

Vimicro and Hantro Announce Cooperation to Develop Multimedia IC's Supporting Multiple Standards

October 25th, 2006

Oulu - October 25, 2006. Vimicro (NASDAQ: VIMC), a leading fabless semiconductor company, and Hantro, a leading provider of video technology for mobile handsets, today announced they will cooperate to develop multimedia IC's to support multiple video standard and eventually Chinese audio video coding (AVS) standard. As part of the collaboration, Hantro's video technology will be integrated into Vimicro's next generation application processor products. The combined technologies will enable the companies to provide more comprehensive features in mobile phones and similar handheld devices.

'Low power consumption, high performance and other typical requirements for handsets can be achieved by using highly effective embedded hardware acceleration for video encoding and decoding. As a pioneer in the wireless multimedia field, Hantro provides very advanced technology,' said Raymond Zhang, vice president at Vimicro. 'We consider Hantro's video technology to be reliable solutions for our future generation products.'

'We are proud to see Vimicro, the leading multimedia IC design company in China, selecting Hantro as their long-term video technology partner. This cooperation validates the need for multi-format HW IP video codecs to support higher image resolutions and frame rates in future mobile handsets,' said Sami Hyyrylainen, vice president of worldwide sales at Hantro. 'Together Vimicro and Hantro are in a position to develop very competitive multimedia IC solutions in the marketplace.'

About Vimicro

Vimicro International Corporation is a leading fabless semiconductor company in China that designs, develops and markets proprietary embedded multimedia signal processing chips and solutions that enable multimedia applications for mobile phones over 2.5G/3G networks and PCs over broadband Internet.

<http://www.vimicro.com/english>