

CYPRESS BOOSTS DISTRIBUTION PARTNER ROSTER WITH ADDITION OF AVNET

Ties to the Four Largest Electronic Distributors Expand Reach

SAN JOSE, California...December 17, 1999 -- Cypress Semiconductor Corporation (NYSE:CY) today announced a distribution agreement with Avnet (NYSE:AVT). Avnet recently acquired Marshall Industries, which was a long-time distributor for Cypress. Under the agreement, Avnet's operating group, Avnet Electronics Marketing, will be an authorized selling location, as are Avnet Electronics Marketing's locations in Canada, Mexico, Puerto Rico and Brazil.

This addition gives Cypress one of the broadest distribution networks of any semiconductor company. In addition to Avnet, Cypress has distribution agreements with Arrow Electronics, Future Electronics, Unique Technologies (a subsidiary of VEBA Electronics), and Bell Microproducts. Avnet, Arrow, VEBA, and Future are the four largest North American electronics distributors. To the best of its knowledge, Cypress is the only sub-billion dollar semiconductor company to have all four of these leading distributors.

"The partnership with Avnet is a very exciting development for Cypress," said Rich Parker, vice president of Global Distribution for Cypress. "Adding an organization with the broad coverage, excellent customer relations, and strong service of Avnet will give us increased exposure in an already strong market. We look for a seamless transition for accounts that purchased Cypress products through Marshall, and are providing a significant level of support for new Avnet business."

Strong Focus on Distribution

Cypress has moved aggressively to increase its distribution business over the last four years, setting records for distribution revenue each of the past three quarters. Approximately one-third of Cypress's worldwide revenue is now derived from distribution.

"Historically, distribution was thought of as a channel for commodity-type products at smaller accounts. That is no longer the case." continued Parker. "Many large organizations use distribution channels for the value-added services and broad product selection they provide. Additionally, we have seen strong growth in proprietary products through distribution. Today, over 33 percent of our distribution revenue comes from Cypress proprietary offerings."

About Avnet

Phoenix, Arizona-based Avnet, Inc. (NYSE:AVT), a Fortune 500 company with annual sales exceeding \$6.35 billion, is one of the world's largest distributors of semiconductors, interconnect, passive and electromechanical components and computer products from leading manufacturers. Serving customers in 59 countries, Avnet markets, inventories and adds value to these products and provides world-class supply-chain integration, engineering design and technical services. The company's Web site is www.em.avnet.com.

About Cypress

Cypress Semiconductor provides high-performance integrated circuit solutions "By Engineers. For Engineers.™" 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 multi-port 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.

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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" 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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