

Netlist Prevails in Patent Reexamination Appeal

January 17, 2014

IRVINE, CA -- (Marketwired) -- 01/17/14 -- Netlist, Inc. (NASDAQ: NLST), a leading provider of high performance memory solutions for the cloud computing and storage markets, announced today that the Patent Trial and Appeal Board ("PTAB") of the United States Patent and Trademark Office issued a decision upholding the validity of all 60 claims in the reexamination of U.S. Pat. No. 7,532,537 ("537 Patent") brought by Inphi Corporation.

In its decision on January 16, 2014, the PTAB dismissed every single validity challenge raised by Inphi and affirmed the Examiner's decision to allow the claims. These claims are directed to fundamental concepts of load reduction and rank multiplication which are integral to the design of LRDIMMs. The '537 Patent is also the subject of litigation between Netlist and Inphi in the Central District of California, which has been stayed pending the outcome of the reexamination.

"The PTAB's decision to uphold the validity of the '537 Patent after three years of reexamination is a significant victory for Netlist and a major milestone in the build-out of our industry-leading patent portfolio for high performance server memory," said Netlist President and CEO, C.K. Hong. "We are unaware of any other portfolio with battle-tested patents that covers more features of the LRDIMM architecture. This decision by the USPTO will help accelerate the patent monetization process with a wide range of industry participants as the market for LRDIMMs grows at a rapid pace."

Netlist has steadily invested in and grown its IP portfolio, which now includes 41 issued patents and more than 29 US and foreign pending patent applications in the areas of high performance memory and hybrid memory technologies.

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 HyperCloud®, a patented memory technology that breaks traditional performance barriers, NVvault™ and EXPRESSvault™ family of products that significantly accelerate system performance and provide mission critical fault tolerance, and a broad portfolio of industrial flash and specialty memory subsystems including VLP (very low profile) DIMMs and Planar-X RDIMMs.

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 29, 2013, 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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Source: Netlist, Inc.