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FOR IMMEDIATE RELEASE

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CYPRESS REVISES ESTIMATE FOR FIRST QUARTER 2001

SAN JOSE, California... April 10, 2001 – Cypress Semiconductor Corporation today announced that revenue for the first quarter 2001, ended April 1, 2001, came in at \$262 million, lower than the previous estimate of \$280 million.

Included in the first quarter results are previously announced changes in Cypress's business model, which result in an incremental one-time revenue decline of \$25 million. The changes included the conversion of a high-volume strategic account to a consignment program (\$4 million) and the change in our European and Asian distribution sales model to increase Cypress' competitiveness in those regions (\$21 million).

Excluding these changes, revenue in the first quarter was \$287 million, a 22% decline from the fourth quarter 2000 revenue of \$370 million and an increase of 9% from year-ago quarter revenue of \$264 million. Including the changes, revenue of \$262 million, Cypress estimates earnings per share before goodwill (EBG) at \$0.23-0.26 range versus the previous guidance of \$0.30-0.34.

T. J. Rodgers, Cypress CEO said, "The first quarter ended worse than we expected. We barely turned positive on bookings with cancellations offsetting virtually every order we received. It is not clear if our customers reduced the inventory positions they were trying to manage, considering that end demand has really slowed down. We still don't have the visibility, but judging from what we've seen in Q1, we are estimating that the second quarter will be another down quarter in the \$200-210 million range with single digit EBG. We will share more of our

outlook and guidance at the first quarter earnings conference on April 19, 2001, at 8:30 a.m. PDT."

About Cypress Semiconductor

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 high-speed data communications ICs; 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).

More than three-fourths 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 4,400 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>.

Safe Harbor – Forward Looking Statements

"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 but 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. Cypress's actual results may vary materially from the results discussed in the forward-looking statements.

Factors that may cause such a difference include the continuing inventory correction and demand softening in the markets Cypress generally serves, the drastic decrease in average selling prices which can materially impact Cypress's profitability, market acceptance of the new products Cypress developed for its focused markets, successful closure and effective integration of the businesses and companies Cypress acquired, and 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 December 31, 2001.

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