

**Frost & Sullivan Honors Advanced Diamond Technologies
with the 2006 Diamond Thin Films Product Innovation of the Year Award**

Palo Alto, Calif. — October 25, 2006 — Frost & Sullivan honors Advanced Diamond Technologies, Inc. (ADT) with the 2006 Thin Films Product Innovation of the Year Award for its Diamond-on-Silicon (DoSi™) family of Ultrananocrystalline Diamond™ (UNCD™) enabled products.

DoSi wafers are electronics-grade silicon wafers coated with UNCD thin films that are deposited using the company's proprietary chemical vapor deposition (CVD) process. The UNCD films incorporate most of the outstanding properties of natural diamond in thin film form and have key functionalities beyond those of virtually any other carbon-based material. They are mirror smooth, have low internal stresses, possess outstanding uniformity, and meet baseline industry-standard requirements for semiconductor manufacturing. DoSi wafers deliver these properties with outstanding thickness and property uniformity for higher yields and lower costs.

ADT currently offers four varieties of UNCD in its Aqua™-series of DoSi wafers. They are available on 100, 150 and 200 mm silicon wafers, as well as more complex thin film stacks and specialty substrates by request. ADT's spectacular development of the UNCD process and its introduction of DoSi wafers, globally distributed by Goodfellow Corporation, make it both commercially reliable and affordable.

"The ADT approach results in a polycrystalline diamond film with grain sizes as low as 3 nm to 5 nm which is three orders of magnitude smaller than the grains obtained in diamond films using conventional methods," says Frost & Sullivan Research Analyst S. Sumithra. "It also leads to an increase in the percentage of grain boundaries as a part of the total film surface area."

Significantly, the high-energy grain boundaries of UNCD make it possible to manufacture metallic diamond and also gives it a fracture toughness exceeding that of natural diamond. The dominant grain boundaries enable control over the properties of UNCD, through variations in the process, such as electrical conductivity, surface roughness, modulus, and thermal conductivity.

ADT's process deposits diamond at lower temperatures. While traditional processes require deposition temperatures of 800 to 900 degrees Celsius (i.e., above the melting point of most materials), ADT's UNCD technology deposits diamond at reasonable growth rates at temperatures as low as 400 degrees Celsius; low enough to integrate UNCD with most common industrial hard materials including aluminum and some high-temperature plastics.

This is the critical temperature threshold or limit for active complementary metal oxide semiconductor (CMOS) circuits. ADT's process integrates diamond into semiconductor microelectronic devices making it possible to develop diamond-based micro-electromechanical systems (MEMS) where traditional diamond technology is not feasible.

UNCD DoSi wafers' diverse applications include diamond MEMS devices, x-ray windows, and platforms for biosensors, wear-resistant coatings, as nonstick coatings and even as cold cathode electron sources. Moving towards its vision to be a diamond-enabled product company in the telecommunications, industrial, medical and defense industries, ADT plans to announce its first UNCD wear-resistant product in the first quarter of 2007 and UNCD-MEMS devices in the third quarter of 2007.

The UNCD technology was initially invented at Argonne National Laboratory primarily through support from the US Department of Energy (DOE), Office of Science, Office of Basic Energy Sciences, and is now being commercialized by ADT. ADT has received generous support for the development of UNCD applications such as mechanical seals for pumps, RF MEMS devices and biocompatible, hermetic coatings for implantable organs from the DOE Office of Science, Office

of Biological and Environmental Research, the Office of Energy Efficiency and Renewable Energy Industrial Technologies Program, the National Science Foundation through its Small Business Innovative Research (SBIR) program, the Defense Advanced Research Projects Agency (DARPA), and the Illinois Department of Commerce and Economic Opportunity (DCEO).

Frost & Sullivan is pleased to recognize ADT with its 2006 Product Innovation Award for Diamond Thin Films. The introduction of the DoSi product family is indicative of ADT's remarkable efforts advancing the use of UNCD films in key industrial applications. ADT has also exhibited innovation by launching a family of emerging products and technologies based on its UNCD films.

Frost & Sullivan Best Practices Awards recognize companies in a variety of regional and global markets for demonstrating outstanding achievement and superior performance in areas such as leadership, technological innovation, customer service, and strategic product development. Industry analysts compare market participants and measure performance through in-depth interviews, analysis, and extensive secondary research in order to identify best practices in the industry.

About Advanced Diamond Technologies

Located in Romeoville, Illinois, ADT is the world leader in developing and applying diamond films for industrial, electronic, mechanical, and medical applications. The State of Illinois Technology Enterprise Center, the DOE Office of Science, the Argonne Site Office, and the University of Chicago were instrumental in creating ADT in December 2003 to commercialize the UNCD technology developed at Argonne. ADT is the licensee to the Argonne portfolio of application and process patents for synthesizing and using UNCD films. Its website is <http://www.thindiamond.com>.

About Frost & Sullivan

Frost & Sullivan, a global growth consulting company, has been partnering with clients to support the development of innovative strategies for more than 40 years. The company's industry expertise integrates growth consulting, growth partnership services, and corporate management training to identify and develop opportunities. Frost & Sullivan serves an extensive clientele that includes Global 1000 companies, emerging companies, and the investment community by providing comprehensive industry coverage that reflects a unique global perspective and combines ongoing analysis of markets, technologies, econometrics, and demographics. For more information, visit www.awards.frost.com or www.chemicals.frost.com.

Contact:
Stacie Jones
210.247.2450
Stacie.jones@frost.com