



MOSAID Technologies Incorporated

MOSAID and Infineon Settle Patent Litigations

*Infineon and Qimonda license MOSAID patent portfolio
MOSAID purchases 50 patents from Infineon*

OTTAWA, Ontario – June 14, 2006 – MOSAID Technologies (TSX:MSD) today announced the settlement of its patent litigations with Infineon Technologies AG and that both Infineon and its memory products spin-off, Qimonda AG, have licensed the MOSAID patent portfolio.

MOSAID and Infineon have been involved in two litigations: the first in the U.S. District Court for the Northern District of California, which has been under appeal; and the second in the U.S. District Court for the Eastern District of Texas. Under the settlement terms, Infineon and Qimonda will each receive a six-year license to the entire MOSAID patent portfolio. In addition, Infineon and Qimonda will receive a ‘lives of the patents’ license to the MOSAID patent families in dispute. Payments will be spread over the six-year term of the licenses. Under the terms of the settlement, financial details will be kept confidential.

MOSAID has also purchased 50 patents from Infineon and Qimonda, ranked as one of the world’s largest DRAM companies. The portfolio includes patents related to a range of technologies including DRAM memory, power management ICs, semiconductor process technology and digital radio applications. Payments by MOSAID for these patents will be spread over six years.

MOSAID and Infineon have also agreed to file a joint motion requesting the Court in California to vacate the Summary Judgment Order issued on April 1st, 2005.

“This settlement is a major milestone for our patent licensing program,” said Jim Skippen, Senior Vice President, Patent Licensing and General Counsel, MOSAID. “A key aspect for MOSAID of the settlement is the parties’ agreement to jointly request the Court to vacate the summary judgment decision. We are also furthering one of our important corporate goals by broadening our licensing reach beyond DRAM into different areas of technology such as power management and semiconductor process technology.”

“We are very pleased to add Infineon and Qimonda to the large roster of companies that are licensing MOSAID’s patent portfolio, said George Cwynar, President and Chief Executive Officer, MOSAID. “This is also MOSAID’s first major patent acquisition, and our goal is to fully realize the value of this intellectual property over time.”

Impact on Guidance

The Infineon and Qimonda licenses will result in payments beginning in the second quarter of fiscal 2007 and continuing on a quarterly basis for the balance of the six-year license term. MOSAID's payments for the acquired patents will be made in like fashion. It is expected that the licenses and patent purchase will result in increased revenues, expenses, and profits starting in the second quarter of fiscal 2007. In addition, the entire portion of intellectual property revenues stemming from patent licensing has now been booked. Further, as a result of the third reading of the Canadian federal budget, the Company is now required to revalue its future income tax asset using the lower, substantially enacted tax rates, which will result in a one-time income tax expense of approximately \$1 million in the first quarter of fiscal 2007, but with no impact to cash flow. Accordingly, MOSAID is resetting guidance for fiscal 2007. Preliminary expectations for revenue for the year range between \$83 million and \$88 million, with net earnings between \$21 million and \$23 million.

Conference Call and Webcast

Management will hold a conference call and webcast on June 14, 2006 at 9 a.m. (EST). Participants wishing to access the conference call should dial 1-800-796-7558. The conference call will be webcast live at www.mosaid.com and www.newswire.ca, and subsequently archived on MOSAID's web site. A rebroadcast of the conference call will be available until midnight on Wednesday, June 21. To access the rebroadcast, please dial 1-877-289-8525 and enter the passcode 21193038#.

About MOSAID

MOSAID Technologies Incorporated makes semiconductors better through the development and licensing of intellectual property and the supply of memory test and analysis systems. MOSAID counts many of the world's largest semiconductor companies among its customers. Founded in 1975, MOSAID is based in Ottawa, Ontario, with offices in Santa Clara, California; Newcastle upon Tyne, U.K.; and Tokyo, Japan. For more information, visit www.mosaid.com.

Forward Looking Information

This document may contain forward-looking statements relating to the Company's operations or to the environment in which the Company operates. Such statements are based on current expectations that are subject to a variety of risks and uncertainties that are difficult to predict and/or beyond MOSAID's control. Actual results may differ materially from those expressed in any forward-looking statements, due to factors such as customer demand and timing of purchasing decisions, product and business mix, competitive products, pricing pressures as well as general economic and industry conditions. MOSAID assumes no obligation to update these forward-looking statements, or to update the reasons why actual results could differ from those reflected in any forward-looking statements. Additional information identifying risks and uncertainties is contained in other public filings with the Ontario Securities Commission.

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