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sp3 Diamond Technologies Forms Strategic Partnership With Ceramics Process Systems

SANTA CLARA, Calif. – October 9, 2006 – sp3 Diamond Technologies, Inc. (sp3), a supplier of DiaTherm™ diamond heat spreaders and diamond products for solving thermal management challenges in high-performance applications, announces a strategic partnership with Ceramics Process Systems (CPS), a developer and manufacturer of Aluminum Silicon Carbide (AlSiC) thermal management and packaging solutions. Geared towards meeting the growing market need for electronics packages with enhanced thermal dissipation requirements, the two companies are partnering to provide AlSiC packages incorporating diamond pins.

Supplying superior thermal dissipation, the new packages provide manufacturers of electronic devices, such as graphics processors, transportation power modules, and military communication components, with dramatic device power and reliability improvements through extremely high thermal conductivity (1,200 W/m-K) paths and a tailored, low coefficient of thermal expansion (CTE). The low density and high strength and stiffness values of AlSiC presents added advantages over denser, traditional materials.

“We are excited to enter into this partnership with CPS, as our unique thermal management technologies are a perfect complement to each other,” commented Dwain Aidala, President of sp3 Diamond Technologies. “We have immediately added

the industry-proven CPS AlSiC packages with diamond pins to our product portfolio, and look forward to the increased market penetration that this partnership will provide.”

“The partnership reflects the increasing use of cost-effective diamond heat spreaders in multiple applications to improve hot spot heat transfer capability in packages,” stated Grant Bennett, President of CPS. “Diamond has been talked about for a long time as a potential thermal management product, having obvious benefits but a price tag associated with it. Through this partnership, we are able to deliver a package that offers all the benefits of diamond heat spreaders in a cost-effective manner.”

Diamond has decreased in cost significantly due to its increased use in both electronic and cutting-tool applications. While the cost of diamond is higher on a volume basis compared to other heat-spreader materials, its bill-of-materials cost is low. The increased use of diamond heat spreaders in multiple markets and applications continues to reduce its portion of total device cost.

Encapsulating a diamond pin with a thin layer of AlSiC, a metal-matrix composite, and strategically placing the diamond pins near hot spots provides an extremely high thermal path through the package, acting as a vertical solid state heat pipe to conduct heat away from hot spots and out of the package. The addition of thermal pyrolytic graphite at the top of the package dissipates the heat across a broad area at the surface of the package.

sp3 adds AlSiC packages incorporating diamond pins to its product portfolio, which includes DiaTherm heat spreaders and diamond-on-silicon (DOS) wafers for MEMS and thermal management applications, as well as diamond deposition reactors. CPS will also market AlSiC packages incorporating sp3 diamond pins.

About sp3 Diamond Technologies, Inc.

Diamond is hard, durable, stiff, thermally conductive and electrically insulating. These are just some of the many qualities that diamond offers making it ideal for a wide variety of applications, from cutting tools to advanced semiconductor manufacturing.

sp3 Diamond Technologies makes CVD (chemical vapor deposition) diamond for a broad range of applications where current materials have reached their limit. Our ability to make and deposit diamond is a direct result of our proprietary chemical vapor deposition diamond reactor technology and our coating services capability. It is this technology that allows us to deposit uniform thin-film diamond and do it cost-effectively. Consistent and cost-effective manufacture of CVD diamond is in turn broadening the material's appeal throughout multiple industries where diamond could be considered the material of choice.

Based in Santa Clara, California, USA, the company provides diamond products for advanced thermal applications, diamond coating and material services, hot filament CVD reactors, and deposition consulting services. sp3 Diamond Technologies is a subsidiary of sp3 Inc., a full service provider of products and services relating to thin-film and freestanding diamond deposition and other diamond materials. For more information about the company and its products and services please visit www.sp3inc.com.

About Ceramics Process Systems Corporation

Ceramics Process Systems is the world leader in providing AlSiC thermal management components and electronic packaging products for the microelectronics, power electronics and automotive industries. Typical products include housings, lids, baseplates, thermal planes and other structures used where reliability and/or weight are important considerations. CPS' ISO 9001:2000 certified manufacturing operations are located in Chartley, Massachusetts, USA.

For more information about CPS and its products please visit www.alsic.com.

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