

For Immediate Release

Market Studies Confirm Provigent Ideally Poised To Fill Silicon Demands of Burgeoning Microwave Radio Market

Company's Single-Chip Modem Eliminates Need for System Vendors to Develop Costly Proprietary Products In-House

LOS ALTOS, Calif., December 12, 2005 – With two recent studies indicating a burgeoning trend toward carrier-class point-to-point (PTP) microwave, Provigent, Inc. – a leading provider of system-on-a-chip (SoC) solutions for broadband wireless transmission – stands poised to fill a resulting demand by system vendors for merchant silicon.

One of the studies (“Point-to-Point Microwave Radio: The Market in 2005 and Beyond” by Visant Strategies, a market research and consulting firm that focuses on emerging markets) projects growth from \$4 billion in 2004 to \$7 billion in 2009 for the mobile wireless backhaul market alone, the largest segment currently served by the PTP microwave industry and one that Provigent targets along with the fixed wireless transmission and private wireless network segments.

Addressing the three market segments, Provigent recently introduced the PVG310, a single-chip modem that integrates all the physical layer baseband functionality, including modulator, demodulator and forward error correction, as well as software-programmable data rates, modulation schemes, and bandwidth.

“It should be noted that single-chip PTP microwaves are still a bit unusual, and only a single semiconductor vendor, Provigent, has concentrated on this market,” says the Visant Strategies report. “Most single-chip radios remain proprietary products manufactured in-house by the vendors of assembled systems.”

The other study (“Microwave Radios – A Diamond in the Rough,” from Sky Light Research, www.SkyLightResearch.com, which focuses on wireless last-mile WAN technologies) concurs, adding that for equipment manufacturers, this is “an expensive proposition due to high development costs and the lack of economies of scale.”

The Sky Light Research report continues: “Provigent’s programmable silicon would enable companies to keep their competitive advantage, while reducing the cost of the radio – in some cases up to 30 percent – resulting in increased margins for radio manufacturers and a potential boost to the overall market. Vendors also benefit from the economies of scale that Provigent realizes by selling to a broad swath of the market.

“Many equipment vendors are competing to deliver the most capacity and spectral efficiency for the lowest cost to end users. Those vendors could cut or significantly reduce their product development costs by using an off-the-shelf chip such as Provigent’s.”

The Provigent PVG310 employs XPIC (cross-polarization interface cancellation) technology, which allows two data streams on two polarizations of a single channel to be transmitted simultaneously, thus doubling net channel capacity. Moreover, the chips enable transmission speeds of 311 Mbps over 28 MHz channels or up to 622 Mbps over 50-56 MHz channels.

“Highly integrated mass produced chips, such as those developed by Provigent, would provide a more profitable market by reducing development costs, diverting resources to differentiating end products, enabling a reduction in unit price for customers, and improving the value proposition of wireless compared to leased lines,” according to the Sky Light Research study.

“Wireless point-to-point radio is taking off because it’s faster to deploy and more reliable,” says Provigent CEO Dan Charash. “The reports by these leading market research firms bear this out and validate our company’s technology, products and mission.”

The validation by the Sky Light Research and Visant Strategies studies is further reflected in Provigent achievements in 2005: number and quality of design wins; increasing third-round funding to \$10 million; and being chosen featured fabless start-up in the March issue of *Fabless Forum*, the quarterly magazine of FSA. Provigent’s many customers already represent more than a third of the point-to-point radio systems market.

About Provigent

Provigent is a fabless semiconductor company aiming to become the leading supplier of SoC solutions for the broadband wireless transmission industry. The company is financed by leading venture capital companies and private individuals such as Andrew Viterbi, co-founder of QUALCOMM (NASDAQ: QCOM). More information is available on the Web at www.provigent.com or via e-mail at info@provigent.com.

About Sky Light Research

SLR has established itself as a credible and reliable resource for market intelligence in the microwave and broadband wireless industries. SLR works with equipment vendors, operators, and the investment community to establish detailed, accurate and reliable numbers for reports that are published every 90 days. Sky Light Research, a third party research firm, is located in Scottsdale, Arizona, U.S. For more information, contact Sky Light Research at +1.480.563.2251, email information@SkyLightResearch.com or visit www.SkyLightResearch.com.

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Media contacts:

pr@provigent.com or

Karen George, AccessM3 Public Relations, 562-283-2083, Karen@AccessM3.com