

CYPRESS SEMICONDUCTOR LICENSES INTEL'S USB TECHNOLOGY

Companies Working Together for Smooth Transition

SAN JOSE, California...September 30, 1999 -- Cypress Semiconductor Corporation (NYSE:CY) today announced that it has licensed the high-performance 8x930 and 8x931 families of USB peripheral controllers and development tools from Intel. Cypress and Intel intend to cooperate with each other to enable a smooth transition of technology and product support for Intel's customers. Financial terms of the agreement were not disclosed.

The agreement follows Cypress's May acquisition of Anchor Chips, a provider of high-performance solutions for USB and PCI. Cypress today has the industry's most complete offering of USB solutions, and commands over 50% of the USB peripheral control market.

"Intel was the driving force behind the USB standard and the first provider of USB silicon," said Dan McCranie, Cypress's executive vice president of sales and marketing. "We have licensed a very high-performance, market tested USB line that will extend our leadership position in this market. This addition to our USB product family will assist us as we grow our current business and prepare to be the leading provider of USB 2.0 solutions."

"Intel will continue to drive the success of USB through our PC Desktop initiatives," said Intel's Director of Technology Initiatives, Jim Pappas. "We are proud of our success in helping to establish USB as the peripheral connection of choice in the PC world and believe that this agreement will allow Cypress to better help further the technology and adoption of USB."

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With an estimated five USB connections per PC, times over 100 million PCs shipped per year, the PC peripheral segment of the USB market is growing rapidly. The technology is a popular connection for printers, scanners, cameras and external storage, and is extending into such applications as broadband communications, wireless phones and handheld devices.

At the recent Intel Developer's Forum, it was announced that transfer rates for USB 2.0 are expected to reach 360 to 480 Mbits/second. The increased speed makes USB 2.0 some 30 to 40 times faster than USB 1.0, and about 100 times faster than the original serial port on Windows PCs.

The Intel 8x930 and 8x931 families include a number of different single-chip USB controllers. The 8x931Ax is an 8-bit, MCS[®] 51 architecture-based USB peripheral controller designed for highly integrated, PC peripheral applications requiring high-speed capabilities. Similarly, the 8x931Hx hub controller, also based on the MCS 51, is produced specifically for applications, which require hub functionality in a single-chip solution.

For enhanced performance, Intel offers the 8x930 family with the MCS[®] 251 architecture. The 8x930 family provides high-performance, substantial memory mix and addressing, low power and noise, efficient high-level language support, and an enhanced instruction set. Code for the 8x930Ax and 8x930Hx can use either the MCS 51 or MCS 251 controller instruction sets. This gives the user the option of protecting their software investment or gaining maximum performance in their application.

Cypress is the market-share leader in USB, recently shipping its 20 millionth USB chip. Cypress achieved this milestone in only two years, having shipped its first microcontroller in Q1 1997. According to market-research firm Cahners In-Stat (Scottsdale, Ariz.), Cypress has shipped over 50% of all USB peripheral control devices, giving it the leadership position in this fast-growing market. Cypress's first USB chip was designed under contract with Microsoft for that company's USB "Intellimouse™," and since then Cypress has established relationships with a wide range of PC peripheral manufacturers.

Intel, the world's largest chip maker, is also a leading manufacturer of computer, networking and communications products. Additional information about Intel is available at www.intel.com/pressroom.

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Cypress Semiconductor Corporation, with international headquarters in San Jose, California, provides a broad range of products for leading computer, networking, and telecommunications companies worldwide. Cypress's product line includes static RAM and specialty memories; programmable logic devices (PLDs); data communications products; timing devices, and Universal Serial Bus (USB) microcontrollers. Its shares are listed on the New York Stock Exchange under the symbol CY. The company's worldwide 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. In addition, this news release contains forward-looking statements regarding the impact of the licensing on Cypress's future operations, future market demand and acceptance of Cypress's products, development of new business and products of the company and market growth rates for Cypress products. Each of these forward-looking statements involves 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 risks in timely development and production of products; continued and increased market acceptance of products; Cypress's ability to successfully combine the products of the two companies; the ability 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 on Form 10-Q for the second quarter of 1999 ended July 4, 1999.

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