

CYPRESS NEARS CLOSE OF IC WORKS ACQUISITION

Shareholder, Regulatory Approval Process Now Complete

SAN JOSE, California -- March 29, 1999 ... Cypress Semiconductor Corporation (NYSE: CY) today announced that its acquisition of IC WORKS, Inc. (ICW) is nearing completion and is targeted to close on or about April 1, 1999. Cypress and ICW have satisfied the following conditions to closing:

- The Federal Trade Commission granted early termination of the Hart-Scott-Rodino waiting period on February 8, 1999;
- The California Department of Corporations granted a fairness opinion March 15, 1999, for the issuance of up to 13.7 million Cypress shares to acquire ICW; and
- As of March 28, 1999, Cypress has received at least a 90% affirmative vote from ICW stockholders to approve the deal.

Cypress intends to account for the acquisition as a pooling of interests. Receipt of an opinion of Cypress's accountants concurring with Cypress's management opinion that no conditions exist related to Cypress that would preclude Cypress from accounting for the acquisition as a pooling of interests is a further condition to closing. As previously disclosed in Cypress's filings with the Securities and Exchange Commission, the sale of certain shares previously repurchased by the Company pursuant to its stock repurchase program is necessary in order for the acquisition to be accounted for as a pooling of interests. Consistent with the pooling objective, the Board of Directors of Cypress cancelled its stock repurchase program in February 1999.

Cypress President and CEO T.J. Rodgers said, "We are glad to see this merger nearing completion and we are doing everything possible to close the transaction this quarter. For the first quarter of 1999, the analysts expect revenue of approximately \$135 million and earnings of \$0.07 from Cypress. We remain comfortable with this earnings estimate. Given the closing of the ICW merger in the quarter, the combined companies' performance could be in the revenue range of \$148-153 million and an earnings range of \$0.08-\$0.09, excluding non-recurring transaction-related costs. For the fiscal year 1999, the merger of ICW with Cypress is expected to increase Cypress's revenue by more than \$70 million and after giving

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effect to the sale of previously repurchased shares to enable the acquisition to be accounted for as pooling of interests, is still expected to be accretive to Cypress's earnings."

Rodgers continued, "IC WORKS makes precision timing generators (clocks) for PC motherboards, audio/visual synchronization and DSP memory synchronization using CMOS and BiCMOS technologies. Cypress makes a wide variety of general-purpose clocks using EPROM technology. Our products are highly complementary, and our combined resources will represent the largest clock business in the world with annual revenue of about \$150 million."

Rodgers continued, "In addition, Cypress is appointing Ilbok Lee, IC WORKS' president, as the VP and general manager of the combined clocks business. Ilbok has a Ph.D. in electrical engineering from the University of Minnesota and has worked for National Semiconductor and Intel. In addition, Ilbok started and ran a \$1 billion division for Samsung in Silicon Valley. Jeff Linden, the current VP of the Computer Products Division, will focus solely on a rapidly growing USB business, which crossed the four million unit-per-quarter mark last quarter and now needs full-time attention. IC WORKS--and its team--represents a major strategic addition to Cypress."

Cypress will announce earnings for its first quarter 1999 on Tuesday, April 20, at 8:30 a.m. Pacific Time. The first quarter earnings press release will be transmitted to the news media before the stock market opens on April 20. Please RSVP to (408) 943-2971 no later than April 19 to reserve a position for the call and to receive the conference telephone number. The full text of the press release and supplemental financial information will be available on First Call and on Cypress's worldwide web site at <http://www.cypress.com>.

Cypress Semiconductor Corporation is an international supplier of high-performance integrated circuits with worldwide headquarters in San Jose, California. The company provides a broad range of products for leading computer, networking, and telecommunications companies worldwide. The company's product line includes static RAMs, high-speed PROMs, and specialty memories; programmable logic devices (PLDs); data communications products; and timing devices and USB microcontrollers. Cypress shares are listed on the New York Stock Exchange under the symbol CY. The company has a site on the worldwide web at <http://www.cypress.com>.

IC WORKS is a leading manufacturer of frequency timing generators, including clock driver ICs and RF frequency synthesizers. The company's chips provide the frequency reference for personal computers,

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printers, disk drives, set-top boxes, and many types of electronic devices. The company has a site on the worldwide web at <http://www.icworks.com>.

The above news release contains forward-looking statements regarding the completion of the acquisition, the impact of the acquisition on Cypress's operating results, future market demand and acceptance of Cypress's and ICW's products and development of new business and products of the combined company which involve risks and uncertainties. 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 3, 1999 and its Form 8-K filed in connection with the pending acquisition.

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