

Federal Circuit Denies Inphi's Petition For Rehearing On Seminal LRDIMM Patent Case

January 27, 2016

IRVINE, Calif., Jan. 27, 2016 /PRNewswire/ -- Netlist, Inc. (NASDAQ: NLST), announced today that the U.S. Court of Appeals for the Federal Circuit has denied Inphi's petition for a rehearing of its November 2015 precedential opinion which had affirmed the validity of U.S. Pat. No. 7,532,537 ("'537 Patent").



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This final decision by the Federal Circuit is a landmark victory for Netlist's '537 patent after more than four years of scrutiny in the US Patent and Trademark Office and one year of appeals in the federal court system. In order to continue to challenge the validity of this patent, Inphi must now appeal directly to the U.S. Supreme Court.

"The denial of Inphi's petition for rehearing is for all practical purposes, the final step in the complete validation of the '537, one of Netlist's seminal LRDIMM patents," said Netlist's Chief Executive Officer, C.K. Hong. "With more than thirty U.S. and foreign patents broadly covering fundamental aspects of LRDIMM, this final decision by the Federal Circuit puts us in the strongest possible position to pursue licensing opportunities in the fast growing LRDIMM market."

According to De Dios & Associates, the LRDIMM market was estimated to be \$3 billion in 2015 and is projected to reach around \$7 billion by 2018.

About Netlist, Inc.

Netlist creates solutions that accelerate turning data into information. We design and manufacture controller and software-based memory solutions for our OEM and Hyperscale customers in the server and storage space. Flagship products NVvault® and EXPRESSvault™ accelerate system performance and provide mission critical fault tolerance. HyperVault®, Netlist's next-generation architecture, expands the performance and capacity of memory channel storage. The company holds a portfolio of patents, many seminal, in the area of hybrid memory, rank multiplication and load-reduction, among others. 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 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, our ability to regain compliance with NASDAQ listing rules, risks associated with the launch and commercial success of our products, programs and technologies; our capital resources; the success of product partnerships; continuing development, qualification and volume production of HyperVault™, EXPRESSvault™, NVvault®, HyperCloud® and VLP Planar-X RDIMM; the timing and magnitude of the decrease in sales; our ability to leverage our NVvault® and EXPRESSvault™ technology in a more diverse customer base; the rapidly-changing nature of technology; risks associated with intellectual property, including risks associated with the inherent uncertainty of the litigation process; 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 27, 2015, 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.

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