

Cypress Q100: \$264.2 MILLION, EBG \$0.41 PER SHARE

SAN JOSE, California, April 18, 2000 --- Cypress Semiconductor Corporation (NYSE: CY) today announced record revenue of \$264.2 million for the first quarter of fiscal year 2000, ended April 2, 2000. up 20.2% from the prior quarter's revenue of \$219.9 million, and up 66.1% from 1999 first quarter revenue of \$159.1 million.

Cypress CEO T.J. Rodgers said, "Our mission statement contains the goal to achieve \$1 billion in revenue at 25% pre-tax profitability - a goal first achieved this quarter, the last quarter of our 14th year as a public company. We reinvented the company to earn our way out of the 1996-98 recession. Two of the three business units that led the way for us did not exist when Cypress became a public company: Our USB, datacom and memory businesses all registered record revenue and record earnings to help us set our record this quarter." "On a tactical level, demand was particularly strong in the communications segment and only our PC-oriented clock products were seasonally normal. This strength in demand resulted in record bookings of \$322.8 million. Slightly higher average selling prices and excellent manufacturing performance contributed to our gross margin uptick to 50.5%."

Business Developments

March 3, 2000 - Cypress completed the acquisition of Galvantech, Inc., a privately held company specializing in niche ultra-high-performance memories for data communications applications. The agreement provided for Cypress to issue 3.26 million shares in exchange for all outstanding stock and options of Galvantech. The merger was recorded as a pooling of interests. Cypress appended Galvantech's product portfolio to its memory business and absorbed Galvantech's talent in marketing, design, product engineering, planning and manufacturing. The Galvantech team and line of products gives Cypress an immediate boost in product development and a broad product portfolio of high-performance communications memories.

January 18, 2000 - Cypress issued \$283 million of five-year convertible debentures priced at a conversion premium of 28.5% (equivalent to \$46.26 per share) and a 4.0% coupon. This win-win deal is already near the strike price for bond holders, and also represents low-cost 4.0% money to shareholders.

January 25, 2000 - Cypress announced its intention to file a shelf registration statement with the SEC. On January 31, 2000, Cypress filed a \$400 million shelf registration that would allow the company to offer its debt securities and shares of its common and preferred stock.

February 25, 2000 - Cypress completed the sale of its small-scale FCT logic business, which no longer aligns with the company's communications thrust.

February 21, 2000 - Cypress announced that it completed the first round of funding for a new company that will address the programmable system-on-Chip (PSoC(TM)) marketplace. Cypress MicroSystems Inc. was founded by Cypress in order to apply the microcontroller cores embedded in its industry-leading Universal Serial Bus (USB) devices to the \$8 billion market for user-programmable PSoC applications. Cypress MicroSystems is an independent company with its own equity to attract the talent needed for a new venture in a new era.

February 23, 2000 - Cypress announced that it reached an agreement with Hyundai MicroElectronics to manufacture Cypress's USB products as a foundry without marketing rights. Hyundai's 0.35-micron and 0.5-micron wafer capacity will help Cypress grow faster during the current period of manufacturing-constrained revenue growth.

NEW PRODUCTS

Cypress increased its R&D expenditures during the long and difficult 1996-1998 period—an investment that is now paying off. The company's new product revenue, which is garnered mostly from the communications market, set a record for the quarter with \$42.5 million of new product sales. Some key new product activities in the first quarter included:

Cypress eclipsed all other FIFO (first-in, first-out) memory offerings with the introduction of the "Beast™" family of 80-bit-wide devices. These new FIFOs offer unparalleled bandwidth of over 30 gigabits per second, more than twice that of any competitor. The family breaks new ground, not only by operating at 200 MHz with 5 megabits of density, but also at a new low voltage of 2.5 v. The Beast FIFO is consistent with Cypress's strategy to maximize communications memory bandwidth, a critical attribute in bandwidth-hungry datacom applications, including the routers and switches that power the Internet.

Cypress extended its leadership in the programmable clock chip market with the introduction of the RoboClock II™ programmable-skew clock buffer. RoboClock II, the first product manufactured on Cypress's new 0.25-micron BiCMOS process, allows clock edges to be programmably adjusted in 0.025 nanosecond increments to "tune up" customers' circuit boards. The clock is even able to provide "negative delay" -- the output clock happening before the input clock -- to fix board designs that would otherwise have to be re-done.

Cypress acquired IC Works in Q199 because of its clock expertise. Buried in IC Works at acquisition was a high-value product: a radio frequency (RF) phase lock loop (PLL), the circuit that locks on to RF channels in cellular phones and set top boxes. Cypress unveiled this family of nine RFPLL devices in Q499. The devices feature lower "phase noise," which reduces bit error rate, an important parameter in wireless communications.

Cypress delivered the first working samples of five frequency timing generators for the Intel® 815 Solano chipsets, which support 133MHz synchronous DRAM (SDRAM(R))

memory. This chipset is widely accepted by PC OEMs and will be shipping in high volume across multiple price-performance configurations.

The competition to the pervasive SDRAM main memory for PCs is the Rambus® (RDRAM®) memory. Cypress is also the leader in supplying clocks for the Rambus architecture, having shipped four million units to all major PC OEMs and to Sony for the PlayStation II™.

Cypress shipped samples of its second-generation, ultra-low-voltage MoBL™ II 2-megabit and 4-megabit micropower memories, which achieve 70ns access times at 1.8 v to give our customers a cellular phone battery endurance advantage.

Cypress achieved first working silicon on a 9-meg synchronous SRAM produced in a new 2.5 v, 0.20-micron process, which will begin revenue shipments in 2000.

The QDR™ SRAM consortium, consisting of Cypress, IDT, and Micron Technology Inc., announced that the initial design is complete for the first products based on the new memory standard for future high-performance communications applications. Silicon for the first Quad Data Rate™ SRAM, a 512K x 18 device, is now in the manufacturing process. The QDR SRAM is a revolutionary communications memory architecture that will allow router and switch vendors to store and retrieve data twice per clock cycle on each of two memory ports -- i.e. four operations per memory cycle -- four times faster than today's solutions.

Cypress shipped samples of its third-generation USB chips from recently acquired Anchor Chips, the EZ-USB FX(TM) family. Dubbed the FX, the new chip increases flexibility and performance in applications such as mass storage and home networking. Additionally, EZ-USB FX was designed to provide seamless migration to the upcoming 480 megabit/second USB 2.0 standard.

Cypress and Synplicity® announced support for Cypress's Ultra37000™ in Synplicity's Synplify® VHDL and Verilog synthesis tools. Users can download a free evaluation copy of the tool that supports both the Ultra37000 and Flash 370;™ CPLD families.

Cypress and Aplus Design Technologies, Inc., a small intellectual-property based start-up spun out of UCLA center-of-excellence for PLD software, announced a multi-year agreement to collaborate on the research and development of architectures and software for Cypress's next-generation programmable logic offerings.

Rodgers concluded, "The year 2000 is off to a good start. Given the record bookings and new product introductions recorded in the first quarter, we expect another sequential growth quarter for Cypress at rates well in excess of the industry."

ABOUT CYPRESS SEMICONDUCTOR

Cypress Semiconductor provides high-performance integrated circuit solutions "By Engineers. For Engineers.™" 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 fast-growing datacom/telecom 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 3,900 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 electronic investor forum, and other investor information, is located at Investor

SAFE HARBOR PROVISIONS

"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. Please refer to Cypress's Securities and Exchange Commission filings for a discussion of such risks.

CYPRESS SEMICONDUCTOR CORPORATION CONSOLIDATED BALANCE SHEET

(In thousands, except per share data and share amounts)
(Unaudited)

	April2, 2000	Jan. 2, 2000
ASSETS		
Current assets:		
Cash and short-term investments	\$ 517,099	\$ 280,626
Accounts receivable, net	136,508	104,143
Inventories, net	94,551	98,786
Other current assets	76,213	77,993

Total current assets	824,371	561,548
Property and equipment, net	394,197	357,936
Long-term investments(a)	184,208	111,324
Restricted investments(a)	61,252	61,198
Other assets	57,620	54,237
Total assets	\$1,521,648	\$1,146,243

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:

Accounts payable	\$ 90,337	\$ 103,549
Accrued liabilities	65,412	55,735
Deferred income on sales to distributors	26,210	20,760
Income taxes payable	33,668	20,311

Total current liabilities	215,627	200,355
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Convertible subordinated note	443,000	160,000
Deferred income tax	56,100	56,100
Other long-term debt	10,191	10,384

Total liabilities	724,918	426,839
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Commitments and contingencies

Stockholders' equity:

Preferred stock, \$.01
par value, 5,000 shares
authorized;

none issued and outstanding -- --

Common stock, \$.01 par
value, 250,000 share
authorized; 121,625 and
118,566 issued;

116,645 and 113,586 outstanding 500,376 476,170

Retained earnings 296,354 243,234

Total stockholders' equity 796,730 719,404

Total liabilities and stockholders' equity \$1,521,648 \$1,146,243

(1) Cash at April 2, 2000 totals \$762,559.

CYPRESS SEMICONDUCTOR CORPORATION
CONSOLIDATED STATEMENT OF OPERATIONS
(In thousands, except per share data)

THREE MONTHS ENDED
(Unaudited)

	Apr 2, 2000	Jan 2, 2000	Apr 4, 1999
Revenues	\$ 264,241	\$ 219,908	\$ 159,124
Costs and expenses:			
Costs of revenues	130,777	114,403	93,298
Research and development	38,017	36,223	31,951
Selling, general and administrative	33,103	33,124	24,539
Acquisition and merger costs	4,090	25,940	3,742
Restructuring costs (credits)	--	--	(3,710)
Total operating costs	205,987	209,690	149,820
Operating Income (loss)	58,254	10,218	9,304
Interest expense	(4,551)	(2,373)	(2,323)
Interest income and other	14,400	41,838	3,280
Income (loss) before income tax	68,103	49,683	10,261
(Provision) benefit for income tax	(14,983)	(2,586)	(986)
Net income (loss)	\$ 53,120	\$ 47,097	\$ 9,275
Basic net income (loss) per share	\$ 0.46	\$ 0.42	\$ 0.09
Goodwill/gains & losses net of taxes per share	\$ (0.01)	\$ (0.09)	\$ --
Basic earnings			

before goodwill per share	\$ 0.45	\$ 0.33	\$ 0.09
Diluted net income per share	\$ 0.41	\$ 0.38	\$ 0.09
Goodwill/gains & losses net of taxes per share	\$ --	\$ (0.08)	\$ --
Diluted earnings before Goodwill per share	\$ 0.41	\$ 0.30	\$ 0.09
Shares used in per share calculation:			
Basic	115,317	112,925	100,353
Diluted	138,080	129,844	104,167

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