

U.S. International Trade Commission Institutes Investigation Against SK hynix

October 4, 2016

IRVINE, Calif., Oct. 4, 2016 /PRNewswire/ -- Netlist, Inc. (NASDAQ: NLST), today announced the United States International Trade Commission (ITC) has instituted an investigation of the unfair trade practices of SK hynix related to its importation, sale for importation, and/or sale after importation of RDIMM and LRDIMM enterprise memory products. The ITC will determine over the course of the investigation whether these SK hynix products should be banned from importation into the United States by reason of infringement of six Netlist patents.



NETLIST

"We are pleased with the ITC's decision to investigate the unfair trade practices of SK hynix based on the unauthorized importation of our patented technologies," said C.K. Hong, Chairman and CEO of Netlist. "We are disappointed that SK hynix has been unwilling to negotiate in good faith toward a resolution which fairly compensates Netlist for our valuable intellectual property. While we remain willing to negotiate such a resolution, we look forward to addressing SK hynix's ongoing infringement in an expeditious manner in the ITC."

The ITC investigation will proceed against SK hynix Inc. and its wholly owned subsidiaries SK hynix America Inc. and SK hynix memory solutions Inc. ITC investigations proceed on an expedited basis, commonly progressing to trial within a year. Netlist has asserted the following six patents in the ITC as well as the U.S. District Court for the Central District of California: U.S. Patent Nos. 8,756,364, 8,516,185, 8,001,434, 8,359,501, 8,689,064, and 8,489,837.

Additional information regarding this announcement can be accessed in the Investor's section of Netlist's website at www.netlist.com.

About Netlist, Inc.

Netlist creates solutions that accelerate turning raw data into business insight. The company produces next generation persistent memory solutions that enable businesses to transact quicker, gain insight faster and reduce datacenter cost. Flagship products NVvault® and EXPRESSvault® accelerate system performance and provide mission critical fault tolerance. HybriDIMM™,

Netlist's next-generation Storage Class Memory, lowers cost and improves performance of big data analytics and in-memory computing. The company holds a portfolio of patents, many seminal, in the area of hybrid memory, storage class memory, rank multiplication and load-reduction, among others. Netlist is part of the Russell Microcap® Index. To learn more, visit 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 include statements relating to the strength and outcome of the legal proceedings and the expected timing of the ITC action. A forward-looking statement is neither a prediction nor a guarantee of future events or circumstances and is based on currently available market, operating, financial and competitive information and assumptions. Forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those expected or projected, including, among others, risks associated with the launch and commercial success of our products, programs and technologies; the success of product, joint development and licensing partnerships; continuing development, qualification and volume production of HybriDIMM™, as well as our other products and technologies; the rapidly-changing nature of technology in our industry; 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; volatility in the pricing of DRAM ICs and NAND flash; changes in and uncertainty of customer acceptance of, and demand for, our existing products and products under development, including predictions about the size of the market for our products; delays in our and our customers' product releases and development; introductions of new products by competitors; changes in end-user demand for technology solutions; and general economic and market conditions. Other risks and uncertainties are described in our annual report on Form 10-K filed on March 4, 2016, and subsequent filings with the U.S. Securities and Exchange Commission we make from time to time. Except as required by law, we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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