

Contacts:
Manny Hernandez
VP Finance
(408)943-2754
ETH@cypress.com

For Immediate Release

**Cypress Semiconductor Calls For Redemption Of
Convertible Subordinated Notes**

SAN JOSE, CALIFORNIA. September 8, 2000 -- Cypress Semiconductor Corporation yesterday called for the redemption of all its 6% Convertible Subordinated Notes due 2002 (the "Notes"). The redemption would be effective October 3, 2000. Approximately \$160 million aggregate principal amount of the Notes is currently outstanding. The aggregate redemption price of the Notes is approximately \$164 million.

Prior to 5:00 p.m., Eastern Time, on October 2, 2000, holders may convert their Notes into shares of Cypress's common stock at a conversion rate of approximately 42.33 shares of stock per \$1,000 principal amount of the Notes. On September 7, 2000, the last reported sale price of Cypress's common stock on the New York Stock Exchange was \$45.625 per share. Based upon such last reported sale price on September 7, 2000, upon conversion of the Notes, holders of the Notes would receive approximately \$1,931.31 of Cypress's common stock for each \$1,000 principal amount of the Notes.

Alternately, holders of the Notes may have their Notes redeemed at a total redemption price of \$1,024.33 per \$1,000 principal amount of the Notes. The redemption would consist of: (a) the issue price of \$1,000, plus (b) \$24.00 of premium, plus (c) accrued interest of \$0.33, per \$1,000 principal amount of the Notes. Any Notes not converted on or before 5:00 p.m., Eastern Time, on October 2, 2000, will be automatically redeemed on October 3, 2000, at which time interest will cease to accrue.

A Notice of Redemption is being mailed to all registered holders of the Notes. Copies of the Notice of Redemption may be obtained from the conversion and paying agent, State Street Bank and Trust Company of California, N.A., by calling Paula Oswald at (213) 362-7338, or from Cypress by calling Patricia Hoot at (408) 943-2113.

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About Cypress

Cypress Semiconductor is “Driving the Communications Revolution”™ by providing high-performance integrated circuit solutions to fast-growing markets, including data communications, telecommunications, computation, consumer products, and industrial control. With a focus on emerging communications applications, Cypress's product portfolios 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>.

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"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, including by not limited to: the effect of global economic conditions, shifts in supply and demand, market acceptance, the impact of competitive products and pricing, product development, commercialization and technological difficulties, and capacity and supply constraints. Please refer to Cypress's Securities and Exchange Commission filings for a discussion of such risks.

“Driving the Communications Revolution” is a trademark of Cypress Semiconductor.