

Vivace lands a brisk \$7.5 Million in Series A

Financing Led by Kodiak Venture Partners Funds Acquisition

BEVERLY, Mass. USA and BEIJING, China— Video chip maker Vivace Semiconductor Inc. has closed the second tranche of its first round of funding, adding \$7 million to the company's previously announced Series A funding.

The new cash brings the Beverly-based company's first round to \$10 million.

Waltham's Kodiak Ventures led the round, along with China-based Dragonvest Partners. The second tranche included two new investors: Hotung Capital Management of Taiwan and China Renaissance Capital Investment of Hong Kong.

After the company's first installment was received last November, Vivace used the funds to acquire Beijing-based chip developer General Circuits Ltd. and establish a new entity, dubbed Vivace China.

Vivace's new funds will be used for general corporate purposes, according to CEO Cary Ussery.

The 62-person company, which was founded in 2005, is aiming its chips at a growing video market, where an increase in content from both networks and amateurs is producing more and more content for more and more devices.

"The amount of content out there is really changing the market (for video devices) because video comes in so many different kinds of formats — Flash, BlueRay, DVD, etc.," said Ussery.

Analysts have been touting the video revolution in several markets for more than two years now. According to California-based semiconductor research firm iSuppli, mobile video will claim more than 100 million subscribers by 2010, and more than 300 million handsets will ship with mobile TV chips by that time. Both markets are still nascent today.

Vivace hopes to be one of the companies leading the new movement.

"What happened to the audio market over the past seven years is what is just starting to happen in the video market," said Ussery.

Vivace will launch its first products later this year, aimed at the mobile device market and portable TV market, said Ussery. He said the company expects to begin generating revenue sometime in 2008.

About Vivace

Vivace Semiconductor develops high-performance, low-power video processing chips that are optimized for the needs of high-growth consumer market segments. Its chips support a full range of video and audio standards, are based on the company's proprietary ViViD Media engine and include a complete software suite for media processing and a fully programmable, open platform for additional software integration. Its initial product line is aimed at developers of portable media players and integrated digital display/TV products.

More information

<http://www.vivacesemi.com>