

Netlist Adds New Patents to ULLtraDIMM Litigation

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IRVINE, CA -- (Marketwired) -- 01/29/14 -- Netlist, Inc. (NASDAQ: NLST), a leading provider of high performance memory solutions for the cloud computing and storage markets, announced today that it has filed motions to add two additional patents to the lawsuits against the recently announced ULLtraDIMM memory module from Diablo Technologies, Inc., and Smart Storage Systems, Inc. The lawsuits are pending before Judge Gonzalez Rogers in the United States District Court for the Northern District of California in Oakland, California.

The two newly added patents (U.S. Patent Nos. 7,881,150 and 8,081,536) are generally related to load reduction, a critical feature in low latency memory modules. These patents are part of the same family as U.S. Patent No. 7,532,537, which has been upheld by the Patent Trial and Appeal Board ("PTAB") following a three-year reexamination. The '150 and '536 patents were examined and issued in view of prior art cited in the reexamination. Netlist has now asserted a total of seven patents against the ULLtraDIMM, in addition to trade secret theft, trademark infringement and other claims.

"We have spent years developing our industry-leading technology, and are encouraged by the progress we've made defending our intellectual property in these lawsuits," said Netlist President and CEO, C.K. Hong. As reported in its 8-K last December, the company received a whistleblower letter describing in detail how Diablo "stole Netlist's detailed architecture and design" of its flagship product, HyperCloud™, to create the ULLtraDIMM. "We will continue to vigorously defend our IP, uncovering any and all theft of our technology and infringement of our patents, and will not allow others to profit from this unlawful activity."

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™, the pioneering family of hybrid memory products utilizing both DRAM and NAND Flash that significantly accelerates system performance and provides 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 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.

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, storage hardware, 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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