CYPRESS WINS $13.4 MILLION EMI LAWSUIT

SAN JOSE, California...November 1, 1999 -- Cypress Semiconductor Corporation (NYSE:CY) announced today that it won the lawsuit filed against it by EMI Group Plc, a British music company.

Cypress CEO T.J. Rodgers said: "I was involved in this lawsuit from the beginning. I served as a witness and attended the trial every day. In 1984, EMI acquired a sick American semiconductor company, INMOS Corporation of Colorado, and proceeded to mismanage it out of business. But EMI kept INMOS's patents and started a pay-or-else royalty business.

"Cypress chose 'else' over 'pay.' The EMI case demonstrates that we won't pay protection money, even to avoid time-wasting, multimillion-dollar litigation in another state," Rodgers said.

In July 1998, EMI sued Cypress over its laser-fuse patents, which purport to cover the current method for a technology known as laser-fuse redundancy, a method most memory suppliers use to enhance their yield and get more good memory chips per wafer.

Rodgers continued, "I started my work on laser-fuse redundancy in the late 1970s, when I convinced Advanced Micro Devices (AMD) to license the technology from Bell Labs before INMOS existed as a company. When we started Cypress, we licensed that same Bell technology. EMI's claim was that they invented the metal laser fuse, an improvement over traditional polysilicon laser fuses."

Rodgers continued, "We were sued without notice. When I finally read the patents, I saw zero inventions and science-fiction theories. Sir Colin Southgate, EMI's chairman, insisted on pursuing the suit, despite my direct discussions with him about the weaknesses of the patents."

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EMI asserted 13 claims on two patents against Cypress. The jury found that Cypress infringed none of these claims. The jury also found that each of the claims was invalid due to a lack of utility and that each claim was also invalid due to a lack of enablement (showing others how to use the invention). Furthermore the jury found all 13 claims also invalid due to obviousness in light of the prior art and five of the claims were found additionally to be invalid due to anticipation by the prior art. Every Cypress assertion of non-infringement or invalidity was granted by the jury.

Rodgers continued, "Cypress litigator C. Randall Bain, of Brown & Bain, Phoenix, Arizona, prompted Sir Colin on cross examination to tell the jury about how EMI bought INMOS, shut down its Colorado Springs plant, laid off 500 people, and moved INMOS's equipment to a British-government-subsidized wafer fabrication plant in Wales. Sir Colin also told the jury he was an important backer of the British Royal Opera and a hands-on manager, in his terms, having visited INMOS in Colorado Springs and having worn a clean-room bunny suit."

Rodgers continued, "Randy Bain is the best intellectual property litigator in the U.S. He is peerless in explaining arcane technology issues to lay juries, and he exposes the predatory nature of much intellectual-property litigation. INMOS's expert witness, Dr. Richard Fair of Duke University, earned $150,000 preparing his expert report and testimony for INMOS. He has worked for 25 lawyers in the course of his career. Bain called Fair's opinion on patent infringement 'made-for-litigation' science in his closing argument. Bain also forced Sir Colin to admit that the actual plaintiff corporation was a subsidiary of a subsidiary of EMI which had no employees, a patent portfolio, and a penchant for lawsuits."

Rodgers continued, "We will license valuable intellectual property. We have licenses with IBM, AT&T, Motorola, and 10 other companies. But we won't cave in to litigation blackmail. We never have, and we never will."

About Cypress Semiconductor

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 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 Northern Telecom. 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.

Cypress employs more than 3,500 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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