

CYPRESS EXPANDS ROUND ROCK FAB TO MEET INCREASING DEMAND

Increasing Headcount to Boost Production Capacity by 25%

ROUND ROCK, Texas, March 17, 1999 -- Cypress Semiconductor Corporation [NYSE: CY] today announced that it has begun the immediate expansion of its Fab II semiconductor manufacturing facility in Round Rock, Texas. Cypress is adding 50 jobs at the facility in order to increase the capacity of the plant by 25% in the next quarter.

“Demand for our products is exceeding our current manufacturing rate; demand is being fueled by new product introductions that are anticipated to be at record levels this quarter,” said Minh Pham, operations director for Fab II. “This trend, combined with the fact that our inventory levels have fallen for three consecutive quarters, provides us with the impetus for immediate expansion.”

“By making the difficult decision to discontinue SRAM production in Fab II last year, we lowered our cost structure to position ourselves for future growth in rapidly expanding markets such as datacom, telecom, and USB for PC peripherals,” said Chris Seams, Cypress’s vice president of wafer manufacturing. “We are now realizing the rewards of that restructuring.”

Cypress invites people interested in employment opportunities to contact the company immediately. Fab II is located at 17 Cypress Blvd., Round Rock, TX 78664; (512) 244-7789.

Fab II was opened in 1987, initially employing 68 people and encompassing 18,000 sq. feet of clean room space. The expansion will take the plant’s headcount to over 300 people, and the plant now has more than 32,000 sq. feet of clean room. Fab II accounts for 49% of Cypress’s revenues, manufacturing non-SRAM products including flash-based Complex Programmable Logic Devices (CPLDs), high-performance data communications products, timing devices, and USB microcontrollers. The fab employs 23 different process technologies to manufacture this wide array of products.

Cypress Semiconductor Corporation is an international supplier of high-performance circuits with worldwide headquarters in San Jose, California. The company provides a broad range of products for leading computer, networking, and telecommunications companies worldwide. The company's product line includes static RAMs, high-speed PROMs, and specialty memories; programmable logic devices (PLDs); data communications products; and timing devices and USB microcontrollers. Cypress shares are listed on the New York Stock Exchange under the symbol CY. The company has a site on the worldwide web at <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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