

Press Release

CYPRESS ANNOUNCES PRELIMINARY Q499 FINANCIAL RESULTS

Revenue \$206 million-207 million
Earnings Before Goodwill (EBG) \$0.31-0.32 per share

SAN JOSE, Calif. -- January 18, 2000.... Cypress Semiconductor Corporation (NYSE: CY) today announced preliminary financial results for the fourth quarter of 1999, ended January 2, 2000.

Net revenue for the fourth quarter is expected to be in the \$206 million-207 million range, a record for the company, representing an increase of approximately 12% from the prior quarter's revenue of \$184.5 million and an increase of approximately 42% from the 1998 fourth quarter revenue of \$145.6 million.

Diluted earnings per share (EPS) for the fourth quarter is expected to be \$0.39-0.40 per share. This EPS includes a pre-tax, non-recurring net benefit of \$12 million—including gains from the sale of investments—which utilized substantially all of the company's remaining net operating loss benefits.

Excluding this non-recurring net benefit, and excluding pre-tax acquisition-related charges and goodwill of \$1.7 million, earnings before goodwill (EBG) for the fourth quarter is expected to be \$0.31-0.32 per share. This is an improvement of 29-33% from last quarter's

-MORE-

Press Release

EBG of \$0.24 per share and a significant turnaround from the 1998 fourth quarter loss per share of \$0.02.

The expected improvement in fourth quarter revenue reflects continued strong demand for the company's products, particularly in the communications segment. Bookings for the fourth quarter are expected to be \$255 million-260 million, a record for the company and 10-12% higher than last quarter's bookings of \$231.4 million.

About Cypress

Cypress Semiconductor provides high-performance integrated circuit solutions "By Engineers. For Engineers.TM" for fast-growing companies in fast-growing markets, including data communications, telecommunications, computation, consumer products, and industrial-control. With a focus on emerging communications applications, Cypress's product lines include networking-optimized and micropower static RAMs; high-bandwidth multiport and FIFO memories; high-density programmable logic devices; timing technology for PCs and other digital systems; and controllers for Universal Serial Bus (USB). Cypress is No. 1 in the USB and clock chip markets.

More than two-thirds of Cypress's sales come from fast-growing datacom/telecom markets and dynamic companies such as Lucent, Cisco, 3Com, Alcatel, Motorola, Ericsson, and Nortel Networks. Cypress's ability to mix and match its broad portfolio of intellectual property enables targeted, integrated solutions for high-speed systems that feed bandwidth-hungry Internet applications. Cypress aims to become the preferred silicon supplier for Internet switching systems and for every Internet data stream to pass through at least one Cypress IC.

Press Release

Cypress employs more than 3,600 people worldwide with international headquarters in San Jose, California. Its shares are listed on the New York Stock Exchange under the symbol CY. More information about Cypress is accessible electronically on the company's worldwide web site at <http://www.cypress.com> or by CD-ROM (call 1-800-858-1810). An electronic investor forum, and other investor information, is located at <http://www.cypress.com/investor/index.html>.

Safe Harbor Provisions

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 and other risks detailed in the company's most recent filings with Securities and Exchange Commission.

####