

SPECTRA7'S COUCHCONNECT™ TO TRANSFORM MOBILE VIEWING EXPERIENCE

Major Retailer to Sell Product Following CES Launch

January 7, 2014 – Consumer Electronics Show, Las Vegas, NV – (TSX-V:SEV) Spectra7 Microsystems Inc. ("Spectra7"), a high performance analog semiconductor company delivering unprecedented speed, resolution and signal fidelity to consumer and wireless infrastructure products, today announced the launch of CouchConnect™. CouchConnect™ is the simplest, portable five (5) meter / 16 foot plug'n'play solution capable of delivering true, real-time 1080p HD or 4K UltraHD content anytime, anyplace from mobile device to main screen, offering consumers revolutionary, low cost, simple second screen connectivity.

The market for mobile devices connected to the main TV screen is projected to grow to US\$5.9 billion by 2017 according to The Intersection, a leading industry research firm, as users choose to enhance their viewing experience with a second screen. However, existing closed streaming-only devices can retail for up to \$100 and are plagued by set-up complexity and poor picture quality, leaving consumers frustrated. Recently launched open-source devices offer lower cost but are limited to stationary use and struggle to deliver consistent, reliable video streaming. Although these platforms use Wi-Fi, many still require up to three different cables for antenna connectivity and power. Further, Wi-Fi struggles to deliver true, instant load, real-time 1080p or 4K UltraHD picture quality, pinch-to-zoom applications or uninterrupted, reliable streaming or gaming content due to bandwidth limitations and interference.

Spectra7 also announced that Walmart.com will be selling CouchConnect immediately following CES. Each week, more than 245 million customers and members visit Walmart's 11,096 stores under 69 banners in 27 countries and e-commerce websites in 10 countries.

CouchConnect[™] is an ultra thin, portable form factor made possible by Spectra7's CC7000, the industry's first self-powered chip capable of delivering 1080p HD and 4K UltraHD television, to enable unprecedented "plug and play" portability between any mobile device and the TV in any location at a retail price up to seventy-five percent lower than any other streaming device on the market today. By applying the patented power harvesting technology in the CC7000, CouchConnect[™] requires only one ultrathin cable for connectivity and chip power, enabling a sleek, low cost, and highly portable solution for a broad range of consumers including frequent travelers, home viewers, gamers and college students.

"With nearly a quarter of a billion HDMI enabled mobile devices and multiple HDMI ports available in the hundreds of millions of main screen televisions shipped each year, we believe that second screen viewership is poised to grow exponentially," said Tony Stelliga, CEO of Spectra7. "The worldwide reach of Walmart.com as a leading online retailer of high demand products will make CouchConnectTM easily accessible at a very attractive price point, enabling an enriched TV and mobile viewing experience for consumers everywhere."

ABOUT SPECTRA7 MICROSYSTEMS INC.

Spectra7 Microsystems Inc. is a high performance analog semiconductor company delivering unprecedented speed, resolution and signal fidelity to consumer and wireless infrastructure products. Spectra7's new system-level components address throughput bottlenecks and satisfy the exponential demand for more bandwidth and lower costs in mobile and internet infrastructure equipment, including handsets, tablets, base stations and microwave backhaul systems. Spectra7 is headquartered in Markham, Ontario with development centers in Silicon Valley, Irvine, California and Cork, Ireland. For more information, please visit www.spectra7.com.

Certain information in this news release may constitute forward-looking information. This information is based on current expectations that are subject to significant risks and uncertainties that are difficult to predict. Actual results might differ materially from results suggested in any forward-looking statements. Spectra7 assumes no obligation to update the forward-looking statements, or to update the reasons why actual results could differ from those reflected in the forward looking-statements unless and until required by securities laws applicable to Spectra7. Additional information identifying risks and uncertainties is contained in Spectra7's filings with the Canadian securities regulators available at www.sedar.com.

Neither the TSX-V nor its Regulation Services Provider (as that term is defined in the policies of the TSX-V) accepts responsibility for the adequacy or accuracy of this release.

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