



FEATURES

- Cost savings for legacy products using up-to-date technologies
- Full service design, testing and contract manufacturing options
- Redesign products to reduce bill of materials cost, footprint and component count
- Address component obsolescence, RoHS compliance
- Risk sharing model with guaranteed results - we get paid when you get savings
- No upfront payment option
- Free up valuable engineers and funds for new product development and other activities

Cost Savings for Legacy Industrial and HVACR Products - Guaranteed

The Cost Reduction Challenge

In today's competitive environment, manufacturers of Industrial and HVACR products are faced with a constant challenge to reduce product costs. Most have already implemented programs to streamline logistics and improve vendor selection and negotiations.

For older legacy products (five years or older), additional cost reduction opportunities lie in using newer, more cost effective technologies to replace or "value engineer" existing designs. Recent advances in technologies such as programmable mixed-signal arrays, solid state user interfaces, wireless etc. can reduce component count, footprint, and bill of materials cost by 30% or greater.

However, many manufacturers have been unable to take advantage of these technologies to reduce cost in older products. Surveys¹ indicate that key hurdles are:

- lack of engineers skilled in the new technologies
- difficulty in justifying financial payback for lower volume product lines
- lack of upfront budget to undertake a redesign effort

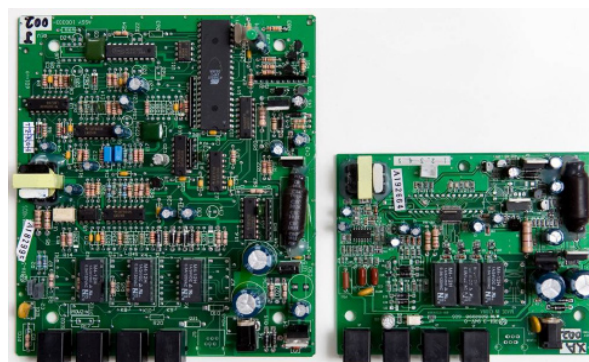
Often, value engineering of older products must also compete with new product development for people and resources, resulting in missed opportunities for cost reduction.

The Cypress Approach

At Cypress, we are at the forefront of innovation for exciting new technologies such as Programmable System on Chip (PSoC), CapSense solid-state touch sensors, WirelessUSB, Non-Volatile SRAM etc. which greatly reduce product cost with fast time-to-market.

Our Value Engineering service leverages our deep industrial domain knowledge to guarantee cost reductions of existing products by using new technologies in a risk sharing approach. We provide unique technology, a team of skilled engineers implementing such solutions since 2003, and financial risk sharing to ensure cost reductions are achieved – or we don't get paid.

Typically a Value Engineered product not only saves cost, but also addresses component obsolescence, RoHS compliance and other associated design issues, increasing the overall benefit to the manufacturer.



**BEFORE VALUE
ENGINEERING**

**AFTER VALUE
ENGINEERING**

¹ Source: Cypress Systems interviews with leading industrial and HVACR manufacturers, 2007

Who Can Benefit?

We believe the greatest opportunities for cost reductions are related to older products (3-5 years or older) which have mixed-signal analog/digital functionality such as signal conditioning, communications, output drivers etc. We specialize in lower-volume, high-mix industrial and HVACR products which have annual Bill of Materials for cost reduction spend of \$500,000 to \$2,000,000 which often struggle to meet financial payback hurdles.

If you have manufacture products which fit the description above, and would like to reduce product costs, please call or email us for a free evaluation.

Further technical information on Cypress technologies such as PSoC are available at:
<http://www.cypress.com/systems>.

Founded in 2006, Cypress Systems is a wholly owned subsidiary of Cypress Semiconductor (NYSE:CY) <http://www.cypress.com>.

We develop and market products and services for industrial and commercial end-users. We combine the broad portfolio of unique technologies from Cypress Semiconductor with our deep domain and application experience in Industrial Automation and HVAC to create unique solutions which reduce cost and improve productivity for plants and buildings.



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