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For Immediate Release

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CYPRESS COMPLETES ACQUISITION OF LARA NETWORKS INC.

Deal to Acquire Leader in High-Performance, Wire-Speed Packet Processing Solutions Will Broaden Cypress's Portfolio Targeted at Networking Linecards

SAN JOSE, Calif., July 10, 2001 – Cypress Semiconductor Corporation (NYSE: CY) today announced that it completed its acquisition of Lara Networks Inc. Lara is an industry leader in high-performance, silicon-based packet-processing solutions for WAN infrastructure equipment. Lara's solutions target switches, routers and multiservice gateways handling multiple high-speed protocols up to OC-768 and including 10-Gigabit Ethernet.

Wire-speed packet processing is a key requirement of high-performance, next-generation networking systems. Lara's family of network search engines (NSEs) and network coprocessors is used widely by leading networking OEMs.

"Lara's NSEs and coprocessors are highly complementary to Cypress products targeted at infrastructure equipment that moves voice, data and multimedia across high-performance broadband networks such as the Internet," said T.J. Rodgers, Cypress president and CEO.

"Cypress historically has been a strong player at the port and backplane 'edges' of networking linecards – subsystems of switches and routers that receive information from networks and direct it to individual users, subsystems or other networks," Rodgers said. "Lara's products will enable us to address the core functionality of network processors, the 'brains' of a networking subsystem."

"Lara's NSEs and coprocessors are synergistic with Cypress's current offerings for the networking market and will expand Cypress's portfolio of solutions across the linecard," said Kamal Gunsagar, Lara's CEO. "From Lara's perspective, we will be able to leverage the

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strength of Cypress's global sales and marketing organizations to attract new customers and secure new design opportunities."

Cypress offers a range of integrated circuit solutions for networking systems, building on its core competencies in communications memory, high-speed programmable logic, high-performance physical-layer devices and mixed-signal timing solutions.

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 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).

Safe Harbor Provision

The above news release contains forward-looking statements that involve risks and uncertainties. These forward looking statements relate to the expected impact of the acquisition on Cypress's operating results, future market demand and acceptance of Cypress's and Lara'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 report 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.