

Contact:
Louie Yan
PR Manager
408-943-2817
LRY@cypress.com

For Immediate Release
8/28/2000

**Cypress Opens Broadband Design Center In Alliance With Yamacraw,
Georgia's State-Funded Broadband Initiative**

*New Cypress Center Will Design Telecommunications and Optical-Networking Components,
Georgia Gov. Roy Barnes Lauds Cypress's Participation*

SAN JOSE, California...August 28, 2000 – Cypress Semiconductor Corporation (NYSE:CY) today announced plans to open a communications-product design center near Atlanta, Ga., in partnership with Yamacraw, a Georgia-funded broadband research and development initiative. Cypress also said that it will hire 100 design engineers specializing in communications technologies to staff the new facility.

Yamacraw counts among its members networking powerhouses such as Nortel Networks, Broadcom, National Semiconductor, and StarCore, the Lucent-Motorola DSP alliance. Its eight state university partners include the Georgia Institute of Technology (Georgia Tech), Georgia State University, and the University of Georgia--institutions with strong technical curricula and a track record of producing design engineers for the communications segment of the semiconductor and broader electronics industries.

The design center, which will launch immediately under a short-term leasing agreement with Yamacraw, will create chips to expedite Cypress's rapid penetration of a range of communications markets, including wireless telecommunications and optical networking. The Yamacraw connection complements Cypress's product and intellectual property portfolio for the networking business and provides synergy with its recent acquisition of Silicon Light Machines, a privately held supplier of microelectromechanical systems (MEMS) technology applicable to fiber-optic networks and other applications. The new design center will be the twelfth Cypress center worldwide.

“Many states have technology-development initiatives, but few have Yamacraw's rifle-shot focus on the communications business, particularly in terms of the development of integrated optics and electronics products, an emerging frontier in semiconductor design,” said Jeffrey Linden, Cypress vice president of mid-America design centers. “Strategic compatibility, outstanding university affiliations, an

intelligent plan to coordinate the participation of public and private partners, and an outstanding quality of life in Georgia all provide the foundation for another highly successful Cypress design center.”

“Yamacraw's successful recruitment of Cypress Semiconductor to Georgia helps prove that our broadband technology research capabilities can indeed attract new companies to the state,” said Georgia Gov. Roy Barnes. “I am confident that through this initiative, our state will continue to develop as a leader in the new economy.”

“Like every other company in the semiconductor business, Cypress has more development projects than engineers to staff them,” said Cypress president and CEO T.J. Rodgers. “Yamacraw's university partnerships, and its five-year goal to increase by a minimum of 2,000 the number of engineers with training in broadband product design, will pay benefits to us. The strategy and structure of Yamacraw tracks closely with Cypress's criteria for the long-term success of a new design facility.”

“Yamacraw's goal is identical to Cypress's – to capitalize on and contribute to the increasing need for manpower and intellectual capital targeted at innovative communications solutions,” said Dr. James Foley, chief executive officer of Yamacraw. “Communications represent the No. 1 growth catalyst for the semiconductor and electronics industries. As this industry segment continues to flourish, new applications will emerge and the field will become increasingly attractive to commercial investment. Yamacraw offers the infrastructure that will drive commercial advances both on the Internet and in ubiquitous wireless networks based on the descendants of today's cell phones.”

The State of Georgia has earmarked \$100 million to support Yamacraw and its goal to have at least 10 companies establish broadband product design operations in Georgia in three areas: optical networking, high-speed networking devices and content processing. In exchange for its charter membership in Yamacraw, and access to its research, Cypress will pay \$25,000 a year, along with a commitment to create at least 100 new jobs. Even prior to its decision to participate in Yamacraw, however, Cypress enjoyed strong ties with the venture's university affiliates, particularly Georgia Tech.

With Cypress strategic accounts Lucent and Nortel Networks already Yamacraw members – and the possibility of other large Cypress communications customers following suit – Cypress also expects that its Yamacraw engagement will increase its ties to key customers, enabling partnership and collaboration on products and technologies generations ahead of the design curve.

About Yamacraw

Yamacraw combines the efforts of private enterprise, academia and state government to leverage Georgia's existing high-technology base and its global leadership in broadband technology research. The Yamacraw Design Center is the focal point for Yamacraw's broadband communications research efforts, which encompass three target markets: optical networking, high-speed access devices and content processing. Within these markets, the research thrust is in the specific areas of embedded software, broadband access hardware and system prototyping.

Companies that want access to the Yamacraw Design Center's elite faculty researchers and their graduate students can commit \$1.25 million over a five-year period or, preferably, commit to hire 100 high-tech employees in Georgia with a membership fee of just \$25,000 annually. In addition to Cypress Semiconductor, other design center members include Broadcom Corp., CIENA Corp., EchoStar Data Networks, National Semiconductor Corp., Nortel Networks, StarCore, a joint alliance of Lucent Technologies and Motorola, and Wi-LAN Inc.

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 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.

###