NEWS RELEASE

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Calypto Completes Another Successful Financial Year with Record Bookings
Revenue More than Doubles Year to Year as Customer Base Expands Worldwide

SANTA CLARA, CALIF. — **May 7, 2008** — CalyptoTM Design Systems Inc., the leader in sequential analysis technology, successfully closed its fiscal year 2008 last week with record quarterly and yearly financial results.

Revenue more than doubled in fiscal year 2008 and annual bookings increased by 250%, driven by exponential growth of PowerProTM CG (Clock Gating) and expanding adoption of its SLECTM (Sequential Logic Equivalence Checker) products. During the year, Calypto added several leading electronics companies to its worldwide customer list.

"We grew our business in both product lines through deeper relationships with existing customers and significant wins at new customers." explained Doug Aitelli, Calypto's vice president of worldwide sales.

Calypto's PowerPro CG product is an automated RTL power optimization product that reduces power by up to 60%. SLEC is the industry's only proven sequential

equivalence checker, capable of verifying equivalence between two designs despite differences in timing, state and levels of abstraction.

"We are empowering our customers with power optimization and functional verification products that address today's most difficult SoC design challenges", affirms Tom Sandoval, Calypto's chief executive officer (CEO). "Our recent financial results demonstrate that our products, based on Calypto's sequential analysis technology, are unique and well positioned in the market."

Over the last year, Calypto extended its product portfolio by releasing SLEC System-HLS for comprehensive verification of the RTL generated by High Level Synthesis (HLS). The company also expanded sales, application engineers and R&D staff. Calypto now employs more than 70 people around the world.

Moving into Fiscal Year 2009, Calypto Chairman and Founder Devadas Varma will no longer be involved in the day to day management of the company. He will remain active in the company as chairman of the board.

"Calypto is well beyond the start up stage." Remarks Varma, "The products, management team and sales channel are in place for the next successful chapter of Calypto's story."

About Calypto

Founded in 2002, Calypto Design Systems, Inc. empowers designers to create high-quality, low-power electronic systems by providing best-in-class power optimization and functional verification software, based on its patented sequential analysis technology. Calypto, whose customers include Fortune 500 companies worldwide, is a member of the Cadence Connections program, the IEEE-SA, Synopsys

SystemVerilog Catalyst Program and the Mentor Graphics OpenDoor program. Calypto has offices in Europe, India, Japan and North America. Corporate Headquarters is located at: 2933 Bunker Hill Lane, Suite 202, Santa Clara, Calif. 95054. Telephone: (408) 850-2300. More information can be found at: www.calypto.com.

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