

**CYPRESS SEMICONDUCTOR ANNOUNCES DEVELOPMENT OF BiCMOS PROCESS
WITH WORLD-CLASS SPEED, POWER CHARACTERISTICS**

Technology Will Support New Product Development In Communications, Wireless/RF Businesses

SAN JOSE, California...September 22, 1999 -- Cypress Semiconductor Corporation (NYSE:CY) today announced the development of a 3.3-volt, double-layer-metal, 0.25-micron BiCMOS process to be employed in next-generation products in areas including high-speed physical-layer devices and wireless communications products for high-frequency RF applications.

The new BiCMOS process, slated for first production in Q499, is anticipated to provide an optimal mix of speed, power, and cost relative to competitive processes. It will allow Cypress to efficiently integrate mixed-signal, memory, and high-speed logic circuits. Among the first products scheduled to use the new technology is a high-performance transceiver that is expected to attain speeds of 2.5 gigabits per second.

"This is among the highest-performance BiCMOS process in the world," said Jose Arreola, Cypress's vice president of research and development. "With transistor frequencies of approximately 30 GHz, we have matched the performance of bipolar processes, while maintaining the density, power consumption, and versatility of 0.25-micron CMOS. We expect this process to expedite our progress in becoming a major player in the rapidly expanding communications market."

Cypress plans to leverage the new BiCMOS process to create reusable analog/mixed-signal IP blocks, which are expected to be the cornerstone of its effort to penetrate highly profitable datacom/telecom markets. The new process is compatible with existing Cypress 0.25-micron SRAM technology, making it easier and more cost-effective for the company to mix and match IP in new products."

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Cypress also has a broad IP base in other areas critical to communications product design, including non-volatile and specialty memory, logic, phase-locked loop (PLL) technology, and serializing/deserializing (SERDES) functionality.

PLL technology is an integral part of Cypress's popular HOTLink™ transceiver chipset. With the combination of PLL technology and the high-speed/high-bandwidth of its new BiCMOS process, Cypress is setting its sights on serial, physical-layer transceivers greater than 1 gigabit, enabling it to create solutions for serial backplanes, gigabit Ethernet, fibre channel, and OC-48 ATM/SONET.

In part due to the synergies with its existing technologies, Cypress's BiCMOS process is easier to manufacture than more exotic processes, Arreola said. He also pointed out that at speeds in excess of 1 Gbps, one bipolar transistor can do the work of many CMOS transistors, thereby minimizing power consumption.

The IP of recent acquisitions such as Arcus Technology also will help in the penetration of the communications markets. Based in Bangalore, India, and Fremont, California, Arcus has focused on high-growth, high-margin T1/T3, SONET, and Dense Wave Division Multiplexing (DWDM) access protocols. Arcus has developed a range of IP, product designs, and packaged devices for datacom/telecom markets, including ASIC solutions for WDM, Internet protocol over SONET, framers, mappers, PDH multiplexers, and switching technology.

In recent months, Cypress has underscored its intent to create multiple new products for datacom/telecom markets, particularly those related to the Internet. Last month, the company announced a change in design strategy to meet the demand of networking customers for increasingly fast multiport and first-in, first-out (FIFO) memories.

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Moving forward, Cypress plans to optimize specialty memories targeted for certain high-performance applications--including the transfer of data over the Internet--for bandwidth, rather than for density. Cypress recently introduced its first "Internet" memories, the FLEx36™ family of x36 dual-port SRAMs.

"More than 70% of Cypress's revenues, across all of its product lines, come from the data communications and telecommunications markets," said Cypress president and CEO T.J. Rodgers. "Lucent/Ascend, NorTel/Bay Networks, Cisco Systems, 3Com, Alcatel, EMC, and NEC, are among our largest accounts, and as a result we understand the needs of these businesses."

Cypress Semiconductor Corporation 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 in this press release regarding Cypress's business that are not historical facts are "forward-looking statements" involving risks and uncertainties, including, but not limited to, market-acceptance risks, the effect of global economic conditions and shifts in supply and demand, the impact of competitive products and pricing, product development, commercialization and technological difficulties, and capacity and supply constraints.

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