



MOSAID Technologies Incorporated

FOR IMMEDIATE RELEASE

MOSAID Settles Samsung Patent Litigation

World's Largest DRAM Producer Licenses MOSAID Patent Portfolio

OTTAWA, Ontario – January 18, 2005 – MOSAID Technologies Incorporated (TSX:MSD) today announced that it has settled its ongoing patent litigation with Samsung Electronics Co., in the District Court of New Jersey, and that Samsung has licensed the MOSAID patent portfolio.

In September 2001, MOSAID sued Samsung for infringement of seven MOSAID patents. Today MOSAID announced that it has signed an agreement with Samsung, which settles this litigation and grants Samsung a license to the MOSAID patent portfolio. Under the terms of settlement, Samsung will receive a five year license to the entire MOSAID patent portfolio. Samsung will also receive a license to four MOSAID patent families filed prior to 2000 for the lives of the patents. Payments for the license will be spread over the five year term of the license. Under the terms of the agreement financial details are to be kept confidential.

“This is a major step forward for our patent licensing program,” said Jim Skippen, Senior Vice President, Patent Licensing and General Counsel of MOSAID. “Now that Samsung, the world’s largest DRAM supplier, has settled with MOSAID, we believe it is more likely that the remaining unlicensed DRAM companies will follow suit. This license clearly confirms the strength of our patent portfolio, which contains over 530 issued and pending patents. And finally, the five year term associated with most of the patents being licensed to Samsung under this agreement is consistent with our strategy of making our patent licensing program renewable and ongoing.”

“The signing of this license with Samsung is our most significant licensing achievement to date,” said George Cwynar, President and Chief Executive Officer of MOSAID. “This represents a watershed event for MOSAID, confirming the potential we envisaged when we launched our patent licensing program as a key strategic initiative six years ago. It also validates our use of litigation when necessary to obtain fair licensing terms. We prefer to settle licenses in the boardroom, but we will pursue our rights in court if necessary. This agreement with Samsung better positions us to assert our patents and provides ongoing financial strength and flexibility to maximize shareholder return.”

Samsung joins many other major DRAM and semiconductor manufacturers who have already licensed MOSAID’s patent portfolio, including Fujitsu, NEC, Toshiba, Hitachi, Mitsubishi Electric, Oki Electric, Matsushita, Winbond Electronics, Sony Corporation and Royal Philips Electronics.

Settlement of MOSAID’s litigation with Samsung does not affect MOSAID’s ongoing patent litigation with Infineon Technologies.

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With respect to financial guidance, the Samsung agreement impacts the Company's expected results for its third quarter and the fiscal year. Driven principally by the incremental revenues from Samsung, the Company now forecasts revenues in Q3 fiscal 2005 of \$16.5 to 17 million versus its previous guidance of \$4 to 4.5 million. For the fiscal year, revenues are expected to be \$44.5 to 45 million versus previous guidance of \$30 to 32 million. Earnings are now expected to be \$33.5 to 34 million for Q3 fiscal 2005 versus previous guidance of a loss of \$5 to 6 million. However, this earnings forecast is impacted by the recognition of the Company's remaining income tax asset, which is more likely than not to be utilized. Without this adjustment, earnings for Q3 would be \$5 to 5.5 million. For the fiscal year, earnings of \$34.5 to 35 million are now forecast, versus previous guidance of a loss of \$6 to 7 million.

Conference Call and Webcast

Management will hold a conference call and webcast today **Tuesday, January 18, 2005 at 10:00 a.m. (ET)**. Participants wishing to access the conference call should dial 1-800-814-4859. The conference call will also 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 **Tuesday, January 25, 2005**. To access the rebroadcast, please dial 1-877-289-8525 and enter the passcode 21109939#.

About MOSAID

MOSAID Technologies Incorporated makes memory better through the development and licensing of intellectual property and the supply of memory test and analysis systems to semiconductor manufacturers, foundries and fabless semiconductor 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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