

Netlist Files Complaint for Patent Infringement, Antitrust Violations and Trade Secret Misappropriation Against Smart Modular, Smart Storage Systems, Smart Worldwide Holdings and Diablo Technologies

August 26, 2013

IRVINE, CA -- (Marketwired) -- 08/26/13 -- Netlist, Inc. (NASDAQ: NLST), a leading provider of high performance and hybrid (DRAM to Flash) memory solutions for the cloud computing and storage markets, announced today that it has filed a First Amended Complaint in the United States District Court for the Central District of California in Santa Ana, California against Smart Modular Technologies, Inc., Smart Storage Systems, Inc., Smart Worldwide Holdings, Inc. and Diablo Technologies, Inc (Diablo).

Among other things, Netlist's complaint alleges infringement of five Netlist patents by the defendants, based in part on the recently announced ULLtraDIMM memory module. Netlist's complaint also alleges antitrust violations by Smart Modular and Smart Worldwide, contending that Smart Modular procured a patent (U.S. Patent No. 8,250,295) with blatant inequitable conduct at the US Patent and Trademark Office (USPTO), withheld the patent application leading to the patent from relevant JEDEC committees for more than eight years, sought to improperly enforce that patent against Netlist's JEDEC-compliant HyperCloud® product by seeking a preliminary injunction, which was denied by the Court, and made deceptive statements to the public about its lawsuit against Netlist. Netlist's complaint also alleges trade secret misappropriation and trademark infringement against Diablo, claiming that Diablo misused Netlist trade secrets and the HyperCloud® technology to create the ULLtraDIMM product and other competing products.

"Our lawsuit contends that the Defendants have engaged in a long history of wrongful and deceptive conduct. We have spent years developing our industry-leading technology, and we intend to seek all legal recourse to protect our valuable intellectual property against willful violation by others," said Netlist President and CEO, C.K. Hong.

About Netlist:

Netlist, Inc. designs and manufactures high-performance, logic-based memory subsystems for server and storage applications for cloud computing. Netlist's flagship products include HyperCloud®, a patented memory technology that breaks traditional memory barriers, NVvault™ and EXPRESSvault™ family of products that significantly accelerate system performance and provide mission critical fault tolerance, and a broad portfolio of industrial Flash and specialty memory subsystems including VLP (very low profile) DIMMs and Planar-X RDIMMs.

Netlist develops technology solutions for customer applications in which high-speed, high-capacity, small form factor and heat dissipation are key requirements for system memory. These customers include OEMs that design and build tower, rack-mounted, and blade servers, high-performance computing clusters, engineering workstations and telecommunications equipment. Founded in 2000,

Netlist is headquartered in Irvine, CA with manufacturing facilities in Suzhou, People's Republic of China. Learn more at www.netlist.com.

Safe Harbor Statement:

This news release contains forward-looking statements regarding future events and the future performance of Netlist. These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those expected or projected. These risks and uncertainties include, but are not limited to, risks associated with the launch and commercial success of our products, programs and technologies; the success of product partnerships; continuing development, qualification and volume production of EXPRESSvault™, NVvault™, HyperCloud® and VLP Planar-X RDIMM; the timing and magnitude of the anticipated decrease in sales to our key customer; our ability to leverage our NVvault™ technology in a more diverse customer base; the rapidly-changing nature of technology; risks associated with intellectual property, including patent infringement litigation against us as well as the costs and unpredictability of litigation over infringement of our intellectual property and the possibility of our patents being reexamined by the United States Patent and Trademark office; volatility in the pricing of DRAM ICs and NAND; changes in and uncertainty of customer acceptance of, and demand for, our existing products and products under development, including uncertainty of and/or delays in product orders and product qualifications; delays in the Company's and its customers' product releases and development; introductions of new products by competitors; changes in end-user demand for technology solutions; the Company's ability to attract and retain skilled personnel; the Company's reliance on suppliers of critical components and vendors in the supply chain; fluctuations in the market price of critical components; evolving industry standards; and the political and regulatory environment in the People's Republic of China. Other risks and uncertainties are described in the Company's annual report on Form 10-K filed on March 29, 2013, and subsequent filings with the U.S. Securities and Exchange Commission made by the Company from time to time. Except as required by law, Netlist undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

For more information, please contact:
Brainerd Communicators, Inc.
Aakash Mehta/Mike Smargiassi
NLST@braincomm.com
(212) 986-6667

Source: Netlist, Inc.