

**IMPORTANT TAX INFORMATION
FOR CONEXANT SHAREHOLDERS**



PLEASE RETAIN FOR YOUR RECORDS

July 1, 2003

Dear Conexant Shareholder:

The purpose of this letter is to assist you in determining the tax consequences to you of the pro rata distribution (the "Distribution") of the outstanding shares of Common Stock of Mindspeed Technologies, Inc. ("Mindspeed") to holders of Common Stock of Conexant Systems, Inc. ("Conexant") by Conexant, which was completed on June 27, 2003. The tax consequences discussed include the allocation of your tax basis between your Conexant Common Stock and the Mindspeed Common Stock you received. The allocation of your tax basis will affect the gain or loss you will recognize on the sale or other disposition of these shares, including the deemed sale of any fractional shares you are deemed to receive that should be reported on your 2003 tax return.

In the Distribution, each holder of Conexant Common Stock received one share of Mindspeed Common Stock for every three shares of Conexant Common Stock held as of the close of business on June 20, 2003. **Shareholders do not need to surrender or exchange their Conexant stock certificates in order to receive the Mindspeed Common Stock to which they are entitled and will not be receiving new Conexant stock certificates.** Your ownership of Mindspeed Common Stock initially will be registered only in book-entry form, and you will receive a stock distribution statement indicating the number of shares of Mindspeed Common Stock that have been credited to you. Accordingly, you will not receive a certificate for shares of Mindspeed Common Stock unless you request one.

In general, fractional shares of Mindspeed Common Stock which Conexant shareholders would be entitled to receive will be aggregated and sold in the open market. Checks representing the cash value of the fraction of any share of Mindspeed Common Stock to which Conexant shareholders would have been entitled will be mailed shortly. Participants in the Conexant Savings Plans will be credited with full and fractional shares of Mindspeed Common Stock based on the number of shares of Conexant Common Stock held in their plan accounts.

Conexant has received a legal opinion to the effect that the Distribution should qualify as a tax-free distribution to holders of Conexant Common Stock for U.S. federal income tax purposes. The opinion is not binding on the Internal Revenue Service ("IRS").

The opinion is subject to certain factual representations and assumptions which, if incorrect in any material respect, could cause the opinion to become invalid. Conexant is not aware of any facts or circumstances that could cause such representations and assumptions to be incorrect.

Based on the opinion, no tax gain or loss will be recognized by a Conexant shareholder solely as a result of the receipt of Mindspeed Common Stock in the Distribution, except that a Conexant shareholder who receives a cash payment in lieu of a fractional share of Mindspeed Common Stock will recognize gain or loss equal to the difference between the cash received and the

amount of tax basis allocable to the fractional share. Such gain or loss will be capital gain or loss if the fractional share would have been held by the shareholder as a capital asset.

Tax Basis Allocation and Holding Period

To determine the U.S. federal income tax basis in your shares of Conexant Common Stock and your newly received shares of Mindspeed Common Stock (including fractional shares), you must allocate among such shares the tax basis in your Conexant Common Stock immediately before the Distribution.

Based upon the average of the high and low trading prices on June 30, 2003 of Conexant Common Stock, as reported on the Nasdaq Stock Market, Inc. National Market System, and of Mindspeed Common Stock, as reported on the American Stock Exchange, (1) 84.56% of your tax basis should be allocated to your Conexant Common Stock and (2) the balance, 15.44%, should be allocated to your newly received Mindspeed Common Stock (including any fractional share interest).

The tax basis in your shares of Conexant Common Stock before the Distribution generally is equal to the cost of the shares, including commissions (or, if you acquired shares of Conexant Common Stock as a result of a transaction other than a purchase, the tax basis allocated to such shares as a result of such transaction). For example, if you acquired your shares of Conexant Common Stock when Conexant was spun-off from Rockwell International Corporation, you should refer to (1) Rockwell's letter dated January 6, 1999 regarding the allocation of your tax basis between your Rockwell and Conexant shares and (2) Conexant's letter dated June 27, 2002 regarding the allocation of your tax basis between your shares of Conexant Common Stock and the shares of Skyworks Solutions, Inc. ("Skyworks") you received as a result of Conexant's distribution of its stock of Washington Sub, Inc. ("Washington"), followed by Washington's merger into Skyworks. If you acquired your shares of Conexant Common Stock at different times and at different costs, you will need to make separate basis calculations for each group of shares. **Please consult your tax advisor to determine your tax basis in your Conexant Common Stock to be allocated.**

Your holding period for U.S. federal income tax purposes for the newly received Mindspeed Common Stock is the same as your holding period for your Conexant Common Stock with respect to which the Mindspeed Common Stock was received, unless you fall within a special category of holder such as a dealer or trader who did not hold the Conexant Common Stock as a capital asset on June 27, 2003.

EXAMPLE

Assume that on June 20, 2003 you owned 10 shares of Conexant Common Stock with a tax basis of \$10.00 for each share, for a total tax basis of \$100.00. You would have been entitled to receive 3 1/3 shares of Mindspeed Common Stock in the Distribution, although you would actually have received 3 shares of Mindspeed Common Stock plus a cash payment in lieu of a 1/3 fractional share of Mindspeed Common Stock.

Calculation of New Tax Basis

	% of Basis <u>Allocable</u>		Original Cost Basis in Conexant Common <u>Stock</u>		Total Allocated <u>Basis</u>		Number of Shares of Conexant Common Stock or Mindspeed Common <u>Stock Received</u>		New Tax Basis Per <u>Share</u>
Conexant Common Stock	84.56%	x	\$100	=	\$84.56	÷	10	=	\$8.456
Mindspeed Common Stock	15.44%	x	\$100	=	\$15.44	÷	3 1/3	=	\$4.632

Your new tax basis in your 10 shares of Conexant Common Stock would be \$84.56.

Your tax basis in the 3 shares of Mindspeed Common Stock received would be \$13.90.

Your tax basis with respect to the cash payment in lieu of a 1/3 fractional share of Mindspeed Common Stock would be \$1.54.

Any gain or loss you realize in connection with the sale of the fractional share of Mindspeed Common Stock will be recognized by you in 2003 (assuming you are a calendar year taxpayer).

Statements in U.S. Federal Income Tax Return

U.S. Treasury regulations require each shareholder to attach to his or her 2003 U.S. federal income tax return a signed statement setting forth certain prescribed information about the Distribution of the Mindspeed Common Stock. For this purpose, we are enclosing a sample statement which you may complete and use when filing your 2003 tax return.

Shares of Conexant Common Stock held in a plan account by a participant in any of the Conexant Savings Plans are not treated as owned by the participant for purposes of these filing requirements. Accordingly, a participant in any of the Conexant Savings Plans who does not otherwise own Conexant Common Stock is not required to attach the statement referred to above to his or her 2003 tax return. Further, a participant who does otherwise own Conexant Common Stock is not required to reflect the number of shares of Mindspeed Common Stock credited to his or her Conexant Savings Plan account on the statement attached to his or her 2003 tax return.

The information in this letter represents our understanding of existing U.S. federal income tax law and regulations and does not constitute tax advice. It does not purport to be complete or to describe tax consequences that may apply to particular categories of shareholders, including in particular, the possibility of applying different methods for allocating tax basis. Each shareholder should consult a tax advisor as to the particular consequences of the Distribution under U.S. federal, state and local tax laws and foreign tax laws, including, in particular, tax basis allocation rules and the effect of possible changes in tax laws that may affect the description set forth above.

* * *

Questions about the information in this letter should be directed as follows:

Conexant Systems, Inc.
4311 Jamboree Road
Newport Beach, California 92660-3095
Attention: Shareowner Services
Telephone: (949) 483-4533

Sincerely,

CONEXANT SYSTEMS, INC.

STATEMENT OF COMMON SHAREHOLDER OF CONEXANT SYSTEMS, INC., A DELAWARE CORPORATION, FILED PURSUANT TO TREASURY REGULATION SECTION 1.355-5(b), WITH RESPECT TO THE DISTRIBUTION OF STOCK OF MINDSPEED TECHNOLOGIES, INC., A DELAWARE CORPORATION

1. The undersigned, a shareholder owning Common Stock of Conexant Systems, Inc. ("Conexant"), received a distribution on June 27, 2003 of shares of Common Stock of Mindspeed Technologies, Inc. ("Mindspeed"), in a distribution which is subject to Section 368(a)(1)(D) of the Internal Revenue Code of 1986, as amended (the "Code").
2. The names and addresses of the corporations involved are:
 - a. Conexant Systems, Inc.
4311 Jamboree Road
Newport Beach, California 92660
 - b. Mindspeed Technologies, Inc.
4000 MacArthur Blvd.
Newport Beach, California 92660
3. The undersigned surrendered no stock or securities of Conexant in connection with the distribution.
4. The undersigned received _____ shares (including fractional shares) of Common Stock of Mindspeed in the distribution.
5. Conexant received a legal opinion to the effect that the distribution should qualify as a tax-free reorganization under Section 368(a)(1)(D) of the Code.

Shareholder Signature

Shareholder Signature (if joint return filed)

*THIS STATEMENT SHOULD BE COMPLETED
AND ATTACHED TO YOUR 2003
FEDERAL INCOME TAX RETURN*

