

Netlist Comments On Decisions On Post-Trial Motions From The United States District Court For The Northern District Of California

September 3, 2015

IRVINE, Calif., Sept. 3, 2015 /PRNewswire/ -- Netlist, Inc. (NASDAQ: NLST), a leading provider of high performance memory solutions for the cloud computing and storage markets, announced today that the United States District Court for the Northern District of California issued decisions on the post-trial motions in Netlist's trade secret case against Diablo Technologies.

The Court denied motions from both parties for Judgment as a Matter of Law (JMOL), Netlist's motion for a new trial, and Diablo's motion for attorney's fees, but granted Diablo's motion to recover on the preliminary injunction bond and its bill of costs. Netlist strongly disagrees with the Court's refusal to grant JMOL and a new trial, particularly given the Court's prior rulings that Diablo had no right to use Netlist's chips coupled with Diablo's admissions that it used Netlist's chips. The parties now have 30 days to file notices of appeal with the U.S. Court of Appeals for the Federal Circuit. The company intends to vigorously pursue its options on appeal.

The Court's rulings in the trade secret case have no impact on Netlist's patent lawsuit against SanDisk and Diablo on the ULLtraDIMM product. The patent case is currently stayed pending Inter Partes Review of Netlist's seven asserted patents in the U.S. Patent and Trademark Office. The Patent Office already has agreed with Netlist that three of those patents are valid, and Netlist will continue to fight for the validity of the remaining four patents.

C.K. Hong, Netlist's Chief Executive Officer, stated, "We strongly disagree with the Court's decisions and remain confident in our belief that Diablo breached our contract and stole Netlist's trade secrets. We look forward to the opportunity to present these issues on appeal and are confident that the Federal Circuit will carefully consider the record and reverse this unjust outcome. We are also pleased with the progress we've made in the patent case and the PTO's validation of our patents covering SanDisk's ULLtraDIMM product."

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[™], a family of hybrid memory products that significantly accelerate system performance and provide mission critical fault tolerance, as well as HyperVault, its next generation hybrid memory solution which is under development and greatly expands the performance and capacity of DRAM channel storage. The Company's product offering also includes 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 88 issued and pending patents 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 and hyperscale datacenter operators that design and build servers, storage systems and 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 HyperVault™, EXPRESSvault™, NVvault®, HyperCloud® and VLP Planar-X RDIMM; the timing and magnitude of the decrease in sales to our key customer; 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, and we can provide no assurance that our efforts to mitigate the effects of the jury verdict will be successful, 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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