

August 18, 2004

*NVEC hypes yet another meaningless patent.*

Yesterday NVE Corporation (NASDAQ: NVEC, \$37.38) announced yet another patent and claimed yet again that "it applies to some current MRAM designs." Yet NVE failed to disclose the application or any plans by it or anyone to use the patent for any purpose. In fact, NVE has never been able to produce a single independent authority to corroborate any of its MRAM claims. Meanwhile the evidence against NVE is overwhelming, even excluding the simple fact that NVE's insiders and MRAM licensees have sold virtually all of their NVE stock holdings at prices created by its unsubstantiated MRAM claims.

A simple way to determine whether NVE's supposed MRAM claims are valid is to search the databases of the leading semiconductor symposiums and industry associations for papers and presentations related to MRAM and its development. The resulting MRAM documentation can be reviewed for mentions of NVE and its alleged MRAM patents. We found no collaborating mention of NVE's role in MRAM's development in any MRAM paper or presentation and no acknowledgement by any MRAM developer for the use of any NVE patent or any contribution.

A glaring piece of evidence indicating that NVE's MRAM claims are baseless and false is found in a paper accepted for presentation at this year's JEDEX conference held in San Jose in April. The JEDEX conference is produced by JEDEC, the 40-year-old leading developer of standards for the semiconductor industry. At the conference Art Kilmer, Senior Technical Staff Member at IBM Microelectronics, made a presentation titled the "History of MTJ MRAM Developments." NVE is not cited as a contributor. In fact, NVE is not even mentioned in any part of the highly detailed presentation.

Another piece of evidence that raises questions about the validity of NVE's MRAM claims is its failure to have authored an MRAM paper that has been accepted for presentation at a recognized semiconductor conference or symposium.

This past June the 23-year-old VLSI Technology Symposium, which is sponsored by the IEEE Electron Devices Society and Solid-State Circuits Society, and the Japan Society of Applied Physics in cooperation with the Institute of Electronics, Information and Communication Engineers, accepted five papers on "Emerging Non-Volatile Memories." Two of the papers dealt with MRAM memory chip development. NVE did not present a paper and was not mentioned in the MRAM papers.

Asensio & Company, Inc. reports are published and distributed solely and exclusively to registered asensio.com subscribers who have read and agreed to the Mandatory User Agreement located at <http://asensio.com/TermsOfUse.aspx>. This Mandatory User Agreement is included herein in its entirety by reference thereto and by notice of its availability.