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**For Immediate Release**

**Cypress Signs Strategic Supplier Pact With Lucent Technologies**

***Alliance Expected to Become a Model for OEM-Supplier Contracts  
New Agreement Facilitates Information Exchange Early in the Design Cycle***

SAN JOSE, California...June 29, 2001 – Cypress Semiconductor Corporation (NYSE:CY) today announced that it has signed a Strategic Alliance Agreement with Lucent Technologies Inc. designed to strengthen the relationship between the two companies. Under the terms of the agreement, Cypress and Lucent will share critical technology, capacity and projected pricing information early in the design cycle. They will also establish a personnel exchange program to facilitate inter-company learning.

The groundbreaking arrangement – believed to be the first of its kind between a major communications systems company and a semiconductor supplier – gives Cypress access to information about key Lucent technologies, system architectures and product development roadmaps in advance of actual design cycles. Cypress will use the information to align its product plans and overall corporate strategy with Lucent's and to provide Lucent with superior customer service and responsiveness.

For its part, Lucent receives Most Favored Customer status from Cypress, along with multiyear wafer capacity guarantees and a commitment by Cypress to document progress toward continuous quality and customer service improvement and cycle- and lead-time reduction. The agreement also underscores Cypress's intent to provide web-based access to technical and business information and to the use of compatible tools to facilitate E-business and E-commerce.

“This alliance underscores Cypress’s arrival as a true data communications company with a broad range of solutions across networking linecards, and it also takes an already productive, long-term relationship between Cypress and Lucent to a new level,” said Cypress president and CEO T.J. Rodgers. “Cypress gains the ability to launch communications solutions for Lucent generations ahead of actual product design cycles. We will also be able to absorb system-level expertise from one of the world’s pre-eminent electronics OEMs.”

“Moving products from design to manufacturing and on to customers, rapidly and profitably, is no small task,” said Jose Mejia, vice president and chief supply chain officer, Lucent Technologies. “With

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the signing of this new agreement, Cypress and Lucent are demonstrating their commitment to bringing innovative solutions to market as quickly as possible.”

Under the arrangement, Cypress agreed to provide pre-production samples and “risk builds” upon request, to assure that Lucent consistently evaluates Cypress's most technologically advanced solutions. In allocated markets, Cypress agreed to provide supply commensurate with the new strategic relationship.

Cypress recently refocused its business around communications market segments, including the wireless terminal (WIT), wireless infrastructure (WIN), wide area network (WAN) and storage array networking (SAN) businesses. Through internal product development and a series of acquisitions over the past year, it has steadily expanded increased its penetration of critical applications, such as the next generation of switches and routers that move data on the Internet.

### **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 data communications ICs; networking-optimized and micropower static RAMs; high-bandwidth multi-port and FIFO memories; high-density programmable logic devices; timing technology solutions; and controllers for Universal Serial Bus (USB).

More than two-thirds of Cypress's sales come from fast-growing communications markets and dynamic companies such as Alcatel, Cisco, Ericsson, Lucent, Motorola, Nortel Networks, and 3Com. Cypress's ability to mix and match its broad portfolio of intellectual property enables targeted, integrated solutions for high-speed systems that feed bandwidth-hungry Internet applications. Cypress aims to become the preferred silicon supplier for Internet switching systems and for every Internet data stream to pass through at least one Cypress IC.

Cypress employs more than 4,700 people worldwide with international headquarters in San Jose, California. Its shares are listed on the New York Stock Exchange under the symbol CY. More information about Cypress is accessible electronically on the company's worldwide Web site at <http://www.cypress.com>.

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“Safe Harbor” Statement under the Private Securities Litigation Reform Act of 1995: Statements herein that are not historical facts are “forward-looking statements” involving risks and uncertainties, including but not limited to: the effect of global economic conditions, shifts in supply and demand, market acceptance, the impact of competitive products and pricing, product development, commercialization and technological difficulties, and capacity and supply constraints. Please refer to Cypress's Securities and Exchange Commission filings for a discussion of such risks.

“Driving the Communications Revolution” is a trademark of Cypress Semiconductor.