

NEWS RELEASE

Calypto Doubles Revenues and Expands Customer Base as New Products Set Stage for Continued Growth

Heads into DAC with Increased Adoption of SLEC, Strong Demand for PowerPro CG

SANTA CLARA, Calif. - May 22nd, 2007 - Calypto™ Design Systems Inc. today said it completed its 2007 fiscal year by more than doubling its revenues from the previous year, and expanding its roster of major accounts to include companies such as AMD and NVIDIA.

Calypto's SLEC™ product family -- aimed at register transfer level (RTL) functional verification -- saw accelerated revenue growth last year due in part to the widespread adoption of electronic system level (ESL) design methodologies. Additionally, it experienced increased usage of SLEC for verifying RTL power optimization as a result of adding support for clock gating in November 2006.

Calypto also expanded into the power solutions market by launching PowerPro™ CG (for clock gating) to dramatically reduce power in systems on chip (SoCs). PowerPro CC is an RTL power optimization solution that has reduced power by up to 60% on customer designs with no impact on timing and area.

"As we head into the Design Automation Conference, we have made great strides to increase our customers' mindshare and our market share," notes Tom Sandoval, Calypto's chief executive officer (CEO). "We've increased revenues in all regions, seen a substantial increase in the adoption of our existing products, and received overwhelming demand for our new PowerPro

CG. Much credit goes to our technical team. Our recent successes validate our initial vision of building a multi-product company based on our unique Sequential Analysis Technology."

Calypto will be exhibit at the 44th Design Automation Conference (DAC) in Booth #2680 June 4-7 at the San Diego Convention Center in San Diego, Calif. For more details or to register for a product demonstration during DAC, visit: <http://www.calypto.com>

About Calypto

Founded in 2002, Calypto Design Systems, Inc. enables SoC design teams to bridge System and RTL for semiconductor design, saving millions of dollars in design costs and silicon re-spins. It delivers software products to leading edge semiconductor and systems companies worldwide. Calypto is privately held with venture funding from Cipio Partners, JAFCO Ventures, Tallwood Venture Capital and Walden International. It is a member of the Cadence Connections program, the IEEE-SA, Synopsys SystemVerilog Catalyst Program and the Mentor Graphics OpenDoor program. Corporate Headquarters is located at: 2933 Bunker Hill Lane, Suite 202, Santa Clara, Calif. 95054. Telephone: (408) 850-2300. Email: calypto_info@calypto.com. More information about Calypto may be found at: <http://www.calypto.com>

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