



PRESS RELEASE

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SEMICONDUCTOR MEMORY START-UP UNITY SEMICONDUCTOR CLOSSES \$22M SERIES C FINANCING

Designer and Developer of Storage-Class Non-Volatile Memories, Based on a Break-Through Technology, Sees Top-Tier Venture Capital Firms and Hard-Disk Drive (HDD) Manufacturer Increase Investments to \$65M

Sunnyvale, CA—May 19, 2009—Unity Semiconductor Corp., a start-up that will serve the semiconductor data storage market as a designer, developer and manufacturer of non-volatile storage-class memory integrated circuits (IC), announced today that it has closed its Series C round of financing of \$22 million.

Founded in 2002 by Darrell Rinerson, a former executive at memory leader Micron Technology (NASDAQ: MU) and at Advanced Micro Devices (NASDAQ: AMD), Unity Semiconductor's will deliver the industry's smallest die-size and the lowest manufacturing cost per bit for its targeted market. Unity Semiconductor has achieved its product cost objective using innovative, multi-layer memory array architecture and a new breakthrough memory cell technology called CMOx™, which is based on ionic motion through combinations of certain conductive metal oxide materials.

The \$22M Series C financing came primarily from Unity Semiconductor's three major venture capital investors—August Capital, Lightspeed Venture Partners, and Morgenthaler Ventures—and a major hard-disk drive (HDD) manufacturer, also a repeat investor. The latest round brings to nearly \$75M the total funding to date in Unity Semiconductor.

“This latest investment demonstrates that our group of experienced, top-tier investors has confidence in our proprietary technology and our progress in developing it,” said Mr. Rinerson, Chairman, CEO and President of Unity Semiconductor. The additional funding, he noted, will be applied toward completing the development of CMOx™, Unity’s proprietary next-generation non-volatile memory technology, and integrating CMOx™ into a high volume memory manufacturing process. Also, the funding will go toward completing the design of its family of CMOx™ based storage-class memory products.

“NAND Flash is one of the largest and most important segments of the semiconductor industry today. But its scaling limits have been in sight for several years,” said Andy Rappaport, a partner at August Capital, and the original venture capital investor in Unity. “What Unity has developed is like the holy grail—a technology that not only better NAND flash in all key performance metrics, but can scale through many process generations to come. I’ve seen only very few semiconductor start-ups in my career that can address such a large and growing market with this kind of unique and fundamental technology.”

CMOx™ will yield products with 4x the density and 5-10x the write speed of today’s NAND flash. “Only CMOx™ has the cell size to beat NAND,” Rinerson said. CMOx™ implements concepts “dreamed about for 40 years,” namely passive rewritable cross-point memory technology and multiple physical layers of memory arrays. It utilizes “new methods and new materials for allowing concepts that could not otherwise be realized,” he added. The read/write cross point memory cell cannot be implemented without using these new concepts.

CMOx™ is intended to be not only a NAND flash replacement technology for all the important high-density/high-performance memory segments (SSDs, stand-alone memory, and embedded memory), but also a NAND flash “successor” technology that, in time, will extend into high-performance embedded and enterprise applications. “We call it a ‘Technology for Terabits’ that will challenge high-volume rotating magnetic media,” Rinerson stated.

Unity Semiconductor has protected these developments by filing an extensive patent portfolio which presently includes 60 granted patents, with another 90 patent applications.

“We are within the 2-year horizon for production volumes of our first product, a 64-gigabit storage class memory,” Mr. Rinerson said. Unity Semiconductor has been processing 64-kilobit products for 2 years, 64-megabit products for 1 year, and its 64-Gb product will tape-out in 1H 2010.

“To fully develop our proprietary next-generation memory technology, CMOx™, and bring it to market, high-volume production partnerships are needed,” Mr. Rinerson added. Unity Semiconductor’s unique manufacturing strategy will revolve around a joint venture partnership for volume production with a leading memory integrated device manufacturer (IDM).

Based on forecasts from market researchers, Unity believes the total accessible market (TAM) for its storage class non-volatile memory products will be approximately \$15B in 2010, growing to more than \$25B in 2013.

Unity Semiconductor is a leading designer and developer of non-volatile storage class memory products based on innovative, multi-layer memory array architectures and a new, breakthrough technology, called CMOx™. Founded in 2002, Unity Semiconductor (www.unitysemi.com) is a Silicon Valley-based company with more than 40 employees.