



## **SMSC Invests in Designer of 3-D Image Sensors for Natural Interfaces to PCs and Consumer Devices**

### ***Canesta's Hands-Free, Gesture Control Technology Brings New Dimension to Accessing and Interacting with Multimedia Content***

**Hauppauge, New York – October 21, 2009** - SMSC (NASDAQ: SMSC), a leading semiconductor company providing Smart Mixed-Signal Connectivity™ solutions, today announced that it has invested \$2 million in Canesta, Inc., a leading provider of mass-market 3-D image sensors, which enables machines and devices to recognize and locate objects in three dimensions.

In addition, SMSC and Canesta have agreed to collaborate in the definition of 3-D camera solutions whereby SMSC can combine its advanced connectivity technologies and systems expertise with Canesta 3-D sensor devices and software to accelerate the adoption of this advanced technology. The two companies intend to create economic, integrated solutions to add 3-dimensional depth-perception to automotive, PC, TV, consumer electronics and other communications devices.

"Canesta's unique 3-D technology combined with SMSC's systems expertise will significantly enhance human interaction, and extend the feasibility of this technology to new applications," said Christine King, President & CEO of SMSC. "The SMSC-Canesta collaboration is an example of how SMSC is utilizing its mixed-signal expertise and central position in the computing ecosystem to enable innovation."

"This coming decade will see 3-D natural interfaces become mainstream," said Jim Spare, President and CEO of Canesta. "We are pleased to partner with SMSC to provide solutions and accelerate adoption in many markets, including PCs."

Founded in 1999, Canesta focuses on delivering solutions for consumer, security, industrial, medical, automotive, factory automation, gaming and military markets. Canesta has invented a family of tiny CMOS 3-D camera chips that can provide a real-time, 3-D "depth map" of the surrounding area to PCs, TVs or videogame consoles to create 3-D user experiences that significantly improve functionality, convenience, and fun for the user. For the gaming market, Canesta's 3-D "CanestaVision" camera allows developers to create applications that can repeatedly and reliably sense body movements and gestures without any external constraints, thereby immersing players fully in the game experience. The technology also has application in the automotive market where active safety systems can detect conditions in or around a vehicle so that the driver or vehicle can take action.

#### **About SMSC**

SMSC is a leading developer of Smart Mixed-Signal Connectivity™ solutions. SMSC employs a unique systems level approach that incorporates a broad set of technologies and intellectual property to deliver differentiating products to its customers. The company is focused on delivering connectivity solutions that enable the proliferation of data in personal computers, automobiles, portable consumer devices and other applications. SMSC's feature-rich products drive a number of industry standards and include USB, MOST® automotive networking, embedded system control and analog solutions, including thermal management and RightTouch™ capacitive sensing. SMSC is headquartered in New York and has offices and research facilities in North America, Asia, Europe and India. Additional information is available at [www.smisc.com](http://www.smisc.com).

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### **Forward Looking Statements**

Except for historical information contained herein, the matters discussed in this announcement are forward-looking statements about expected future events and financial and operating results that involve risks and uncertainties. These uncertainties may cause our actual future results to be materially different from those discussed in forward-looking statements. Our risks and uncertainties include the timely development and market acceptance of new products; the impact of competitive products and pricing; our ability to procure capacity from our suppliers and the timely performance of their obligations, commodity prices, interest rates and foreign exchange, potential investment losses as a result of liquidity conditions, the effects of changing economic and political conditions in the market domestically and internationally and on our customers; our relationships with and dependence on customers and growth rates in the personal computer, consumer electronics and embedded and automotive markets and within our sales channel; changes in customer order patterns, including order cancellations or reduced bookings; the effects of tariff, import and currency regulation; potential or actual litigation; and excess or obsolete inventory and variations in inventory valuation, among others. In addition, SMSC competes in the semiconductor industry, which has historically been characterized by intense competition, rapid technological change, cyclical market patterns, price erosion and periods of mismatched supply and demand.

Our forward looking statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations and may not reflect the potential impact of any future acquisitions, mergers or divestitures. All forward-looking statements speak only as of the date hereof and are based upon the information available to SMSC at this time. Such statements are subject to change, and the Company does not undertake to update such statements, except to the extent required under applicable law and regulation. These and other risks and uncertainties, including potential liability resulting from pending or future litigation, are detailed from time to time in the Company's reports filed with the SEC. Investors are advised to read the Company's Annual Report on Form 10-K and quarterly reports on Form 10-Q filed with the Securities and Exchange Commission, particularly those sections entitled "Other Factors That May Affect Future Operating Results" or "Risk Factors" for a more complete discussion of these and other risks and uncertainties.

*SMSC and MOST are registered trademarks and Smart Mixed-Signal Connectivity and RightTouch are trademarks of Standard Microsystems Corporation.*

### **SMSC**

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