



MOSAID Technologies Incorporated

FOR IMMEDIATE RELEASE

Court Imposes Sanctions Against Samsung in MOSAID Patent Lawsuit

OTTAWA, Ontario – July 8, 2004 – MOSAID Technologies Incorporated (TSX:MSD) today announced that Magistrate Judge Hedges has imposed several sanctions against Samsung in its lawsuit with MOSAID Technologies Incorporated.

MOSAID filed a motion on April 6, 2004 in the New Jersey District Court requesting a number of sanctions against Samsung for its failure to deliver certain documentation to MOSAID in the discovery phase of the case, as required by law, and for its destruction of email evidence related to the case.

On May 10, May 19, and July 1, 2004, hearings were held in the New Jersey District Court to consider MOSAID's motion. On July 8, 2004 Judge Hedges issued his ruling confirming the imposition of the following sanctions requested by MOSAID against Samsung:

- Reimbursement of MOSAID's reasonable attorneys' fees and costs associated with MOSAID's attempts to secure discovery and MOSAID's sanctions motion
- An order that proof of infringement by MOSAID of certain representative Samsung parts of MOSAID's choosing will determine infringement of all Samsung parts
- An order that Samsung is precluded from challenging MOSAID's expert evidence as to the operation of Samsung parts, to the extent that such challenges rest on any assumptions made in performing analysis on representative parts
- An order that the Jury at trial shall be given an instruction that it should draw an adverse inference from the destruction and non-production of emails by Samsung

A copy of the Court's Order and Opinion, together with MOSAID's Motion, is available at http://www.mosaid.com/licensing/samsung_litigation_update.htm

"We believe this ruling largely vindicates MOSAID's efforts to secure proper discovery in this case," said Jim Skippen, Senior Vice President and General Counsel for MOSAID. "Part of Samsung's strategy seems to have been to unfairly delay and bias the case outcome by either withholding or destroying critical documents. The Court obviously agreed with MOSAID in granting these significant sanctions since in Judge Hedges Order he writes, when referring to Samsung's destruction of emails: 'The prejudice resulting from complete and total email spoliation seems particularly obvious... the fact that no technical emails were preserved... demonstrates, at the least, extremely reckless behaviour.'"

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“The sanctions Order delivered today is a means to address, both financially and through prescribed ongoing actions, the harm done through Samsung’s actions,” said George Cwynar, President and Chief Executive Officer for MOSAID. “We are pleased with this Order and believe that it is the result of consistent, longstanding efforts by our legal team.”

About MOSAID

MOSAID Technologies Incorporated is an independent semiconductor company operating through two divisions:

- *Intellectual Property* - a developer and licensor of memory intellectual property.
- *Systems* - the leading supplier of engineering memory test and analysis systems to memory manufacturers, foundries and fabless chip companies around the world.

Founded in 1975, MOSAID is based in Ottawa, Ontario, Canada, with offices in Santa Clara, California; Newcastle upon Tyne, U.K; and Tokyo, Japan. For more information, visit the Company’s web site at 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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