Exar Corporation signs definitive agreement to acquire Galazar Networks

Combination Targets Comprehensive Solutions for TDM and Emerging Packet-Based Telecommunications Networks

Fremont, California, and Ottawa, Canada, June 05, 2009 - Exar Corporation (NASDAQ: EXAR) and Galazar Networks® Inc., announced today that they have signed a definitive agreement under which Exar will acquire Galazar Networks - a privately held company based in Canada. Terms of the agreement were not disclosed.

"The emerging packet-based infrastructure offers telecommunication service providers not only increased bandwidth and manageability but the ability to expand their revenue base via new services," said Pete Rodriguez, Exar's president and chief executive officer. "Galazar's innovative Carrier Ethernet products will allow Exar to offer a broad range of silicon and software solutions to address this rapidly evolving, high-growth market."

"The combined product portfolio coupled with Exar's strong Tier-1 customer relationships and extensive sales channel will offer leading providers of telecommunication systems a comprehensive set of both packet-based and TDM technologies for next generation network architectures," said Paul Pickering, Exar's senior vice president of marketing. "Galazar is a world-class organization that has demonstrated best-in-class solutions for the fast growing Carrier Ethernet market."

"We are very pleased that Galazar has joined forces with Exar," said Rich Deboer, CEO of Galazar. "Our complementary technologies will position Exar to be an integral part of next generation telecommunication networks."

About Exar
Exar Corporation delivers highly differentiated silicon, software and subsystem solutions for industrial, datacom and storage applications. For nearly 40 years, Exar's comprehensive knowledge of end-user markets along with the underlying analog, mixed signal and digital technology has enabled innovative solutions that meet the needs of the evolving connected world. Exar's product portfolio includes power management and interface components, communications products, storage optimization solutions, network security and applied service processors. Exar has locations worldwide providing real-time customer support to drive rapid product development. For more information about Exar, visit: http://www.exar.com.

About Galazar Networks Inc.
Galazar Networks Inc. is a leading semiconductor vendor focused on Ethernet, DS1/E1, DS3/E3 and SONET/SDH/OTN solutions for carrier grade Ethernet and Multi-Service line cards. Our products support OTN, SONET/SDH, PDH (DS3/E3, DS1/E1), data (Ethernet, packet, private line), SAN services (Fibre Channel, FICON, ESCON, Gigabit Ethernet, 10 Gigabit Ethernet) and video services (DVB-ASI, SD-SDI, HD-SDI, 3G-SDI). Galazar is a technology leader in Generic Framing Protocol (GFP), Virtual Concatenation (VCAT) of both High and Low Order paths, and Link Capacity Adjustment Scheme (LCAS). Galazar's products are ideal for Ethernet, SAN and Multi-Service CPE/CLE platforms as well as EoS, PoS, EoPDH, EoX and SAN line cards for ADMs, muxponder cards for ROADMs, routers, MSTPs, DSLAMs, wireless cellular backhaul, media converters and metro core switches. For more information, visit www.galazar.com.

Safe Harbor Statement
The Company's statements about its future financial performance, product development initiatives, and market trends, are forward-looking statements that involve risks and uncertainties. These risks and uncertainties include global financial volatility, economic recession, and industry and market conditions, such as customer and distributor relationships, including competitive factors, such as pricing or competing solutions; customer ordering patterns; accounting considerations related to impairment analyses or acquisition related issues; and the Company's successful execution of internal performance plans, as well as the other risks detailed from time to time in the Company's SEC reports, including the Annual Report on Form 10-K for the year ended March 30, 2008 and Quarterly Reports on Form