

Dear Customer,

I am writing to thank you for your business with Adesto Technologies and to clarify recent business events that may result in temporarily extended lead times for some Adesto products.

On December 26th, 2013, LFoundry (one of Adesto's manufacturing partners located in Rousset, France) received a court order to cease all continued operations and to begin liquidation as part of bankruptcy proceedings. This directly affects work-in-progress for some Adesto parts. Adesto has already put into effect a business contingency plan and has taken action, as summarized below, to minimize the impact to our customers.

1. Two product families that comprise the Adesto standard product line were sourced from LFoundry and therefore will be partially impacted by the facility closure for a short period. The affected products include AT45Dxxx "DataFlash" (D Series) and AT25xxx "BIOS Flash" products. A complete list of affected parts is included with this letter.
2. Adesto moved quickly throughout 2013, secured the necessary manufacturing capacity at UMC, successfully ramped and is now in full production of enhanced replacement (E-Series) products for our flagship DataFlash product family. **Lead times for Adesto products sourced from UMC are in no way affected by the events at LFoundry.**
3. We are expediting wafer starts at UMC to increase our safety stock reserves in order to accommodate demand in line with Adesto's business contingency planning.
4. We are also expediting the scheduled release of new Adesto BIOS Flash products to replace the products that were sourced by LFoundry and preparing the release of new industry-standard devices to augment our Serial Flash product family.

Due to this Force Majeure, **we strongly recommend our customers accelerate the qualification of our DataFlash E-Series products which are manufactured at our leading foundry partner UMC to replace the affected DataFlash D-Series products from LFoundry.** In addition, beginning in Q2, Adesto will introduce a new family of BIOS Flash products to replace the affected AT25xxx products.

My team is confident that the aforementioned actions, combined with close communication and cooperation with your Production and Technical staff, will enable Adesto to meet its customers' requirements and return to normal lead times. In the meantime, should you have any questions, please feel free to contact the Adesto management team listed below or email us at info@adestotech.com.

Sincerely,

Narbeh Derhacobian
Chief Executive Officer
narbeh.derhacobian@adestotech.com

LFoundry Manufacturing – Affected Adesto Parts

Product Family	Part Number	PCN/EOL Status*	Required Action in 2014
DataFlash	AT45DB041D	LTB April 18, 2014 (PCN PDF011, published 10/31/13)	Adopt replacement part AT45DB041E
"	AT45DB081D	LTB April 18, 2014 (PCN PDF012, published 10/31/13)	Adopt replacement part AT45DB081E
"	AT45DB321D	LTB April 18, 2014 (PCN PDF013, published 10/31/13)	Adopt replacement part AT45DB321E
"	AT45DB642D	LTB April 18, 2014 (PCN PDF010, published 10/24/13)	Adopt replacement part AT45DB641E
BIOS	AT25F512B	ACTIVE (PCN/EOL Q1'14)	Replacement available Q2 2014
"	AT25DF041A	ACTIVE (PCN/EOL Q1'14)	Replacement available Q2 2014
"	AT25DQ321	ACTIVE (PCN/EOL Q1'14)	Contact Adesto for replacement info
"	AT25DF641	ACTIVE (PCN/EOL Q1'14)	Contact Adesto for replacement info

***Disclaimer: Due to the shutdown of LFoundry's manufacturing operations, Adesto cannot guarantee availability of the affected products. LTB and LTS dates may be impacted.**

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