

news release

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NEOMAGIC (R) CORPORATION ANNOUNCES ZALEMARK SELECTS MERCADOMAGICO.COM AS THEIR ECOMMERCE PARTNER

San Jose, California - March 03, 2014, MercadoMagico.com, a division of NeoMagic Corporation (NMGC.PK), today announced it has procured an agreement for online product sales with Zalemark Holding Company (ZMRK), a leading supplier of high-end specialty and custom jewelry, accessories, cosmetics, health and beauty aids, for the Hispanic market.

“We welcome Zalemark into the expanding world of merchants who capture and grow new business through MercadoMagico.com,” said Syed Zaidi, President and CEO of NeoMagic Corporation. He continued, “Zalmark’s unique product line and product offering are a perfect fit for MercadoMagico.com. MercadoMagico.com features will allow Zalemark to extend its reach to potential consumers by providing a secure, and simple buying experience.”

Zalemark's President, Warren K. Nobusada said, “This strategic relationship will bring broader awareness to the COMPRALUX merchandising base and should result in an increase in revenue once fully populated. This is management's aggressive direction plan for 2014.” He continued, “MecardoMagico offers unique services and expertise that aligns perfectly with our long-term strategies. We look forward to working with MercadoMagico to develop a unique and enjoyable shopping experience for our customers.”

Zalemark’s Onsen natural skin care products are now available on www.MercadoMagico.com, and more brands and products are being added daily.

For more information, please contact Investor Relations at IR@neomagic.com

About NeoMagic

NeoMagic designs and delivers consumer electronic device solutions with semiconductors and software for video, television, imaging, graphics, and audio. We provide low cost, innovative

chip technology for tomorrow's entertainment and communication needs. Our solutions offer low power consumption, small form-factor and high performance processing. As part of our complete system solution, we deliver a suite of middleware and sample applications for imaging, video and audio functionality, and we provide multiple operating system ports with customized drivers for our products. Our product portfolio includes semiconductor solutions known as applications processors. Our applications processors are sold under the "MiMagic" brand name with a focus on enabling high performance processor within a low power consumption environment. The Company has developed the Horizon Digital Picture Frame kit using our MiMagic 6+ application processor.

Our capabilities give our partners and their customers' high quality answers to excite and enhance the consumer's lifestyle. For more information, visit www.neomagic.com.

In October 2012, NeoMagic entered into the e-Commerce arena with the acquisition of its MercadoMagico.com division. MercadoMagico.com is an e-Commerce platform that will target the U.S. Market with a special focus on the fast growing Hispanic and Latino community. MercadoMagico.com provides a platform where users will be able to buy and sell products from one another or buy premium electronic products directly from MercadoMagico.com.

For more information, visit www.mercadomagico.com.

About Zalemark Holding Company

Zalemark Holding Company is an award winning product design and product development agency. Zalemark captures a brand, articulate its essence through innovative design and elevate it to the extraordinary while remaining on the leading edge of fashion.

Safe Harbor Statement

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve significant risks and uncertainties. Such statements may include, without limitation, statements with respect to the Company's plans, objectives, projections, expectations and intentions and other statements identified by words such as "projects," "may," "could," "would," "should," "believes," "expects," "anticipates," "estimates," "intends," "plans," or similar expressions. These statements are based upon the current beliefs and expectations of the Company's management and are subject to significant risks and uncertainties, including those detailed from time-to-time in the Company's filings with the Securities and Exchange Commission, including our Form 10-K's, 10-Q and 8-K's for 2007 through the date of October 31, 2010 hereof have been made available to the Investor at www.sec.gov. Information for the period ending January 30, 2011 to the present is not available through the SEC due to the cessation of the Company's required filings under the 1934 Act. Actual results, including, without limitation, the Company's ability to successfully raise capital may differ significantly from those set forth in the forward-looking statements. Forward-looking statements involve risks and uncertainties that are subject to change based on various factors (many of which are beyond the Company's control). For example, statements about our expectations in connection with financings are subject to a variety of uncertainties and are

subject to change as a result of changes in circumstances that could make it difficult for us to consummate such financings on terms acceptable to the Company, or at all. The Company undertakes no obligation to update any forward-looking statements, except as provided for by law.

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