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For Immediate Release

Cypress Envirosystems' Energy Savings Retrofit of County of Santa Clara Buildings Enables Continuous Commissioning with Payback in Less than a Year

Wireless Pneumatic Thermostats Installed for 20% the Cost of Conventional Solutions, Did Not Disrupt Occupants, and Received PG&E Demand Response Incentive Funding

SAN JOSE, Calif., January 26, 2010 — Cypress Envirosystems, a subsidiary of Cypress Semiconductor Corp. (NASDAQ: CY), announced today that the County of Santa Clara has documented significant savings in energy consumption, continuous commissioning and maintenance effort as a result of a March 2009 HVAC retrofit. The County used Cypress Envirosystems' innovative Wireless Pneumatic Thermostat to retrofit pneumatic HVAC systems to provide the benefits of modern Direct Digital Control (DDC) systems, but at a fraction of the cost and with virtually no disruption to building occupants. The project achieved payback on investment in approximately 11 months. The fast payback was due in part to the project qualifying for the local PG&E utility's Auto Demand Response Program, but the County estimates the payback period would have been only 16 months without the PG&E incentives.

Most commercial buildings ten years or older have pneumatic thermostats that require manual adjustment, meaning that someone has to manually lower and raise the thermostat to adjust the temperature. Retrofits using conventional DDC technology are extremely costly and often infeasible due to exposure to asbestos and other disruptions to tenants, whereas a Wireless Pneumatic Thermostat can be installed in under 20 minutes without opening up walls or ceilings.

"The wireless thermostat installation took only eight days and was one of the easiest, fastest and most cost effective energy efficiency improvements we have ever made in our buildings," said Jeff Draper, Manager of Building Operations for the County. "We installed 350 wireless thermostats for a total project cost of \$175,000."

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The County realized energy savings via a combination of improved temperature setpoint management and continuous commission activities, which included the identification and repair of mechanical deficiencies. Annual savings of \$42,000, or 7% of the total building electrical consumption, was quantified by comparison to actual electrical meter readings from the same period in the prior year.

The County also realized a significant savings in ongoing maintenance effort, aided by diagnostic reports provided by Cypress Envirosystems. Over the prior year, a service contractor charged approximately \$25,000 per month for mechanical maintenance (about 50 cents per square-foot, for 300,000 square-foot). The high cost was in part due to the lack of diagnostics and difficulties in troubleshooting and repairing pneumatic systems. After the retrofit, the data and diagnostics provided by the Wireless Pneumatic Thermostat system enabled the maintenance effort to be much more targeted and streamlined, and reduced the monthly cost to \$12,000. Annualized savings for the County is approximately \$156,000, or a 52% reduction.

“We are absolutely delighted to see a payback period of less than one year for Santa Clara County,” said Harry Sim, CEO of Cypress Envirosystems. “In these days of fiscal constraints, most customers only undertake projects that are cost effective and deliver quick payback. The County has really taken full advantage of our technology to obtain a combination of energy savings, maintenance savings, and demand response incentives.”

More information on the County of Santa Clara retrofit project may be found at www.CypressEnvirosystems.com/case-studies.php.

About the Cypress Envirosystems Wireless Pneumatic Thermostat

Cypress Envirosystems’ patent pending WPT solution retrofits existing pneumatic thermostats to deliver direct digital control (DDC) functionality in minutes. Compared with a cost of \$2,500 or more per zone for implementing DDC systems, the WPT costs 80% less, and it may 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 enables use with utility Demand Response programs. It uses the Open-ADR communications standard developed by Lawrence Berkeley National Laboratories.

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 12 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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