

CYPRESS SEMICONDUCTOR OPENS NEW FACILITY IN WOODINVILLE

50,000 Square Foot Site Home to Computer Products Division's 100 Employees

WOODINVILLE, Washington, December 17, 1998 -- Cypress Semiconductor Corporation (NYSE:CY) today announced that it has recently opened a new headquarters for its Computer Products Division (CPD) in Woodinville. The 50,000 square foot site presently houses about 100 employees, with potential for significant expansion. The facility is located at 19825 141st Place N.E., Woodinville, WA 98072.

Cypress originally came to the Seattle when it acquired IC Designs, Inc. in 1993. IC Designs pioneered the use of "clock chips" in the personal computer market. The organization, which is now known as Cypress's Computer Products Division, continues as a worldwide leader in this market, and has expanded its product portfolio to include microcontrollers for the Universal Serial Bus. USB is a new technology that greatly simplifies the process of connecting peripherals with PCs. The division also designs and markets logic chips.

The new facility houses design teams, marketing, product test and assembly, accounting, and other functions. "We have a tight-knit, entrepreneurial group," said Jeffrey Linden, vice president in charge of all day-to-day operations for Cypress's CPD. "We also enjoy the resources of a \$500 million company with outstanding manufacturing prowess."

"We are expecting rapid growth for our products," Linden continued. "We feel fortunate to be in the Seattle area where there are a number of talented engineers and marketers to help fuel our expansion."

- MORE -

Cypress Opens New facility in Woodinville -- Page 2

Growth is expected to be particularly strong for Cypress's USB products. Cypress has already shipped over one million USB devices, including chips for Microsoft's new mouse and keyboard offerings. Research firms have estimated that the market for USB chips may exceed 500 million units by the year 2000.

About Cypress

Jeffrey Linden has been with Cypress for nine years in a variety of technical management roles. He is a semiconductor industry veteran with over 20 years of experience. IC Designs was originally founded by John Torode, who also founded Digital Microsystems, one of the industry's first personal computer makers. Torode has been promoted to chief technical officer at Cypress, but still works in the Woodinville facility.

Cypress Semiconductor Corporation is an international supplier of high-performance integrated circuits with worldwide headquarters in San Jose, California. The company 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; FCT Logic, timing devices, and 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>. For more information, contact Cypress CPD at (425) 398-3400; fax: (425) 398-3399

"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. Please refer to the MD&A (Management Discussion and Analysis of Financial Condition and Results of Operations) for a discussion of such risks in the most recent Cypress annual report on Form 10-K, and quarterly report on Form 10-Q.

###