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For Immediate Release

**Cypress Launches Third Minnesota Fab to Meet Growing Demand
For Communications Products**

Fab 4C Produces First Silicon In Only Seven Months, Prepares for 0.15 micron Technology

SAN JOSE, Calif., August 9, 2000 – Cypress Semiconductor (NYSE: CY) today announced that the company has brought Fab 4C on-line to help meet the growing demands of the company's customers in the Internet, wide-area networking (WAN) and wireless communications markets. Construction at Cypress's Bloomington, Minnesota facility was initiated in January 2000 and produced its first silicon wafers in July 2000. Fab 4C will be ramped to full capacity by late 2001, effectively doubling the total capacity of the Minnesota operation.

The new wafer fabrication facility is located adjacent to Cypress's Fab 4A and Fab 4B, with all three fabs integrated as a single cleanroom. Fab 4C is equipped to enable the entire Fab 4 complex to be the first Cypress manufacturing facility capable of large-volume manufacturing using 0.15 micron technology. Cypress's 0.15-micron, RAM7™ technology has already produced functional silicon and will be used for over 10 new products that will achieve first silicon in the next year. Cypress also plans to rapidly convert existing products to the RAM7 process through 2001.

"The demand for communications ICs is growing much faster than anyone could have anticipated a short while back, and smaller geometries are highly suited to the devices that drive and support telecommunications products," stated Chris Seams, Cypress's vice president of wafer fabrication. "We are very pleased that we were able to bring Fab 4C on-line in less than seven months. And because of the way we leveraged Fabs 4A and 4B, the first functional silicon from 4C requires zero qualification time and already contributes to our revenue."

Rich Freeman, Cypress's vice president of worldwide manufacturing, said, "The incremental increase of capacity enabled by Fab 4C, combined with additional outsourced foundry capacity, will enable Cypress to scale our manufacturing capabilities to meet the growing needs of our customers, while minimizing the risk of overcapacity."

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About Cypress

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 multi-port 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 communications 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's employs more than 4,100 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 <http://www.cypress.com/investor/index.html>.

"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.

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