

**For Immediate Release**

**CYPRESS COMPLETES ACQUISITION OF GALVANTECH INC.**

**High-Performance Memory Portfolio to Expand Cypress's Position  
In IP Routers and ATM Switches**

SAN JOSE, Calif. – March 3, 2000 -- Cypress Semiconductor Corporation (NYSE: CY) today announced that it has satisfied all closing conditions for the acquisition of Galvantech Inc., a privately held company specializing in ultra-high-performance memories for data communications applications.

Cypress announced its intent to acquire Galvantech on a pooling-of-interests basis in January, and will issue 3.26 million shares of stock in exchange for all outstanding Galvantech stock and options. The acquisition, which is expected to be immediately accretive to Cypress's earnings, was effective March 2, 2000.

Galvantech has important design wins at strategic Cypress communications accounts, such as Lucent and Cisco, and at startup communications companies, such as Redback and Extreme Networks. Galvantech's products target specialized applications that require ultra-fast memories at the highest densities with maximum bandwidth. The acquisition marks a milestone in Cypress's strategy to focus on specialized memories for data communication markets. Galvantech's acquisition gives Cypress a product line second to none in functionality and breadth.

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“In 1996, Cypress announced its intention to dominate two high-performance memory segments: ultra-low-power memories for portable, battery-powered applications, such as cell phones; and networking memories with the bandwidth to support emerging applications, such as cutting-edge ATM switches and IP routers,” said T.J. Rodgers, Cypress president and CEO. “We built the capabilities for low-power memories internally, culminating in our MoBL™ (More Battery Life™) family with half the active power of the second-best competitor.

“We built our position in networking memories the same way, with the introduction of NoBL™ (No Bus Latency™) SRAMs and plans to deliver next-generation Quad Data Rate™ (QDR™) SRAMs. Then in a single move, with the Galvantech acquisition, we doubled our position in synchronous datacom memories.”

With recent quarterly revenues equal to an annualized \$43 million, Galvantech raises Cypress's revenue target to \$1 billion in 2000 and adds a projected penny per quarter to its bottom line. Rodgers predicted that leveraging Cypress's global sales and marketing network could lead to a quick doubling of Galvantech's revenue.

Galvantech's product portfolio of synchronous networking memories is wholly complementary to Cypress's. Cypress currently offers networking SRAMs in the 1- to 4-Mbit range at a maximum speed of 200 MHz—Galvantech plans to sample a 16-Mbit device by year's end. Cypress has a 1-Mbit dual-port RAM at 100 MHz; the Galvantech product is a speed bin higher at 125 MHz. Cypress offers a 1-Mbit, 16-bit-wide SRAM tailored to DSP applications; Galvantech offers a 2-Mbit, 16-bit-wide, and a 3-Mbit device in a x24 configuration.

Prior to the Galvantech acquisition, Rodgers said, Cypress had dramatically reduced its reliance on fast asynchronous SRAMs, moving from 97% of SRAM revenues in 1996 to 53% in Q499. Including the acquisition on a normalized basis in Q4, Cypress derived just 48% of its SRAM revenues from fast asynchronous parts—and just 21% of overall corporate revenues.

Cypress is comfortable with this mix, Rodgers said, adding that it is essential for a diversified, broad-line, \$1 billion-plus company to have a viable, balanced commodity portfolio.

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On the manufacturing side, Cypress gets a capacity boost from the transaction: Galvantech had 23,000 0.25-micron wafer starts at Taiwan Semiconductor Manufacturing Co. (TSMC) last year, and that number will increase to nearly 29,000 wafers this year—more than is needed to manufacture Galvantech products. Cypress also uses a 0.25-micron process on its SRAMs, with a 0.2-micron process slated to be manufacturing-ready this quarter and a shift to a 0.16-micron process planned for early next year.

The addition of Galvantech's team of design engineers also is expected to speed new product development, Rodgers said. Cypress achieved record new product sales of \$114.7 million in 1999, nearly double the figure of two years before.

“Galvantech could bring as many as a dozen new communications products into the Cypress fold next year and help us to another new product record,” Rodgers concluded. “Financially and strategically, the deal is a perfect fit.”

### **About Cypress**

Cypress Semiconductor provides high-performance integrated circuit solutions “By Engineers. For Engineers.<sup>TM</sup>” for fast-growing companies in fast-growing markets, including data communications, telecommunications, computation, consumer products, and industrial-control. With a focus on emerging communications applications, Cypress’s product lines 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). Cypress is No. 1 in the USB and clock chip markets.

More than two-thirds of Cypress’s sales come from datacom/telecom markets and dynamic companies such as 3Com, Alcatel, Cisco, Ericsson, Lucent, Motorola, and Nortel Networks. 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.

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Cypress employs more than 3,600 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> or by CD-ROM (call 1-800-858-1810). An investor forum, and other investor information, is located at <http://www.cypress.com/investor/index.html>.

### **Forward Looking Statements**

The above news release contains forward-looking statements regarding the completion of the acquisition, the impact of the acquisition on Cypress's operating results, future market demand and acceptance of Cypress's and Galvantech's products and development of new business and products of the combined company which involve risks and uncertainties. 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 in Cypress's most recent filings with the Securities and Exchange Commission.

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QDR SRAMs and Quad Data Rate comprise a new family of products developed by Cypress Semiconductor, IDT, and Micron Technology.