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FOR IMMEDIATE RELEASE

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**CYPRESS ACQUIRES INTERNATIONAL MICROCIRCUITS INC. (IMI)
IN MOVE GEARED TO BROADEN ITS POSITION IN TIMING TECHNOLOGY MARKET**

**Complementary Products Solidify Cypress's Position in Communications Clocks;
Deal Augments Design Resources Required to Create New System Timing Solutions**

SAN JOSE, CALIFORNIA, January 16, 2000...Cypress Semiconductor Corporation today announced the signing of a definitive agreement for IMI, a \$50-million company specializing in timing technology integrated circuits, to merge with Cypress.

T.J. Rodgers, Cypress's president and CEO said, "Cypress has been in the timing technology business since 1993 and has grown the business to \$50 million per quarter. But we still haven't been able to keep pace with the demand for new timing solutions from our customers. With the IMI acquisition, we believe that we will keep pace with the business.

"As system speed, complexity and features increase, the demand for innovative timing solutions will continue to grow," Rodgers said. "The IMI acquisition solidifies Cypress's position in the timing technology market--particularly in the market for communications clocks--providing us with the industry's broadest portfolio of clocking solutions. We expect that the IMI acquisition will be non-dilutive in 2001 and accretive in 2002, after synergies take effect."

IMI's product portfolio--which is highly complementary to Cypress's--includes programmable clocks, clock distribution products, electromagnetic interference (EMI) suppression devices, and

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application-specific products. IMI's EMI-suppression products complement Cypress's current Peak Reducing EMI Solutions (PREMIS™) portfolio. IMI also has a Zero Delay Buffer (ZDB) family with different features than Cypress ZDBs.

IMI has been particularly successful in clocks for applications in communications, cable and DSL modems; office automation; digital cameras, DVDs and video games.

"The IMI acquisition enables Cypress to expand into new market segments while giving our customers the benefit of a wider product portfolio," Rodgers said. "Cypress acquires a company with 50 engineers and a solid track record of innovation. Timing technology relies on a unique mix of analog and digital circuitry, making their designs extremely time and resource-intensive. The talent gained through the IMI deal will allow us to capitalize on the strong demand for new clocking products, particularly in communications markets, where the need for greater bandwidth is driving the need for more and higher-performing clock products with superior time to market."

"With the continuing growth of the communications market, new opportunities continue to outstrip available design resources," said IMI CEO Ilhan Refioglu. "Moreover, the timing technology market for communications customers is broken into many unique subsegments with different requirements. With a large group of engineers dedicated to timing technology solutions, the combination of Cypress and IMI is well-positioned to satisfy these requirements."

The agreement calls for Cypress to pay approximately \$125 million in cash. The merger is intended to be accounted for by the purchase accounting method. The closing is subject to customary regulatory approvals, IMI shareholder approval and other conditions. The merger is expected to close in the 2001 first quarter.

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.

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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).

About IMI

International Microsystems Inc. (IMI) is a leading supplier of frequency and timing generators and EMI reduction circuits using innovative mixed-signal technology for a broad range of applications. As one of the world's top clock suppliers to industry leaders, and an ISO 9001certified company, IMI takes pride in the high-quality products and exceptional customer service it delivers.

Safe Harbor Provision

The above news release contains forward-looking statements that involve risks and uncertainties. These forward looking statements relate to the completion of the acquisition, the expected impact of the acquisition on Cypress's operating results, future market demand and acceptance of Cypress's and IMI's products and development of new business and products of the combined company. Cypress's actual results may vary materially from the results discussed in the forward-looking statements.

Factors that may cause such a difference include those risks surrounding the closing of the acquisition, timely development, production and continued and increased market acceptance of the combined companies' products, Cypress's ability to successfully combine the operation of the two companies, the ability of the combined company to compete in the highly competitive and rapidly changing marketplace and the other risks detailed from time to time in Cypress's periodic reports with the Securities and Exchange Commission, including but not limited to its report on Form 10-K for the fiscal year ended January 2, 2000 and its reports on Form 10-Q for the fiscal quarter ended October 1, 2000.

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