

Netlist Seeks Preliminary Injunction Against Sandisk's ULLtraDIMM

October 7, 2014

IRVINE, CA -- (Marketwired) -- 10/07/14 -- Netlist, Inc. (NASDAQ: NLST), a leading provider of high performance memory solutions for the cloud computing and storage markets, announced today that on October 6, it filed a Motion for Preliminary Injunction against the ULLtraDIMM product in the lawsuit against Diablo Technologies, Inc., asking that Diablo and its partner SanDisk be immediately enjoined from any further manufacture or sale of the ULLtraDIMM.

The Motion details Diablo's blatant breaches of contract, beginning with actually using Netlist's chips in earlier versions of the ULLtraDIMM. Netlist's Motion also lays out its claims of trade secret misappropriation, which are supported by a lengthy report from an outside expert. This technical report demonstrates misappropriation of many Netlist's trade secrets in the ULLtraDIMM based on an analysis of Diablo's confidential documents and testing of a current ULLtraDIMM module. The evidence cited in the Motion shows that Diablo built the ULLtraDIMM from the foundation of Netlist's breakthrough HyperCloud® technology that Netlist shared with Diablo under a non-disclosure agreement.

To obtain a preliminary injunction, a plaintiff must show a likelihood of prevailing on the merits. Netlist filed the Motion in the United States District Court for the Northern District of California yesterday. The Court has set a tentative date of December 2, 2014, for a hearing on Netlist's Motion. If granted, the preliminary injunction would immediately shut down any further manufacture and sale of the ULLtraDIMM. Netlist has further asked the Court to order the recall of any ULLtraDIMM products previously sold.

"We filed this case to address Diablo's flagrant and repeated breaches of contract and IP theft in its role as a contractor to Netlist," said Netlist President and CEO, C.K. Hong. "As detailed in the Preliminary Injunction Motion, we are confident that we can demonstrate an overwhelming probability of prevailing on the merits of the case based on the evidence and the law, and that the Court should order a stop to the manufacture and sale of the ULLtraDIMM."

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 NVvault™ and EXPRESSvault™ family of products that significantly accelerate system performance and provide mission critical fault tolerance, HyperCloud®, a patented memory technology that breaks traditional performance barriers, and a broad portfolio of industrial Flash and specialty memory subsystems including VLP (very low profile) DIMMs and Planar-X RDIMMs. Netlist has steadily invested in and grown its worldwide IP portfolio, which now includes 51 issued and granted patents and more than 30 U.S. and foreign pending patent applications in the areas of high performance memory and hybrid memory technologies.

Netlist develops technology solutions for customer applications in which high-speed, high-capacity, small form factor and efficient 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 18, 2014, 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.
Mike Smargiassi/Jenny Perales
NLST@braincomm.com
(212) 986-6667

Source: Netlist, Inc.