



PARTHUSCEVA ANNOUNCES RESULTS FOR THE FOURTH QUARTER AND YEAR ENDED DECEMBER 31, 2002

San Jose, CA - January 22, 2003 - ParthusCeva, Inc. (NASDAQ: PCVA; LSE: PCV), the industry's leading provider of licensable Digital Signal Processor (DSP) cores and Platform-level solutions, today announced results for the fourth quarter and year ended December 31, 2002.

ParthusCeva was formed through the combination of ParthusCeva, Inc. (formerly known as Ceva, Inc.) and Parthus Technologies plc, on November 1, 2002. ParthusCeva has accounted for the combination as the acquisition of Parthus Technologies plc on November 1; accordingly, the results below include the results of the Parthus business for only the last two months of the periods ended December 31, 2002.

Fourth Quarter 2002 (U.S. GAAP) (Includes 3 months of Ceva and 2 months of Parthus)

Total revenues for the fourth quarter of 2002 were \$5.7 million. Royalty revenues for the quarter were \$673,000. Licensing and royalty revenues represented 68% of total revenues, with five new agreements signed in the quarter and twelve per-unit royalty customers shipping products. Gross margins in the fourth quarter were 78%. Operating expenses were \$28.5 million (including in-process research and development charges of \$15.8 million and restructuring charges of \$6.4 million). ParthusCeva reported a net loss of approximately \$24.4 million for the fourth quarter. This net loss includes (1) a restructuring charge of \$6.4 million in association with the restructuring program implemented in November 2002, (2) a one-time, non-cash charge for in-process research and development arising as a result of the combination of ParthusCeva and Parthus of \$15.8 million, (3) non-cash amortization of intangibles arising as a result of the combination of \$226,000, and (4) foreign exchange losses of approximately \$484,000 arising principally on Euro liabilities as a result of the appreciation of the Euro against the US dollar. Basic and diluted net loss per share was \$1.80.

Full Year 2002 (U.S. GAAP) (Includes 12 months of Ceva and the last two months of Parthus)

Total revenues for 2002 were \$19.2 million. Licensing and royalty revenues represented 77% of revenues, with 12 new agreements signed in the year and 12 per-unit royalty customers

shipping by year-end. Gross margins in 2002 were 89%. Operating expenses for 2002 before in-process research and development and restructuring charges were \$15.5 million.

ParthusCeva had a net loss of \$21.9 million for 2002. This net loss includes (1) a restructuring charge of \$6.4 million in association with the restructuring program described above, (2) a one-time, non-cash charge for in-process research and development arising as a result of the combination of ParthusCeva and Parthus of \$15.8 million, (3) amortization of intangibles arising as a result of the combination of \$226,000, and (4) foreign exchange losses of \$484,000 arising principally on Euro liabilities as a result of the appreciation of the Euro against the US dollar. Basic and diluted net loss per share was \$2.15.

Pro Forma Combined Revenues for the Fourth Quarter and Year Ended December 31, 2002

Including the results of the Parthus business for the full periods, the company's pro forma combined revenues would have been \$6.6 million for the fourth quarter and \$51.2 million for the full-year 2002.

Kevin Fielding, Chief Executive Officer of ParthusCeva, commented:

"While our quarter four results reflect the weak semiconductor environment, our sales pipeline remains strong. We were very pleased to sign a leading wireless handset vendor in the quarter, which we see as further evidence of acceptance of our DSP architecture, especially for cellular applications."

"We made significant progress in the fourth quarter in completing our combination, defining our strategic goals and subsequently restructuring and integrating the two companies. With this renewed product focus, we plan to launch an extensive range of integrated DSP cores and associated application-level products in 2003. Consequently, we believe we have the technology and financial base in place to achieve our 2003 corporate goals of market leadership in DSP technology and profitable growth."

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About ParthusCeva, Inc.

Headquartered in San Jose, with principal offices in Dublin, Ireland, and Herzeliyah, Israel, ParthusCeva (NASDAQ: PCVA; LSE: PCV) is a leading licensor of DSP and application-specific platform Intellectual Property (IP) to the semiconductor industry. ParthusCeva was created through the combination of Parthus Technologies plc, a leading provider of application-specific platform IP, and Ceva, formerly the licensing division of DSP Group, Inc.

Safe Harbor Statement

This document contains "forward-looking statements", which are subject to certain risks and uncertainties that could cause actual results to differ materially from those stated. Any statements that are not statements of historical fact (including, without limitation, statements to the effect that the company or its management "believes," "expects," "anticipates," "plans" and similar expressions) should be considered forward-looking statements. Important factors that could cause actual results to differ from those indicated by such forward-looking statements, include uncertainties relating to the ability of management to successfully integrate the operations of Parthus and Ceva, uncertainties relating to the acceptance of our DSP cores and semiconductor intellectual property offerings, continuing or worsening weakness in our markets and those of our customers, quarterly variations in our results, and other uncertainties that are discussed in the registration statement on Form S-1 and the most recent quarterly report on Form 10-Q of ParthusCeva, on file with the U.S. Securities and Exchange Commission.

PARTHUSCEVA, INC.

CONSOLIDATED STATEMENT OF OPERATIONS – US GAAP
(U.S. Dollars in Thousands Except Per Share Data)

	Quarter Ended Dec 31, 2002 Unaudited	Year Ended Dec 31, 2002 Unaudited
	<u> </u>	<u> </u>
Revenues		
Licensing and royalty.....	\$3,823	\$14,739
Other revenue	1,840	4,457
Total revenues.....	<u>5,663</u>	<u>19,196</u>
Cost of revenues	1,230	2,168
Gross profit.....	<u>4,433</u>	<u>17,028</u>
Operating expenses		
Research and development.....	3,790	8,414
Sales and marketing.....	1,129	3,356
General and administration	1,159	3,520
Amortization of other intangible assets ..	226	226
In-process research and development charge.....	15,771	15,771
Restructuring charge	6,442	6,442
Total operating expenses	<u>28,517</u>	<u>37,729</u>
Income (loss) from operations	(24,084)	(20,701)
Interest and similar income, net.....	199	277
Foreign exchange loss	(484)	(484)
Income (loss) before taxes.....	(24,369)	(20,908)
Provision for income taxes.....	(52)	(1,014)
Net income (loss).....	<u>\$ (24,421)</u>	<u>\$ (21,922)</u>
Basic and diluted net loss per share.....	\$(1.803)	\$(2.154)
Weighted average number of shares of Common Stock in computation of basic and diluted loss per share	13,544	10,177

PARTHUSCEVA, INC.

CONSOLIDATED BALANCE SHEET – US GAAP

(U.S. Dollars in Thousands)

	Year Ended Dec 31, 2002 Unaudited	Year Ended Dec 31, 2001 Audited
ASSETS		
Current Assets:		
Cash and cash equivalents	\$73,810	\$-
Trade receivables, net	4,029	8,115
Prepayments and other current assets.....	4,190	319
Deferred income tax	-	240
Inventories.....	168	50
Total current assets.....	82,197	8,724
Severance pay fund.....	1,152	1,084
Long term lease deposits	-	190
Property and equipment, net	6,593	2,199
Investments	1,350	-
Goodwill	38,398	-
Other intangible assets	5,492	-
Total Assets.....	\$135,182	\$12,197
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Trade payables	2,491	707
Accrued expenses and other payables	19,007	2,525
Income taxes payable	1,291	3,496
Deferred revenues (net).....	1,115	-
Total current liabilities.....	23,904	6,728
Accrued severance pay	1,231	1,124
Total liabilities.....	25,135	7,852
Stockholders' equity.....		
Common stock	18	20
Additional paid in capital	134,026	-
Capital (return) contribution from related party.....	(2,075)	4,325
Loss for year	(21,922)	-
Total stockholders' equity	110,047	4,345
Total Liabilities and Stockholders' Equity	\$135,182	\$12,197