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**For Immediate Release**

## **Cypress Drives Customer Satisfaction With New Initiatives**

### ***Launches Customer Satisfaction Survey, Quarterly Pay-for-Performance Programs To Drive Continuous Improvement and Benchmark vs. Best Industry Practices***

SAN JOSE, California...January 8, 2000 – Cypress Semiconductor Corporation (NYSE:CY) today announced the launch of a quarterly survey geared to measure customer satisfaction across a range of factors, including brand loyalty, transactional encounters, and use of the company's e-commerce and other web-based capabilities. Cypress will use the results of the survey to drive continuous customer-service improvement. It will also tie the results to initiatives such as a new employee pay-for-performance scheme.

The pay-for-performance plan will tie incentive bonuses for manager-level personnel to a broad-based customer-service index. The first customer-service survey already has been sent to more than 560 different companies worldwide. Survey targets include the engineering, management and purchasing functions at Cypress's OEM, distribution, and contract manufacturing partners.

“In the highly competitive semiconductor industry – particularly in the fast-growing networking and telecommunications market segments – leading-edge technology has become almost a prerequisite,” said Ralph Schmitt, vice president of sales and marketing. “With our recent creation of segment organizations to focus on the networking and wireless markets, we are working very closely with our customers’ design architects to align our technology capabilities with their needs. It is superior customer service that provides a genuine competitive advantage.”

The web-based and face-to-face methodology for the survey was derived by working with two outside consulting firms. Best-in-class customer satisfaction corporations outside the semiconductor industry were modeled.

“Cypress has scored well on a variety of internal and external customer-satisfaction surveys in recent years,” Schmitt said. “But we need to institutionalize this critical benchmarking function and to align the incentive compensation of individuals with our performance-improvement targets in this area. This will further enforce a customer-centric culture.”

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Under the new survey, Cypress will poll its customers on its performance in a range of areas including product service and quality, value and price, ease of doing business, responsiveness, product availability, and technological leadership. The results will guide the company's strategic planning process and its blueprint for continuous customer-service improvement.

“The new survey process will be a powerful tool for Cypress managers, enabling them to pinpoint areas for improvement and to increase the gap between Cypress and its competitors in areas of strength,” Schmitt said. “Enhancing our customer-service and remaining nimble and flexible are particularly important as Cypress advances toward its goal of becoming a multibillion-dollar company over the next several years.”

### **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 solutions; 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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“Driving the Communications Revolution” is a trademark of Cypress Semiconductor.