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For Immediate Release

**Research Firm Finds Cypress Envirosystems Wireless Pneumatic Thermostat
Can Teach Old Buildings New Smart Grid Connectivity Tricks**

*ARC Advisory Group Touts WPT in Report “Comprehensive Building Retrofit Solutions
Provide Opportunities for Growth in a Challenging Economic Climate”*

SAN JOSE, Calif., June 30, 2010 — Cypress Envirosystems, a subsidiary of Cypress Semiconductor Corp. (Nasdaq: CY), today announced that a new report from the ARC Advisory Group finds that the Wireless Pneumatic Thermostat (WPT) opens up smart grid connectivity for older buildings with “dumb” pneumatic HVAC systems. Estimates suggest up to 70 percent of existing buildings in the United States use pneumatic HVAC systems, with approximately 60 million pneumatic thermostats still in use today.

The author of the report, Joe Gillespie, Building Automation System Analyst at the ARC Advisory Group, commented, “Given the current economic climate, ARC anticipates as much as 75 percent of near term market potential in the North American building automation industry will come from existing buildings that need to be updated or retrofitted. The majority of these buildings will be retrofitted with intelligent automation components that preserve previous system investments in lieu of deploying completely new systems in order to save time, reduce cost, and minimize business disruptions. Partnering with Cypress Envirosystems will allow suppliers to leverage the boom in the retrofit sector of the building automation market and secure business that would otherwise be lost.”

The report states that, “Suppliers that align themselves with Cypress Envirosystems will have an inherent advantage when competing for retrofit projects, particularly those involving pneumatic HVAC systems. Providing a quick, minimally invasive, low-cost installation that utilizes the existing system while outfitting it for digital control will help unlock the vast opportunity that currently exists in the building automation retrofit market.”

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The full report, entitled “Comprehensive Building Retrofit Solutions Provide Opportunities for Growth in a Challenging Economic Climate,” is available at <http://www.arcweb.com/Domains/Building-Automation/Lists/Posts/Post.aspx?ID=12>. More info on the WPT is available at www.cypressenvirosystems.com/products-wpt.php.

“We are very happy to see a respected organization such as ARC validate the energy-savings, painless installation and fast payback of our WPT,” said Harry Sim, CEO of Cypress Envirosystems. “We agree whole-heartedly with the findings that the current economic climate and the government stimulus funding make this an ideal time to retrofit older buildings that have dumb HVAC technology so that they can plug into the Smart Grid. Our customers are leveraging the WPT and the current conditions to save both energy and money.”

The report states that government funding “will undoubtedly provide a spark to the building retrofit sector for the next couple of years and, as a result, ARC expects the retrofit market to be the strongest sector of the building automation market over this period.”

About the Wireless Pneumatic Thermostat

The patent-pending WPT solution retrofits existing pneumatic thermostats to deliver direct digital control (DDC) functionality in minutes. Compared with the cost to implement conventional DDC retrofit, the WPT costs 80% less, pays back in 18 months or shorter, and can be installed in under 20 minutes with minimal disruption of occupants. It enables remote temperature sensing and control of setpoints, programmable zone control and night setback, automatic self-calibration, BACnet integration with existing automation systems, and communication with utility Demand Response programs. Sensor data gathered by the WPT is used for retro and ongoing commissioning to save energy and reduce maintenance costs.

About ARC

Founded in 1986, ARC Advisory Group (www.arcweb.com) is the leading research and advisory firm for manufacturing, energy, and supply chain solutions. Coverage of technology from sensors and automation to production, design, and business systems makes ARC Advisory Group the go-to firm for manufacturers around the world.

About Cypress Envirosystems, Inc.

Cypress Envirosystems is a subsidiary of Cypress Semiconductor (NASDAQ: CY). Its mission is

to save energy and improve productivity in older plants and buildings, using state-of-the-art non-invasive and wireless technologies to minimize disruption and cost, delivering payback of 18 months or less. Visit Cypress EnviroSystems at www.CypressEnviroSystems.com.

About Cypress

Cypress delivers high-performance, mixed-signal, programmable solutions that provide customers with rapid time-to-market and exceptional system value. Cypress offerings include the flagship PSoC® programmable system-on-chip families and derivatives such as PowerPSoC® solutions for high-voltage and LED lighting applications, CapSense® touch sensing and TrueTouch™ solutions for touchscreens. Cypress is the world leader in USB controllers, including the high-performance West Bridge® solution that enhances connectivity and performance in multimedia handsets. Cypress is also a leader in high-performance memories and programmable timing devices. Cypress serves numerous markets including consumer, mobile handsets, computation, data communications, automotive, industrial and military. Cypress trades on the Nasdaq Global Select Market under the ticker symbol CY. Visit Cypress online at www.cypress.com.

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