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FOR IMMEDIATE RELEASE:

Flash Memory Summit Recognizes msystems™ x4™ Technology as the Most Innovative Flash Memory Technology of 2006

x4 technology developed in collaboration with Tel Aviv University

1ST ANNUAL FLASH MEMORY SUMMIT, SAN JOSE, Calif., Aug. 10, 2006 - msystems (NASDAQ: FLSH), a leader in smart personal storage, today announced that its x4 NAND flash technology was recognized as the "Most Innovative Flash Memory Technology" of 2006 by a panel of industry experts at the Flash Memory Summit.

"We received such a significant number of quality entries covering a wide range of flash memory technologies that our judges had a challenging time selecting just one winner," explained Jay Kramer, conference chairperson and head of the judging panel for the Best of Flash Memory Summit Awards. "The x4 NAND flash technology from msystems is truly a groundbreaking flash memory solution that exemplifies the most innovative technology at this inaugural Flash Memory Summit."

msystems x4 technology was developed in collaboration with Tel Aviv University's (TAU) School of Electrical Engineering and exclusively licensed to

msystems, for use in flash memory products, by Ramot, the technology transfer company and commercialization arm of TAU.

 "This award-winning x4 technology and other technological innovations show that investing in academic excellence can deliver commercial results," said Professor Itamar Rabinovich, president of Tel Aviv University. "Our cooperation with industry leaders such as msystems ultimately benefits society at large."

About Ramot at Tel Aviv University Ltd.

Ramot is the technology transfer company of Tel Aviv University (TAU). Ramot fosters, initiates, leads, and manages the transfer of new technologies from TAU laboratories to the marketplace, by performing all activities relating to the protection and commercialization of inventions and discoveries made by faculty, students and other researchers of TAU. Ramot provides a dynamic interface connecting industry to leading edge science and innovation, offering new business opportunities in a wide variety of emerging markets.

Founded in 1963, TAU is one of Israel's foremost research and teaching universities. Located in Israel's cultural, financial and industrial heartland, TAU is at the forefront of basic and applied research in a wide variety of scientific research disciplines.

About the Flash Memory Summit

The 1st Annual Flash Memory Summit is the only conference dedicated entirely to flash memory and its applications. The Summit features half-day tutorials, workshops, paper and panel sessions, keynotes, roundtables, special sessions, and exhibits. Subjects include hardware, software, design methods, consumer applications, embedded applications, computer and communications

applications, alternative technologies, programming methods, testing, standards, and market research. For more information, visit www.flashmemorysummit.com.

About msystems

msystems has been transforming raw flash material into smarter storage solutions since 1989. From embedded flash drives deployed in millions of mobile handsets to U3 USB smart drives designed for leading global brands, msystems creates, develops, manufactures and markets smart personal storage solutions for a myriad of applications targeting high growth markets.