



PRESS RELEASE

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Waves Opens Semiconductor Office in China

Sales of audio algorithms embedded into low cost ASICs show strong growth to OEMs in China

Shenzhen, China and Tel-Aviv, Israel, October 9, 2006 — WAVES AUDIO LTD., a leading provider of audio signal processing technologies, announced today that it has opened a new semiconductor sales and technical support office in Shenzhen, China. Waves' semiconductor sales continue to show strong growth to OEMs in China and Asia due to its valuable audio technologies, low cost products and simple IP business model.

Waves' new China sales and technical support office is located on the 51st floor of the prestigious Di Wang Commercial Centre in Shenzhen. The Di Wang Commercial Centre is the tallest building in Shenzhen and the eighth tallest building in the world, surpassing the Empire State Building by a few feet.

"Waves MaxxBass® ASIC products are being rapidly adopted by a large number of Chinese OEMs for both domestic and export markets," said Eric Chai, Waves' China semiconductor sales manager. "Waves new office in the Di Wang Commercial Centre allows us to deliver more support to our rapidly growing semiconductor business in China."

"Waves' MaxxBass ASIC has enabled several of our highly successful portable audio products," said Wallace Xia, Director, Zowee in Shenzhen, China. "We are pleased with the Waves' products and feel that Waves' new Shenzhen office will help us utilize their products in more of our OEM designs."

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“Our customers appreciate our patented MaxxBass technology and low cost ASIC implementation, as well as our straightforward business model,” said Paul Bundschuh, vice president of sales and marketing, Waves Semiconductor Division. “Waves’ IP business model is ideal for OEMs in China, and it’s very simple – you can buy and use our MaxxBass chip today without additional licensing or royalty payments. While many technology firms have struggled with how to license intellectual property in China, Waves solves this problem by embedding our patented and proprietary technologies into low cost ASICs. This model is much simpler for OEMs and also reduces risks to Waves.”

Not a Bass Boost Technology

MaxxBass is **not** a bass boost technology. Instead, it uses a Waves-patented *psycho-acoustic* algorithm which extends perceived bass response by up to 1.5 octaves. By enabling small speakers to deliver full range sound, Waves is improving the performance for a wide variety of consumer electronics products, including portable loudspeakers, car audio, LCD TVs, computers and home theater systems.

About Waves Audio Ltd.

Waves is the world’s leading developer and provider of professional digital audio processing tools. Waves technologies are used to improve sound quality in the creation of hit records, major motion pictures, popular gaming and multimedia titles the world over.

For more information, visit www.waves.com.

About Maxx®

With more than a decade of leadership in the development of psycho-acoustic algorithms, Waves now offers a variety of solutions under the Maxx® brand. Manufacturers of consumer electronics are dramatically improving performance and reducing system costs using Maxx technologies. These solutions include custom semiconductor devices and licensing Waves proprietary algorithms to DSP and computer platforms. Maxx solutions are rapidly being adopted by firms such as Sony, Sanyo, Samsung, JVC, NEC, Altec Lansing and others.

For more information, visit www.maxx.com.

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