

CYPRESS INTEGRATES ARCUS TECHNOLOGY INTO BANGALORE DESIGN CENTER

Designers Co-Locate to Form Cypress's Largest Design Center; Product Definition Underway

SAN JOSE, Calif., September 9, 1999 -- Cypress Semiconductor Corp. (NYSE:CY) today announced that its integration of recently acquired Arcus Technology is underway. Approximately 20 design engineers previously with Arcus are now located in Cypress's existing facility in Bangalore, India, bringing the total to 47 engineers. The balance of the Arcus Indian design team will transition to Cypress by year-end, bringing the combined total of the two groups to 90 design engineers, the largest of Cypress's 15 design centers worldwide.

Cypress purchased Arcus in June as part of its continued push to penetrate rapidly expanding datacom/telecom markets. These markets are being driven by an Internet-related explosion in the need for more bandwidth and increasing customer demands for technology portability.

The Arcus design team's datacom/telecom protocol and logic-based technology expertise complements Cypress's capabilities in high-speed physical layer technology, PLLs and specialty memory. The acquisition will expand Cypress' served available market with high-growth, high-margin T1/T3 access protocols, SONET, and Dense Wave Division Multiplexing (DWDM).

The team has begun formal design specifications for its first two new products, and is in the preliminary definition stage on four additional products.

"The addition of this talented group of designers complements our existing team very well," said Paul Keswick, vice president of New Product Development at Cypress. "The logic design and mixed signal expertise that Arcus brings, combined with the high performance circuit design talent of our existing group, will be key to our efforts as we continue the new product explosion that we've created over the past 12 months."

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“In the highly competitive market for engineers, recruiting 60 new designers could take many months and incur very high costs,” continued Keswick. “The Arcus team brings us critical mass in terms of design manpower, and increases our technology expertise in the very markets on which we are providing maximum focus—datacom and telecom.”

About two-thirds of Cypress's revenues—across all of its product lines—comes from the datacom/telecom markets. Cypress works closely with leaders in these fields to understand requirements for their next-generation products. The result has been a company record for new product introductions in the last year—the majority of which are aimed at the communications segment—leading to a growth rate at Cypress that far exceeds the general semiconductor market.

Cypress Semiconductor Corporation, headquartered in San Jose, California, provides a broad range of integrated circuits for leading computer, networking, and telecommunications companies worldwide. Cypress's products include static RAM and specialty memories, programmable logic devices (PLDs), data communications products, timing devices, and USB microcontrollers. Its shares are listed on the New York Stock Exchange under the symbol CY, and its web site is <http://www.cypress.com>.

"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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