will allow DiBcom to finance its growth in 2004 and 2005 and generate important Research and Development investments.

Founded in June 2000 and headquartered in France, DiBcom is a fabless semiconductor company that designs, manufactures and markets integrated circuits dedicated to the reception of Digital Terrestrial Television in portable and mobile environments. DiBcom's technology, which can be incorporated into any kind of terminal or end-user device, allows for the reception of a large number of TV programs, in digital quality and in all types of mobile conditions, such as a car, a laptop, a TV set without connection to a rooftop antenna, and soon a cell phone.

Digital Terrestrial TV is being launched in almost all European and many Asian countries throughout 2002 and 2004. This digital technology is extremely scalable and makes possible the fast and cheap deployment of a large number of channels (30 to 50) that were previously confined to cable and satellite networks. Most of these channels are offered on a subscription-free basis by the operators. Concurrently, thanks to a recent evolution in the DTT broadcasting standard, the DVB-H, DiBcom positions itself as the leader in digital television reception circuits for mobile phones.

Growth and R&D

The main objective of this new capital increase is to fund DiBcom's growth in 2004 and 2005: the focus will be put on one hand on the commercial and marketing deployment, and on the other hand on the continued Research and Development effort, with in sight the full integration of DiBcom's technology in the new generations of mobile phones.

"Today, DiBcom reaches a new stage in its development. We have the best component on the market and this opens the door to a wide range of new applications. One of the few services which has not yet made its way into the world of mobility in a broad sense is television. The arrival of digital TV offers a disrupting potential in this respect. And with this new investment round, we are in the position to seize all opportunities that this market will generate in the next two years", says Yannick Lévy, President of DiBcom.

Strategic partners

DiBcom chose to invite two major players of the electronic industry into its capital in order to benefit from their notoriety and to consolidate its position as a leader of its market. Infineon and Motorola will provide DiBcom with a reinforced international exposure and will allow the company to strengthen its presence among large key accounts of the electronic industry. Their expertise in all the market segments targeted by DiBcom (Television, PC, Mobile telephony, Automobile...) will be a driving force for the development of the company.

Simultaneously, DiBcom welcomes the arrival of two new financial investors at its capital, Vertex Venture Capital – Israel and Crédit Lyonnais Private Equity; both will contribute to the company with their know-how and their networks in Europe and in Asia.

"Motorola is excited about opportunities from the convergence of digital terrestrial TV and mobile networks, and we are pleased to have this opportunity to invest in DiBcom which has key technology at the heart of this revolution," said John O'Donohue, Managing Director of Motorola Ventures, Europe, Middle East and Africa. "This investment is a part of Motorola Ventures strategy of investing in next generation technologies in wireless, broadband, digital enhanced solutions and software. It is third investment in Europe in the last quarter, but the first investment for Motorola Ventures in France."

Crédit Lyonnais Private Equity, already an investor in numerous semiconductor companies, brings to DiBcom its operational experience at this strategic stage of the company's development.

"After some initial difficulties, the deployment of digital terrestrial TV is now moving forward and the DVB-T European standard is becoming a Worldwide standard as it expands to several new countries. DiBcom is present on these markets at the right time with the right products and this creates a strong interest from leaders in the PC peripherals, digital Set Top Boxes, automotive equipments and mobile phones markets. On top of this, in the context of the last three years sector crisis, competitors have strongly reduced their R&D investments, thus strengthening DiBcom's competitive advantage", explains Nicolas Celier, Investment Manager with Crédit Lyonnais Private Equity.

Vertex Venture Capital invests for the first time in France with DiBcom. This results from the close cooperation between Vertex Management, from Singapore and Vertex Venture Capital from Israel who bring to DiBcom their strong experience of international expansion.

"There is nothing like being "the right people at the right time" and this is certainly the case today with the DiBcom team. Vertex strongly believes that 2004 will be remembered as the "take off" year for Digital terrestrial television : "TV-on-mobile", "In-car infotainment" do represent hot button new opportunities for broadcasters, telecom and technology companies around the world"

says Remy de Tonnac, Partner with Vertex Venture Capital.

Confirmed commitment of historical investors



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SGAM Alternative Investments confirms its full confidence in DiBcom's management and business perspectives.

"Being the historical investor in the company, we are very satisfied of DiBcom's development that we help forward since its creation. DiBcom now has a unique technological solution providing reception of television in cars, as well as in the train or on mobile phones", says Xavier Lorphelin, Managing Partner with SGAM.

Convergent Technologies, an independent Venture Capital firm specialized in communication and information technologies renews its support to the company.

"We strongly believe that mobile image reception has a huge potential and DiBcom is now in a very good position to grasp an important share of this market" says Philippe de Bellefonds, General Manager of Convergent Technologies.

To succeed in this capital increase, DiBcom was advised by Clipperton Finance, a consulting firm specialized in financial transactions for High Tech and Media companies. Clipperton Finance has assisted DiBcom throughout the process, from the financial and strategic analysis to the identification and selection of investors, the financial negotiations, and finally the closing of the transaction.

«2003 has been a difficult year to finance technology companies, especially at the development stage of DiBcom, for which there is a real growth opportunity only if it is well financed. I am glad that we were able to build up a successful team of investors for DiBcom» explains Nicolas von Bülow.

About DiBcom

DiBcom was created in June 2000 by Yannick Lévy, Chairman and Managing Director; Khaled Maalej, Technical Director; Amaury Demol, Circuits Architecture Manager, and Emmanuel Hamman, Systems and Mobility Department Manager. With a team of 21 people, DiBcom based its headquarters in Palaiseau, France. The activity of the company is the design, the production and sale of integrated circuits offering perfect reception of digital terrestrial television in mobile and portable environment. These circuits can be integrated in several applications (Set Top Boxes, Integrated Digital Televisions, PC and Laptops, Automobiles, PDAs and Smartphones).

Contact Clipperton Finance

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About Crédit Lyonnais Private Equity

Crédit Lyonnais Private Equity is the asset management company of the Group Crédit Lyonnais dedicated to private equity investments. The investment teams, including 26 professionals are organized into three activity segments: Venture Capital, Expansion Capital & LBO and Secondary Market.

Founded in 2000, Crédit Lyonnais Private Equity manages € 700 million under French regulated mutual funds (FCPR, FCPI) and proprietary investment accounts (Crédit Lyonnais Venture Capital and Crédit Lyonnais Capital Investissement).
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About SGAM Alternative Investments

SG Asset Management is the asset management subsidiary of Société Générale, the French banking Group. With EUR 236 billion managed through its four poles of expertise in the United States, Continental Europe, the United Kingdom and Asia, SG Asset Management is the third-largest player in the euro zone and ranks among the top 20 worldwide. Created in January 1997, SG Asset Management offers private and corporate clients and international institutional investors a wide range of investment products and services to fulfil their specific requirements including alternative investments such as structured products, hedge funds, futures funds and private equity.

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About Vertex Venture Capital - Israel

Vertex Venture Capital manages investments in Israel and Europe and is headquartered in Tel Aviv and London, with offices in the US. Vertex Venture Capital invests at various stages of company development in technology-intensive companies with outstanding management and real market growth potential. The fund creates strategic partnerships for its portfolio companies in Europe, East Asia and the US, and is experienced in initiating and managing M&As on their behalf. Vertex Venture Capital Israel is a member of the International Vertex Venture Holdings (VVH).

Vertex Venture Capital's strategic investors include Singapore Technologies, one of the leading technology concerns in Singapore, Israel Discount Capital Markets and Investments, Creative Technology, Nomura International, JAFCO, NTT, Hitachi, Seiko Instruments, NikkoAntfactory, Murata, SCP Private Equity Partners and Mellon Ventures.

Vertex Venture Capital's successful track record is evident in its number of exits, M&As, IPOs and equity mergers, including: Telegate Ltd. (acquired by Terayon), Morecom Inc. (acquired by Liberate), Metalink Ltd. (NASDAQ: MTLK), Tradeum Inc. (acquired by VerticalNet), VisionTech Inc. (acquired by Broadcom), Oramir Semiconductor Equipment Ltd (acquired by Applied Materials), SHL TeleMedicine Inc. (SWX: SHLTN), Solidum Systems Corp. (acquired by IDT), MidbarTech (acquired by Macrovision). Other companies in which the fund has invested include PowerDsine Ltd., ImageID Ltd., Actelis Networks Inc., Scopus Network Technologies Ltd., Corigin Ltd., Hyperchip Inc., Cyber-Ark Ltd. HyperRoll Inc and Actimize Ltd.



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About Convergent Technologies

Convergent Technologies is a European Venture Capital Fund, created in 2001 and managed by Convergent Capital. The Management Company is led by a team of 3 partners with 50 years of cumulated experience in managing technology companies. It's focus is on early stage (seed and first round) investments in the high growth segments of the Information and Communication Technology (ICT) sector, including core components and equipment as well as infrastructure and enabling software and related technologies. The regional focus is in France, Europe, and opportunistically in Israel.

About Infineon Ventures

Infineon Technologies AG, Munich, Germany, offers semiconductor and system solutions for applications in the wired and wireless communications markets, for security systems and smartcards, for the automotive and industrial sectors, as well as memory products. With a global presence, Infineon operates in the U.S. from San Jose, Calif., in the Asia-Pacific region from Singapore and in Japan from Tokyo. In the fiscal year 2000 (ending September), the company achieved sales of Euro 7.28 billion with about 29,000 employees worldwide. Infineon is listed on the DAX index of the Frankfurt Stock Exchange and on the New York Stock Exchange (ticker symbol: IFX). Further information is available at www.infineon.com.

Infineon Ventures GmbH, the corporate venture capital arm of Infineon Technologies, has offices in Munich, Germany, San Jose, Calif., and Boston, Mass., having already invested approximately 85 million Euro into 27 start-up companies. The investment activities are global and mainly focused on early-stage and start-up companies in microelectronics and communications. More information is available at www.infineonventures.com.

About Motorola

Motorola, Inc. (NYSE: MOT) is a global leader in wireless, automotive and broadband communications. Sales in 2002 were \$27.3 billion. Motorola is a global corporate citizen dedicated to ethical business practices and pioneering important technologies that make things smarter and life better, honored traditions that began when the company was founded 75 years ago. For more information, visit www.motorola.com

Motorola Ventures (MV) is the global, strategic venture capital investment arm of Motorola, Inc. MV invests at all stages in developing companies of strategic value to Motorola in order to accelerate access to new technologies, new markets and new talent. For more information, visit www.motorola.com/ventures.

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