



**Media Contact:**

Lee Garvin Flanagin  
ARC International  
+1 408 437 3433  
lee.flanagin@arc.com

**AVID Electronics Corporation Adopts ARC™ Video Subsystem  
For Digital Audio/Video Applications**

**ELSTREE, England, July 25, 2006** – ARC International (LSE: ARK), the leader in configurable multimedia subsystems and CPU/DSP processors, today announced that AVID Electronics Corp. has taken a license for the ARC™ Video Subsystem. AVID is a Taiwan-based fabless integrated circuit (IC) design company that provides next generation multimedia solutions for digital audio/video devices. AVID was the first in the world to develop a system-on-chip (SoC) for CD-based audio players, and now commands close to a quarter of that market. By adopting the configurable ARC Video Subsystem, AVID's design team will be able to create multimedia, multi-formatted solutions that offer single- to high-definition audio and video functionality. This will enable AVID to expand into complementary markets with highly differentiated devices using a single ARC subsystem, thereby lowering their overall development cost.

After being introduced as the world's first configurable video subsystem just months ago, ARC Video has been quickly adopted by semiconductor and OEM companies worldwide. ARC Video is the only subsystem available today that provides a multi-standard, programmable, and power-efficient solution scaling to high definition resolutions. It can process H.264, VC-1, MPEG-4, MPEG-2 decoders and industry standard imaging codecs at less than 44mW for standard definition resolutions.

“After evaluating competitive offerings, it was clear that ARC was the only company to offer a roadmap of scalable subsystems that have been successfully implemented by companies throughout the industry,” said Dr. Dean Chen, president of AVID Electronics. “Another important element in our decision to adopt the ARC Video Subsystem was the flexibility our design team has to add algorithms in addition to the pre-verified codecs offered as part of the Video Subsystem solution.”

Derek Meyer, senior vice president of sales and marketing at ARC International, said, “We welcome AVID to the growing community of licensees using ARC’s configurable subsystems to create a competitive advantage for themselves in the marketplace. The industry’s strong adoption of ARC’s Media Subsystems underscores the growing need for a comprehensive, pre-verified solution that offers more than just a CPU.”

#### **About the Configurable ARC™ Video Subsystem**

ARC Video is a configurable subsystem that provides a highly efficient solution for low power multimedia applications. It includes a configurable ARC 700 family core that is coupled with the company’s award winning single instruction multiple data (SIMD) accelerator, which was specifically designed for video and audio processing. A media-centric DMA engine incorporated in the ARC Video Subsystem is highly tuned to efficiently handle multimedia packet transfers. A full set of hardware and software development tools is included with each ARC Video Subsystem license.

All ARC Media Subsystems are configurable, enabling system-on-chip (SoC) designers to add or remove instructions to better differentiate from their competition. By leveraging the programmable nature of ARC’s subsystems, additional algorithms can be included beyond the optimized and pre-verified codecs supplied as part of the subsystem. Because the ARC Video Subsystem is based upon a configurable ARC 700 family core, it can run at up to 533 MHz in a 0.13 micron process.

###

#### **About ARC International plc**

ARC International is the world leader in configurable subsystems and CPU/DSP processors that are used by semiconductor companies worldwide for next-generation system-on-chip (SoC) design. ARC’s patented configurable processor technology enables the development of consumer, networking, mass storage and other cost-sensitive devices that are smaller and

provide a higher degree of differentiation over what can be created using “fixed architecture” core alternatives.

ARC International maintains a worldwide presence with corporate and research and development offices in California and Elstree, UK. For more information visit [www.ARC.com](http://www.ARC.com). ARC International is listed on the London Stock Exchange as ARC International plc (LSE: ARK).

*ARC and the ARC logo are trademarks or registered trademarks of ARC International. All other brands or product names contained herein are the property of their respective owners. This press release may contain certain "forward-looking statements" that involve risks and uncertainties. For factors that could cause actual results to differ, visit the company's Website as well as the listing particulars filed with the United Kingdom Listing Authority and the Registrar of Companies in England and Wales.*