

PRESS RELEASE

CYPRESS REPORTS RECORD EARNINGS FOR FIRST QUARTER 1996

San Jose, California, April 16, 1996.....Cypress Semiconductor Corporation (NYSE: CY) today reported record earnings for the first quarter ended April 1, 1996.

Revenue for the first quarter of 1996 was \$170.2 million, up 38% from the year-ago quarter revenue of \$123.4 million and down 4% from the prior-quarter revenue of \$177.3 million.

Earnings for the first quarter of 1996 were a record of \$0.39 per share fully diluted, up 63% from the year-ago quarter earnings of \$0.24A per share, and up 3% from the prior-quarter earnings of \$0.38 per share.

Cypress President and CEO T. J. Rodgers stated, "Our gross margin improved from 54.6% last quarter to 54.8%, despite reduced selling prices for static RAMs. Our margins and earnings improved as a result of: 1) the impact of our aggressive manufacturing cost reduction programs, 2) a reduction in overhead costs, 3) the elimination of the quarter's profit sharing, as mandated by our profit sharing plan, whenever there is no sequential revenue growth, and 4) the reduction in share count attributable to our recently completed \$70-million stock repurchase program."

T. J. Rodgers concluded, "We are entering the second quarter with more than 77% of it booked, and a backlog of \$170 million. We expect the June quarter to be challenging, but we expect to win."

Cypress Semiconductor Corporation is an international supplier of high-performance integrated circuits with worldwide headquarters in San Jose, California. The company provides a broad range of products for leading computer, networking and telecommunications companies worldwide. The company's product line includes static RAM and EPROM memories, programmable logic devices (PLDs), field programmable gate arrays (FPGAs), data communications products, and personal computer chipsets and timing devices. Cypress shares are listed on the New York Stock Exchange under the symbol CY. The company has a site on the worldwide web at <http://www.cypress.com>, and offers fax-on-demand service at (800) 213-5120 or (408) 943-2798 outside North America.

"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995: Statements in this press release regarding Cypress's business which are not historical facts are "forward-looking statements" that involve risks and uncertainties, including, but not limited to, market acceptance risks, the effect of economic conditions, the impact of competitive products and pricing, product development, commercialization and technological difficulties, and capacity and supply constraints. Please refer to the MD&A (Management Discussion and

PRESS RELEASE

Analysis of Financial Condition and Results of Operations) for a discussion of such risks in the most recent Cypress quarterly report in Form 10K.

A Excluding a one-time, pre-tax charge of \$17.8 million for a TI lawsuit, which was later reversed in Cypress's favor.