

news release

Investor Relations Information:

Rod Peterson

NeoMagic Corporation

Vice President, Administration and Information

(408) 428-9725

NEOMAGIC (R) CORPORATION ANNOUNCES PLANNED E-COMMERCE EXPANSION TO LATIN AMERICA AND BUSINESS UPDATE

Milpitas, California – June 08, 2017, NeoMagic Corporation (OTC:NMGC), a fabless semiconductor manufacturer and provider of handheld mobile technology solutions, today announced the planned expansion of its eCommerce platform, MercadoMagico.com, into Venezuela.

The Company announced today that it has partnered with Netsaluti Studio, a Venezuelan based company specializing in the design, development and application of digital solutions, to develop, implement, manage and maintain an eCommerce platform, MercadoMagico.com.ve, for the Venezuelan market.

“We are excited about the opportunity to facilitate NeoMagic’s strategic goal of positioning MercadoMagico as a global brand, with its initial expansion of its eCommerce platform into Venezuela,” said Lorena Hernandez, CEO and Founder of Netsaluti. “With its MercadoMagico established U.S. brand, MercadoMagico is well positioned to capitalize on emerging opportunities in the Venezuelan eCommerce market.”

“Netsaluti’s long-term vision, knowledge of consumer based digital solutions and expertise in the Venezuelan market were the key factors for selecting Netsaluti,” said David Tomasello, VP of Strategic Planning and Chairman of NeoMagic Corporation.” He continued, “As our MercadoMagico franchise expands to different Spanish-speaking countries across the globe so will be our product offering, which will include but will not be limited to physical products, for sellers and buyers internationally.”

In conclusion, Mr. Tomasello said, “We look forward to working with Netsaluti Studio while we look for opportunities in new markets like Mexico and Spain.”

Business Update

NeoMagic continues to execute its consumer advertising campaigns to effectively engage with existing and prospective customers, and as a result MercadoMagico.com has experienced an increase in web traffic and has added over one hundred thousand registered buyers, vendors and social media users.

The Company also continues to maintain its core business with shipments of its legacy product line of MiMagic3 application processors. NeoMagic also continues to focus on identifying new opportunities for its MiMagic 6+ and MiMagic 3 products.

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.

NeoMagic owns and operates MercadoMagico.com

MercadoMagico is a registered trademark.

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 Form10-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.

NeoMagic is a registered trademark of NeoMagic Corporation and MiMagic is trademarked. All other trademarks are the property of their respective owners. NeoMagic disclaims any proprietary interest in the marks and names of others.