

## Update on Class Action Lawsuit

A class action lawsuit has been filed against Integrated Telecom Express, Inc. (“ITeX”) and certain of its directors and officers and its investment bank underwriters for violation of the federal securities laws in the United States District Court for the Southern District of New York (the “Court”). These cases have been coordinated for pretrial proceedings as In re Initial Public Offering Securities Litigation, 21 MC 92 (SAS). On June 25, 2007, U.S. District Judge Scheindlin entered an order terminating the proposed settlement based on a stipulation among the parties to the settlement. The plaintiffs have indicated that they will seek to amend their allegations and file amended complaints.

**Plaintiffs will seek class certification discovery.**

ITeX believes that it and the individual defendants have meritorious defenses to the claims made in the complaints and intends to contest the lawsuit vigorously.