

news release

Investor Relations Information:

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NEOMAGIC (R) CORPORATION BUSINESS UPDATE

Santa Clara, California - Jul 17, 2015, NeoMagic Corporation (NMGC.PK), the pioneer of embedded memory and logic technology, today provided a business update.

MercadoMagico.com, a fully-owned eCommerce division of NeoMagic, continues to improve its product suite by increasing suppliers that offer a spectrum of consumer products reflective of the latest trends and popular items.

NeoMagic is currently in discussions with media companies in Europe and Latin America, to enable the company to expand the MercadoMagico.com franchise in those regions.

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

In an effort better position NeoMagic for long-term growth and profitability, the Company continues its activities to strengthen its balance sheet.

NeoMagic has recently moved to a larger and recently renovated office space at the Marriott Business Park, in Santa Clara, California.

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.

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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