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FOR IMMEDIATE RELEASE

**Cypress University Alliance Program Launches \$160,000 Global Design Competition
For Students Designing With Cypress Products**

Details, Design Resources and Product Requests Available at www.cypress.com/cuap

SAN JOSE, Calif., October 2, 2006 – Cypress Semiconductor Corp. (NYSE: CY) today launched a \$160,000 global design competition that enables students who design with Cypress technology to compete regionally for Cypress innovation awards of up to \$20,000 in cash and ultimately win the T.J. Rodgers Trophy, named after Cypress's president and CEO.

"The Cypress Innovator Design Challenge encourages students to stretch their imaginations as they develop new ways to use Cypress technology," said Patrick Kane, director of Cypress's University Alliance Program.

Babak Hedayati, senior vice president of marketing at Cypress, added that many students will gain valuable industry expertise by designing with Cypress's ubiquitous PSoC[®] Programmable System-on-Chip[™]. "Many of the world's most-popular consumer products, including MP3 players, cell phones, laptop computers and appliances use the PSoC Innovation Platform[™]," Hedayati said. "You can also find PSoC in fitness equipment, soda dispensers, baby strollers, automotive navigation systems and many other applications. The design opportunities that PSoC enables students are nearly limitless."

Cypress Innovator Design Challenge contest entries will be solicited from six regions: (1) North America, (2) Europe and the Middle East, (3) China, (4) Japan and Korea, (5) India, and (6) Southeast Asia and ROW (rest of world). Each region will have a first-place prize of \$10,000, a second-place prize of \$2,500, and a \$1,000 third-place prize. The professors of the first-place prize winners in each region will also receive a \$10,000 award. In addition, all first-prize winners will compete for the inaugural T.J. Rodgers Innovation trophy and an additional \$10,000 cash

prize.

Kane said the most commercially viable designs of those submitted will be analyzed by Cypress's investment team for possible seed funding. Members of the winning teams also will be guaranteed an interview with Cypress for possible internships, co-ops, or full-time employment.

Cypress is also awarding the top 100 Innovator Design Challenge proposals worldwide with a CY3210 PSoC evaluation kit and a copy of the "Designer's Guide to Cypress PSoC," written by Robert Ashby.

Additionally, all completed project submissions will be screened for possible publication on the Cypress University Alliance website as a success story, application note or reference design.

For more information or to submit a proposal for Cypress's Innovator Design Challenge, please visit Cypress's new University Alliance Website at www.cypress.com/cuap.

About Cypress

Cypress solutions *perform*: consumer, computation, data communications, automotive, industrial, and solar. Leveraging proprietary silicon processes, Cypress's product portfolio includes a broad selection of wired and wireless USB devices, CMOS image sensors, timing solutions, specialty memories, high-bandwidth synchronous and micropower memory products, optical solutions and reconfigurable mixed-signal arrays. Cypress trades on the NYSE under the ticker symbol CY. Visit us at www.cypress.com.

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