

October 14, 2004

Is NVEC's MRAM stock promotion over?

Yesterday NVE Corporation (NASDAQ: NVEC, \$34.08) reduced itself to issuing a press release announcing a \$100,000 order for a hearing aid component. The component has absolutely nothing to do with the alleged Magnetoresistive Random Access Memory ("MRAM") Intellectual Property ("IP") that it alleges to be the reason for owning NVE stock. It uses GMR not MTJ. The release was issued 8 days before its earnings announcement. The insignificant order is immaterial to NVE's stockholders. It is an indication of management's despair and NVE's failure to meet expectations set by management while they were selling their own stock to the public.

Since August 15, 2001 NVE and its stock promoters have repeatedly issued unsupported and unsubstantiated claims about owning proprietary MRAM technology. It has even led investors to believe it will receive material and significant MRAM royalty payments from Freescale Semiconductor, Inc. (NYSE: FSL, \$14.90) and that it expects to sell licenses for its MRAM technology. However, NVE's management has refused to disclose any document that supports its Freescale claim and its only disclosed MRAM license is with Cypress Semiconductor Corporation (NYSE: CY, \$8.8), a former stockholder that benefited from NVE's questionable MRAM questionable stock promotion. Furthermore, NVE's Cypress license is not royalty bearing. In fact, Cypress was well paid by NVE to take the license. Further it appears Cypress is not using NVE's claimed MRAM invention.

NVE claims that it invented the idea of using one transistor to read every magnetic memory cell in an MRAM chip. In fact, the idea to use just one transistor per memory cell is over 38 years old, was invented by IBM and is credited with having been the single most important invention allowing the creation of smaller and smaller chips. A report detailing the problems with NVE's claims and showing its faults titled [>"NVEC's MRAM patents are immaterial and unenforceable."](http://www.asensio.com/Reports/ReportView.aspx?ReportId=569&CompanyId=140&CompanyName=NVE+Corporation "NVEC's MRAM patents are immaterial and unenforceable.")

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://www.asensio.com/TermsOfUse.aspx. This Mandatory User Agreement is included herein in its entirety by reference thereto and by notice of its availability.](http://www.asensio.com/TermsOfUse.aspx "http://www.asensio.com/TermsOfUse.aspx")