

**CYPRESS ANNOUNCES USB DESIGN WIN IN NEW MICROSOFT OPTICAL MOUSE
CY7C63613 Microcontroller Brings Plug-and-Play Connectivity to IntelliMouse® Explorer**

SAN JOSE, California...August 10, 1999 -- Cypress Semiconductor Corporation today announced the design-in of its CY7C63613 USB microcontroller in the optical-sensor-driven, next-generation Microsoft IntelliMouse Explorer.

The new mouse uses optical tracking technology and an on-board digital signal processor to translate images of the work surface into precise pointer movements--without the need for mouse balls and pads. A Cypress USB microcontroller links the new mouse with any USB-compatible PC via the simple, four-pin connector of the new bus standard.

"Although hardware and software have gone through countless leaps in the past 30 years, mice today aren't much different than those manufactured decades ago," said Tim McDonough, mouse line lead product manager at Microsoft. "But the mouse is finally catching up. The Cypress microcontroller helps to ensure that the IntelliMouse Explorer will fit seamlessly into the easy-to-use, plug-and-play world of USB."

"Cypress is pleased to follow up on its design wins in both the original USB IntelliMouse® and Microsoft's Natural® Keyboard elite," said Pete Fowler, marketing director of Cypress's Interface Products Division. "Microsoft's high quality standards make it one of the most demanding OEMs in the electronics business, and our success at Microsoft speaks to our high quality of products and services."

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Cypress is the USB market-share leader, recently surpassing the 18 million unit mark in USB sales. Cypress achieved this milestone in just over two years, having shipped its first microcontroller in Q197. 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--the CY7C63000 mouse chip--was designed under contract with Microsoft. The original IntelliMouse used the CY7C63001A microcontroller.

With an estimated five USB connections per PC, times approximately 100 million PCs shipped per year, the PC peripheral segment of the USB market is large and growing rapidly. USB technology has penetrated applications such as wireless phones and may eventually extend to the transmission of full-motion video. Originally USB transmissions fell into two speed ranges: a low-speed range of 1.5 Mbps, for mice, keyboards, joysticks, and game pads; and a so-called full-speed range to 12.0 Mbps.

More recently, Intel staked out new ground for the technology with the announcement of the USB 2.0 specification, capable of transmission speeds up to 500 Mbps. With the recent acquisition of San Diego-based Anchor Chips Inc., which has specialized in the development of full-speed USB products, Cypress is well-positioned to maintain a leadership role in the market as USB technology expands in speed and functionality.

Aong with the industry's smallest 8-bit RISC core, Cypress low-speed USB microcontrollers are the first to integrate programmable EPROM (to 8 Kbytes), data RAM (to 256 bytes), GPIO, clock multiplier, SIE, and transceiver. Cypress also provides full-speed products with standalone and motherboard hub functionality, and peripheral controllers with integrated-hub capabilities. EZ-USB, a full-speed controller with a high-performance 8051 microcontroller-based architecture and 4K or 8Kbytes of on-chip RAM, enables "soft" operations, making it possible to download the firmware from a PC.

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EZ-Link, another Cypress product, offers a complete, single-chip solution for networking PCs via their USB ports.

The Microsoft IntelliMouse Explorer is scheduled to be available this fall for an estimated retail price of \$74.95. The original IntelliMouse featuring IntelliEye™ will be available for an estimated retail price of \$54.95. Microsoft introduced the IntelliMouse Explorer at Spring 1999 Comdex.

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 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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