

## **INTEGRATED TELECOM EXPRESS ANNOUNCES DISTRICT COURT DECISION IN BANKRUPTCY APPEAL**

CUPERTINO, Calif., May 25, 2004 – Integrated Telecom Express, Inc. today announced that the United States District Court for the District of Delaware upheld the January 2003 order of the United States Bankruptcy Court for the District of Delaware denying the motion filed by the Company's former landlord and largest creditor to dismiss the bankruptcy case. The United States District Court also affirmed the Bankruptcy Court's order confirming the Company's Second Amended Plan of Liquidation under Chapter 11. The landlord has indicated that it will appeal the decision to the Third Circuit Court of Appeals.

The Company's old common stock was cancelled on May 2, 2003, the effective date of the Plan of Liquidation. Holders of the Company's old common stock are entitled to distributions under the Plan. The Company has set aside reserves for amounts that may be required to be paid in connection with any appeal by the Company's former landlord, the securities class action litigation to which the Company is a party, and costs associated with the completion of the Company's liquidation. Future distributions, if any, will be made as soon as practicable pending resolutions of the foregoing.