

Contact:
Manny Hernandez
CFO, VP- Finance & Administration
(408) 943-2754

For Immediate Release

Press contact:
Joe McCarthy
Sr. Director, CorpCom
(408) 943-2902

CYPRESS ACQUIRES USB SPECIALIST SCANLOGIC CORPORATION

Acquisition Enhances Focus on Emerging Market in Non-PC, Embedded Host Solutions

SAN JOSE, Calif. – May 30, 2001 -- Cypress Semiconductor Corporation (NYSE: CY), the industry leader in Universal Serial Bus (USB) controller solutions, announced today the acquisition of ScanLogic Corp. (www.scanlogic.com), a provider of USB controllers for embedded and PC applications. The acquisition complements and extends Cypress's industry-leading portfolio of USB products.

USB is the industry-standard connection that provides flexible, easy-to-use, plug-and-play capabilities for PCs, Macs and other digital systems. ScanLogic's unique host/slave chip family extends USB connectivity to a range of non-PC applications, including PDAs, cellular phones, set-top boxes, digital cameras, Internet appliances and automotive communication systems. ScanLogic's solutions embed host-controller intelligence in a system, enabling it to connect with and send commands to other USB peripherals without mediation by a PC host.

"ScanLogic's product portfolio is highly complementary to Cypress's, reinforcing our number one USB position," said Cypress president and CEO T.J. Rodgers. "The acquisition underscores Cypress's USB strategy: to provide targeted solutions for every USB market segment. The embedded-host market is an exciting, emerging target for USB controllers. It is very common for non-PC applications to use PC technology like the PCI bus to leverage the low cost of high-volume PC products. Embedded-host capabilities would, for example, enable a user to attach a mouse or PC keyboard to a PDA, or to drive a storage device

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from a set-top box. This would open up a variety of new USB application possibilities and revenue streams.”

“The Cypress-ScanLogic collaboration will bring to market the industry’s broadest range of USB solutions targeted at the PC and embedded markets,” said Israel Zilberman, ScanLogic president and CEO. “Leveraging the two companies’ USB expertise, along with Cypress’ competencies in high-volume manufacturing will provide our customers with an unparalleled combination of design innovation and parts availability.”

Cypress is the industry leader in USB—with the broadest product line—having sold more than 90 million units. Cypress's four families of low-speed USB peripheral microcontrollers—integrating the industry's smallest 8-bit RISC core—are designed to meet the needs of high-volume, cost-sensitive, human interface device (HID) applications, such as mice and keyboards. Its three full-speed USB product lines include the next-generation EZ-USB FX™ family, which is built around the 8051 microprocessor with an SRAM architecture featuring firmware downloaded from the host PC, ensuring easy configurability and fast time to market. Cypress's USB hub product offerings include motherboard hubs, standalone hubs, and keyboard hubs.

With the recent introduction of its EZ-USB FX2 family, Cypress was the first to sample controllers for the new 480-Mbps USB 2.0 standard. Its EZ-USB SX2 controllers provide an intelligent serial interface engine (SIE) for USB 2.0 systems with peripherals already containing a microcontroller. All Cypress USB 2.0 products are backward-compatible with USB 1.1, ensuring a seamless transition to the new standard for designers and OEMs.

“Cypress has consistently reinforced its USB position through proprietary product development and a string of acquisitions,” said Bob Merritt, director of emerging markets for Semico Research Corp., located in Phoenix, AZ. “It has been successful in providing targeted solutions for USB market segments, drawing on a wide variety of implementation schemes, architectures, and feature sets.”

The ScanLogic acquisition, which is expected to be accretive to 2001 Cypress earnings, will be accounted for on a purchase basis. ScanLogic is expected to contribute between \$20M to \$25M revenue to Cypress in 2002.

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About Cypress

Cypress Semiconductor is "Driving the Communications Revolution"™ by providing high-performance integrated circuit solutions to fast-growing markets, including data communications, telecommunications, computation, consumer products, and industrial control. With a focus on emerging communications applications, Cypress's product portfolios include high-speed communications ICs, networking-optimized and micropower static RAMs; high-bandwidth multiport and FIFO memories; high-density programmable logic devices; timing technology for PCs and other digital systems; and controllers for Universal Serial Bus (USB).

About ScanLogic

Established in 1995, ScanLogic designs, develops and markets dual-speed USB chips and software solutions. ScanLogic's USB semiconductor solutions provide connectivity for a wide variety of peripherals and applications for the following four markets: Audio/Imaging (scanners, MP3 Players), Storage (compact flash, SSFD and other IDE devices), Embedded (PDAs and set-top boxes), and Communications (Home PNA, ADSL and ISDN).

Safe Harbor Provision

The above news release contains forward-looking statements that involve risks and uncertainties. These forward looking statements relate to the completion of the acquisition, the expected impact of the acquisition on Cypress's operating results, future market demand and acceptance of Cypress's and ScanLogic's products and development of new business and products of the combined company. Cypress's actual results may vary materially from the results discussed in the forward-looking statements.

Factors that may cause such a difference include those risks surrounding the closing of the acquisition, timely development, production and continued and increased market acceptance of the combined companies' products, Cypress's ability to successfully combine the operation of the two companies, the ability of the combined company to compete in the highly competitive and rapidly changing marketplace and the other risks detailed from time to time in Cypress's periodic reports with the Securities and Exchange Commission, including but not limited to its report on Form 10-K for the fiscal year ended December 31, 2000 and its reports on Form 10-Q for the fiscal quarter ended April 1, 2001.

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"Driving the Communications Revolution" is a trademark of Cypress Semiconductor.

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