

October 20, 2004

NVE concedes its MRAM claims were grossly overstated.

After claiming that it believed to be entitled to significant licensing fees under a decade-old agreement with Motorola Inc. (NYSE: MOT, \$17.09), NVE Corporation (NASDAQ: NVEC, \$31.27) yesterday conceded that "there can be no assurance" that it "would receive any value" under its agreement with Motorola. NVE further disclosed that Motorola had paid the paltry sum of \$1.3 million to NVE for its alleged MRAM intellectual property ("IP").

Simultaneously with using its uncorroborated MRAM IP claims to hype its stock, most of NVE's insiders, including Daniel Baker, dumped virtually all of their stock.

NVE has refused to disclose its Motorola agreement. The above disclosures were made in a section of NVE's quarterly report, filed yesterday with the SEC, titled "IMPLICATIONS OF MOTOROLA'S SPIN OFF OF FREESCALE." The disclosures were apparently made necessary as a result of the 2005 expiration of NVE's hyped agreement with Motorola and NVE's failure to secure an agreement with Freescale.

NVE's MRAM IP claims are based on a forty-year-old IBM patent that is now in wide and royalty-free use in memory chips worldwide. [\(Click here for a complete analysis of NVE's MRAM IP claims.\)](http://www.asensio.com/Reports/ReportView.aspx?ReportId=569&CompanyId=140&CompanyName=NVE+Corporation "(Click here for a complete analysis of NVE's MRAM IP claims.)") Contrary to its claims, NVE is not and has never been involved with the development of MRAM or any invention needed to create an MRAM memory cell. [\(Click for a detailed description of MRAM's development and its developers.\)](http://www.asensio.com/Report-images/MRAM/MRAMTimeline.pdf "(Click for a detailed description of MRAM's development and its developers.)")

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