

PRESS RELEASE

CYPRESS OPENS NEW SEMICONDUCTOR PLANT IN MINNESOTA

Increases Capacity to \$750 Million

BLOOMINGTON, Minnesota . . . July 18, 1995. . . Cypress Semiconductor Corporation [NYSE: CY] today announced the opening of a new, state-of-the-art 8-inch wafer manufacturing plant in Bloomington, Minnesota. Fab IV, the new, highly automated plant is Cypress's first 8-inch wafer line and offers production feature sizes down to 0.5 micron this year, and capability to 0.35 micron. Combined with Cypress's other three fabrication facilities, the new Fab IV extends the company's revenue capacity to \$750 million. When equipment is completely installed in the adjoining Fab IVb module, the company's capacity will exceed \$1 billion.

Cypress today announced plans to hire 200 people at the Fab IV facility by the end of 1996, in addition to the 350 people currently employed at the Cypress Minnesota Fab III, also located in Bloomington.

According to Cypress President and CEO T. J. Rodgers, "Cypress has always taken pride in our manufacturing capabilities, and I am particularly proud of the Minnesota team, which has built and qualified our new 8-inch line in a record 11 months. Fab IV provides Cypress with significant wafer capacity to meet the needs of our customers in this very strong semiconductor market."

Lothar Maier, president of Cypress Minnesota, added, "We shipped product in record time out of Fab IV last quarter, as a result of our plan to run a prototype 8-inch wafer line in the adjoining Minnesota Fab III during construction of Fab IV. At this point our processes and yields are stable, and we expect Fab IV to be a significant revenue contributor this quarter and beyond."

Minnesota Governor Arne H. Carlson stated, "It is with great pleasure that we congratulate Cypress Minnesota on the grand opening of Fab IV. We are proud to have this highly successful company here in our state. Cypress contributes strongly to Minnesota's reputation as a home to high-technology and we look forward to its continuing growth and success in the future."

Cypress's new Fab IV takes advantage of the latest technology in semiconductor manufacturing, including "SMIF" (Standard Mechanical Interface) automation, which

eliminates wafer handling by personnel and assures an ultra-clean operation and the highest yields. Fab IV is a 100,000-square-foot, Class 1 facility with 30,000 square feet of clean room. The Fab IV facility will focus on production of high-speed static RAMs, as well as specialty memories, such as dual-port and FIFO memories.

Cypress currently has four wafer manufacturing facilities:

- Fab I in San Jose, California, the Company's first fab, now doubling as an R&D and prototype fab.
- Fab II in Round Rock, Texas, the largest contributor to Cypress's revenue stream.
- Fab III in Bloomington, Minnesota, brought online by Cypress in 1991, and a highly efficient operation.
- Fab IV, located on a site adjacent to the Minnesota Fab III, and the company's first 8-inch wafer line.

Cypress Semiconductor Corporation is a leader in the design, development, and manufacture of a broad line of high-performance digital integrated circuits, fabricated using its proprietary 0.5-, 0.65-, and 0.8-micron CMOS and BiCMOS technologies. Cypress offers a range of products, including PLDs (programmable logic devices), FPGAs (field-programmable gate arrays), static RAMs (random access memories), CMOS PROMs (programmable read-only memories) and EPROMs, high-performance multichip modules, PC chipsets, frequency synthesizer products, FCT logic products, and data communications products. Cypress stock is traded on the New York Stock Exchange. Corporate headquarters are located in San Jose, California.

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