

September 20, 2004

Wolfe's latest mega fiasco foretells NVEC's future.

Investors in NVE Corporation (NASDAQ: NVEC, \$37.41) who believe that the Forbes/Wolfe Nanosphere and Merrill Lynch Nanotech Index (AMEX: NNZ, \$198.09) labels are important should look at Flamel Technologies S.A. (NASDAQ: FLML, \$14.68). Like NVE, Flamel is a Forbes/Wolfe Nanosphere company, and a component of the Merrill Lynch Nanotech Index, that Forbes/Wolfe promoted in the media and its newsletter. In a December 8, 2003 Forbes.com Advisor Soapbox article titled "Present At The Creation" Josh Wolfe promoted "smart buys like NVE Company and Flamel Technologies." Wolfe claims that Flamel, like NVE, has valuable intellectual property ("IP").

In 1999 Flamel partnered with a world leader in diabetes care Novo Nordisk A/S (NYSE: NVO, \$52.12) to develop an insulin called Basulin that utilized Flamel's so-called "nanoparticulate" technology. In 2002 Novo terminated its agreement with Flamel. Then in 2003 Flamel entered a development agreement for Basulin with Bristol-Myers Squibb Company (NYSE: BMY, \$24.68).

On Thursday, September 16, 2004 Bristol-Myers terminated the Basulin development agreement with Flamel. On Friday Flamel's stock price dropped as much as 27.9% after Flamel announced the termination of the agreement with Bristol-Meyers. Even worse Flamel's stock price is down 68.1% since September 2003, Flamel's all-time-high.

Last week Asensio & Company, Inc. published two reports on NVE that deal with NVE's unsupported and self-proclaimed MRAM IP. One report reveals that even Cypress Semiconductor Corporation's (NYSE: CY, \$9.61) highly questionable and immaterial MRAM project does not even use the old invention NVE is claiming as its own. The report is titled "Cypress reveals it doesn't use NVEC's claimed IP." A second report titled "Cypress' MRAM disclosures detail its flaws" shows that Cypress MRAM is not comparable and unrelated the work being done by International Business Machines Corporation (NYSE: IBM, \$85.74) and Motorola, Inc. (NYSE: MOT, \$17.01), which are the MRAM projects with interesting potential. Separately, asensio.com distributed a report titled "NVEC's MRAM patents are immaterial and unenforceable" that gives a highly detailed description of the actual functionality and use of NVE's alleged but wholly unsupported MRAM IP claims that show the IP to be immaterial. The report also provides detailed disclosures of the earlier patents and prior art that show NVE's alleged MRAM IP to be unenforceable in addition to being immaterial. All of the reports are reports are available at www.asensio.com.

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