

CYPRESS AND ALTERA INK PLD AGREEMENT

**Cypress to Acquire Altera MAX 5000® Product Line and
Altera's Equity Interest in Cypress's Fab II**

October 5, 1999 – Cypress Semiconductor Corp. (NYSE:CY) and Altera Corp. (Nasdaq: ALTR) today announced that they have signed a definitive agreement whereby Cypress acquired Altera's MAX 5000® Programmable Logic Device (PLD) product line and Altera's equity interest in Cypress's Fab II manufacturing facility located in Round Rock, Texas.

The relationship between Altera and Cypress dates back to 1988, when Altera licensed its MAX 5000 family of products to Cypress in consideration of manufacturing capacity, and later acquired an equity interest in the Round Rock facility. The companies have cooperated extensively on the MAX 5000 products, which Cypress markets as the MAX340 family. Cypress plans to continue to ship the MAX 5000 products indefinitely under the MAX340 product family name. Financial terms of the transaction were not disclosed.

“This is an opportunity for Cypress to expand our customer base, revenue, and manufacturing capacity,” said Christopher Norris, vice president of Cypress's Programmable Logic Division. “Since all MAX 5000 devices are already manufactured in our Round Rock facility, we expect a trouble free customer transition to Cypress. We see this as an attractive opportunity to increase our critical mass and customer base as we continue to expand our presence in the CPLD market with our Ultra37000™ and Delta39K™ families.”

“MAX 5000 was one of our first product families and revolutionized the market for high density programmable logic,” said Don Faria, Altera vice president of customer marketing. “Cypress is already an alternative source for this PLD family and will continue to supply these devices to our long-standing MAX 5000 customers. We will work closely with Cypress during the next several months and feel confident of their ability to ensure a smooth transition.”

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In order to assist customers with any questions they may have regarding the hand-over of the MAX 5000 family, Altera and Cypress have jointly developed a web site that provides answers to anticipated 'frequently asked questions.' The URL is <http://www.MAX5K-Transition.com>.

About Cypress

Cypress Semiconductor Corporation, with international headquarters in San Jose, California, provides a broad range of products for leading data communications, telecommunications, computation, consumer, and industrial-control companies worldwide. Cypress's product line includes programmable logic devices (PLDs); data communications products; static RAM and specialty memories; timing devices (clock chips), and microcontrollers for Universal Serial Bus (USB), the new, plug-and-play interface standard connecting PCs and peripherals.

The company is a long-term provider of PLD solutions, with offerings spanning from Small PLDs to 350,000-gate CPLDs. Cypress introduced the first Flash-based devices, and the first VHDL-based software tools.

Cypress's shares are listed on the New York Stock Exchange under the symbol CY. The company's worldwide web site is <http://www.cypress.com>.

About Altera

Altera Corporation, The Programmable Solutions Company™, was founded in 1983 and is a leading supplier of programmable logic devices and associated logic development software tools. Programmable logic devices are semiconductor chips that can be programmed on-site, using software tools that run on personal computers or engineering workstations. User benefits include ease of use, lower risk, and fast time-to-market. Altera's CMOS-based programmable logic devices address high-speed, high-density and low-power applications in the telecommunications, data communications, computer peripheral, and industrial markets. Altera common stock is traded on the Nasdaq Stock Market under the symbol ALTR. More information on Altera can be obtained on the Internet at <http://www.altera.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 and Altera's Securities and Exchange Commission filings for a discussion of such risks.