

PRESS RELEASE

For Immediate Release

GRANDIS, INC AWARDED PHASE II NATIONAL SCIENCE FOUNDATION GRANT FOR STT-RAM CHIP DEVELOPMENT

Milpitas, CA, March 8, 2007 -- Grandis, Inc., today announced that it has been awarded a substantial grant from the National Science Foundation (NSF) to pursue Phase II of a Small Business Innovation Research (SBIR) program. The grant, which is effective for two years, will support Grandis' development and commercialization of STT-RAM, an ultra-fast non-volatile memory solution that uses spin-transfer torque technology to write magnetic bits.

"Our top-tier multidisciplinary team made this grant possible." said Yiming Huai, Ph.D., CTO and Co-founder of Grandis. "This award from one of the Nation's most prestigious technology institutions validates both the commercial value and the technology importance of STT-RAM being developed at Grandis. Our STT-RAM technology has the potential to replace embedded SRAM and Flash as well as DRAM at the 65 nm semiconductor node and beyond."

The Grandis team, under the leadership of Principal Investigator Dr. Alex Panchula, will explore key STT-RAM features in single and dual magnetic tunnel junctions (MTJs) by engineering the magnetic anisotropy of the storage layer. The team will also develop test chip arrays using such MTJ cells. These innovative MTJ concepts are covered by Grandis' US Patents 6,992,359 and 7,057,921.

Grandis recently invested in a multimillion-dollar cleanroom at its Silicon Valley headquarters that houses state-of-the-art MTJ cluster deposition and nanosecond testing systems for dedicated research and development of new materials and processes for STT-RAM.

About Grandis, Inc.

Grandis is the pioneer in the development of Spin Transfer Torque RAM (STT-RAM), a proprietary non-volatile memory solution. Derived from cutting-edge research in spintronics, STT-RAM has all the characteristics of a "universal memory". The company holds a unique, broad patent portfolio in STT-RAM, including key fundamental and practical implementation patents,

and has a strong technical team with a proven track record in magnetic thin film and semiconductor memory technology. Grandis was established in 2002 and is headquartered in Silicon Valley, California. Investors include Applied Ventures LLC, Sevin Rosen Funds, Matrix Partners, Incubic and Concept Ventures. www.grandisinc.com

About the National Science Foundation

The National Science Foundation (NSF) is an independent federal agency created by Congress in 1950 "to promote the progress of science; to advance the national health, prosperity, and welfare; to secure the national defense..." With an annual budget of about \$5.91 billion, the NSF is the funding source for approximately 20 percent of all federally supported basic research conducted by America's colleges and universities. In many fields such as mathematics, computer science and the social sciences, NSF is the major source of federal backing. www.nsf.gov

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