

EXHIBIT Z

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HEADLINE: C-Cube MPEG-2 Codec Selected by NDS for Digital Broadcast Encoders

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BODY:

Sept. 10, 1998--C-Cube Microsystems (NASDAQ:CUBE) today announced that NDS (NYSE:NWS) has selected C-Cube's single-chip DVxpert MPEG-2 broadcast codec as a key component in a number of its new MPEG-2 compression products.

C-Cube's breakthrough engineering efforts allow for the development of lower cost systems, such as the NDS E5210 and E5410 Encoders. These products form a key part of NDS' systems solutions, which offer highly featured and cost-effective solutions for a wide range of applications, such as contribution, distribution and private networks.

By leveraging C-Cube's expertise in integrating critical MPEG-2 system functionality into powerful silicon solutions, NDS is able to offer a range of compact, modular systems for use at fixed and mobile locations.

"The market for smaller digital video networks is growing rapidly due to the compelling benefits it offers at an increasingly affordable price," said Tim Sheppard, Group Product Marketing Manager at NDS. "By using C-Cube's DVxpert platform, we can focus our development efforts on the key features that enhance our system solution, offering our customers world-beating solutions."

As an early access partner for C-Cube's DVxpert product, NDS worked closely with C-Cube to help define the critical features for addressing the diverse needs of digital service providers. NDS also collaborated with C-Cube on the programming of DVxpert's advanced application programming interface (API).

NDS provided critical input on the digital video network features that could be easily integrated into the processor, providing a significant cost savings on the development of complete broadcast systems.

"The broadcast market wants to utilize digital video for new communications applications and migrate their existing networks from analog to digital," said Fermi Wang, vice president and general manager for C-Cube Microsystems' PC/Codec Division.

"Our single-chip DVxpert solution delivers excellent video quality and achieves the lowest overall system cost for MPEG-2 broadcast systems, while offering the quality enhancement features required by broadcasters. We are excited to be working with one of the industry's foremost leaders in pursuing

new network opportunities."

About NDS

NDS, headquartered in the UK, with operations worldwide, provides end-to-end solutions for digital broadcasting through the company's research, development and manufacturing activities. NDS is a recognized leader in digital video compression and conditional access, and has proven systems integration and global support capabilities.

NDS is providing its advanced technologies, products and services to many of the current and planned satellite and terrestrial broadcasting systems around the world. In addition, over 9 million subscribers around the globe use NDS conditional access systems to receive Pay-TV satellite and cable services.

NDS plays a major part in developing open systems and the international standards for the digital broadcasting arena, providing the technology and market know-how to implement standards such as MPEG-2, DVB, ATSC, SMPTE and DTTV. The company continues to make a major commitment to R&D, with over 700 of its 1,350 plus employees dedicated to its pioneering development work at research centers in Israel, the United States and the United Kingdom.

NDS is a subsidiary of News Corporation (NWS), a leading global media company. NDS has won many awards for technology including an Emmy from the National Academy of Television Arts and Sciences and three Queen's Awards, one for Technology and two for Export. NDS is on the World-Wide-Web at <http://www.ndsworld.com>.

About C-Cube Microsystems

C-Cube Microsystems Inc. is the industry leader in the development and delivery of highly integrated digital video silicon solutions that address the communications and consumer markets. C-Cube is headquartered in Milpitas, Calif. with offices in North America, Europe and Asia. Its stock is traded on the NASDAQ National Market System under the symbol CUBE. C-Cube can be reached at 408/490-8000 or on the World Wide Web at <http://www.c-cube.com>.

Note to Editors: DVxpert is a trademark of C-Cube Microsystems Inc. C-Cube and the C-Cube logo are both registered trademarks of C-Cube Microsystems Inc.

CONTACT: C-Cube Microsystems

Mary Giani, 408/490-8628 (Corporate Public Relations)
mary.gianifc-cube.com
Nick Kormeluk, 408/490-8052 (Investor Relations)
nick.kormelukfc-cube.com

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