

Netlist Announces Settlement Of Patent Infringement Lawsuits With Metaram

January 29, 2010

IRVINE, CA (January 28, 2010) - Netlist, Inc. (NASDAQ: NLST) today announced that it has reached a settlement in the patent infringement lawsuits with San Jose, CA-based MetaRAM, Inc. The settlement resolves a dispute between the two companies concerning the use of proprietary memory modules, power management operations and other related technology.

Under the terms of the settlement, filed in U.S. District Courts in Delaware and Northern California, MetaRAM will not sell, offer to sell, release, or commercialize the MetaRAM DDR3 controllers in the U.S. or outside the U.S. Netlist contended that MetaRAM's DDR3 controllers and memory modules incorporating such controllers infringed its U.S. Patent No. 7,289,386, entitled "Memory Module Decoder." A provision in the settlement protects Netlist if another company purchases MetaRAM's patent and attempts to seek action against Netlist in the future.

"We are pleased to have successfully resolved this case," said C.K. Hong, President and CEO of Netlist. "As the pioneer of this technology, the results of this settlement clearly underscore Netlist's fundamental patent and product leadership. Netlist's HyperCloud product-line embodies this foundational technology and Netlist remains committed to protecting its portfolio of intellectual property."

About Netlist, Inc.

Netlist designs and manufactures high-performance memory subsystems for the server and high-performance computing and communications markets. The Company's memory subsystems are developed for applications in which high-speed, high-capacity memory, functionality, small form factor, and heat dissipation are key requirements. These applications include tower-servers, rack-mounted servers, blade servers, high-performance computing clusters, engineering workstations, and telecommunication equipment. Netlist maintains its headquarters in Irvine, California with manufacturing facilities in Suzhou, China.

Safe Harbor Statement

This news release contains forward-looking statements regarding future events and the future performance of Netlist, including the outcome of pending litigation, performance of the settlement agreement, future opportunities and growth for the company's business. 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, the rapidly-changing nature of technology; volatility in the pricing of DRAM ICs and NAND; changes in and uncertainty of customer demand, including delays in 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; fluctuations in the market price of 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, dated March 30, 2009, and subsequent filings with the U.S. Securities and Exchange Commission made by the Company from time to time. Netlist undertakes 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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