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For Immediate Release

**Cypress's 480 Mbps USB 2.0 Peripheral Controller Is First
To Demonstrate Functionality at Intel Laboratory**

***Success Builds On Cypress's No. 1 Market Position and Industry's Widest USB Portfolio,
Providing a Head Start in the Race to Roll Out High-Speed, USB 2.0 Silicon***

INTEL DEVELOPER'S FORUM, SAN JOSE, California, August 22, 2000 – Cypress Semiconductor Corporation (NYSE:CY) today announced that its EZ-USB® FX2 high-speed USB 2.0 peripheral controller chip was the first integrated peripheral chip to demonstrate functionality at Intel Laboratory. Intel was a founding member of the USB Developer's Group and continues to play a pivotal role in driving both the popular, rapidly proliferating USB 1.1 standard and the 480 Mbps, USB 2.0 standard.

USB links PCs with their peripherals in "plug-and-play" fashion, making PCs much easier to use. The USB 2.0 standard, some 40 times faster than the 12-Mbps full-speed USB standard, solidifies USB as the standard connection bus of the future for demanding high-speed applications such as mass storage, Internet access appliances, local area networks, and wireless LANs.

"Being first to demonstrate functionality in the Intel Laboratory with a fully integrated USB 2.0 controller is a key milestone en route to the mass production of USB 2.0 silicon," said Allyn Pon, director of product marketing at Cypress's Interface Products Division. "This accomplishment continues to demonstrate Cypress's leadership in the USB market versus other USB providers. Customers who want to capture this rare opportunity to become leaders in this emerging market will be taking advantage of Cypress's pioneer position in cost-effective, single-chip solutions."

Cypress's single-chip USB 2.0 solution--which integrates a USB 2.0 transceiver, a serial interface engine (SIE), and a general programmable interface (GPIF), provides ease-of-use and time-to-market advantages, compared with ASIC and multichip approaches to USB 2.0. But integration also poses significant technical challenges. Many of Cypress's competitors have coupled field-programmable gate arrays (FPGAs) with an external USB 2.0 transceiver, a safer, easier approach. By contrast, Cypress has integrated the high-speed, 480 Mbps USB 2.0 transceiver with digital blocks, including an 8051

-MORE-

microcontroller, logic, memory, and phase-locked loops (PLLs), providing performance, flexibility and cost advantages.

“USB 2.0 is a solution that delivers real benefits over other high-speed interface technologies,” said Jason Ziller, Intel’s technology initiatives manager and chairman of the USB Implementer’s Forum. “Cypress’s success at Intel Labs should be the catalyst the design community needs to launch or ramp up their USB 2.0 development efforts.”

Cypress is the market-share leader in USB, recently passing the 70-million-unit mark in shipments. Cypress projects that its 1999 revenues from the USB business will grow by more than 200 percent to approximately \$100 million this year.

Cypress will demonstrate the EZ-USB FX2 at the USB Pavilion at the Intel Developer's Forum, to be held at the San Jose Convention Center, August 22-24, 2000 in San Jose, California.

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 multiport 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 3Com, Alcatel, Cisco, Ericsson, Lucent, Motorola, and Nortel Networks. 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 to have every Internet data stream pass through at least one Cypress IC.

Cypress employs more than 4,100 people worldwide with international headquarters in San Jose, California. More information about Cypress is accessible electronically on the company's worldwide web site at <http://www.cypress.com>. 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. Please refer to Cypress's Securities and Exchange Commission filings for a discussion of such risks.

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