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For Immediate Release

County of Santa Clara Installs Cypress Envirosystems' Wireless Pneumatic Thermostat to Save Energy Costs in Existing Buildings

Retrofit of Pneumatic HVAC System Cost 20% of Conventional Solution, Required 95% Less Time to Install, and Received PG&E Incentive Payment for Cost of Implementation

SAN JOSE, Calif., April 15, 2009 — Cypress Envirosystems, a subsidiary of Cypress Semiconductor Corp. (NYSE:CY), announced today that the County of Santa Clara has completed a major retrofit of County buildings to save energy using Cypress Envirosytems' Wireless Pneumatic Thermostat (WPT) system.

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. The County of Santa Clara operates 11 million square feet of existing facilities, with an annual energy cost of \$15 million. In the current economic climate, with a loss of tax revenue and growing budget deficits, the County of Santa Clara is looking for ways to lower costs.

"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. "We installed 350 wireless thermostats for a total project cost of \$175,000."

The County has received over \$300,000 in incentives from PG&E for enrolling in the Auto Demand Response Program and implementing the Cypress Envirosystems WPT and other improvements at 19 facilities with over 1.5 million square feet in total. This program requires participating entities to reduce energy use during peak periods such as on hot summer days. The WPT allows the County to control and remotely track HVAC usage, which in turn allows the County to enroll two additional buildings into the Demand Response Program. The WPT system uses the Open Automated Demand Response Communication Standard, developed by the US Department of Energy's Lawrence Berkeley National Laboratory.

"We are delighted that our technology was able to help the County of Santa Clara conserve energy and tap PG&E incentive funding to pay for the project," said Harry Sim, CEO of Cypress Envirosystems. "We are seeing interest from other local government offices looking to follow the County's lead, and see enormous potential for such retrofits for commercial buildings, universities, schools and hospitals as well."

The County's participation in these energy reduction programs has many economic benefits: 1) participation incentive rebates as mentioned above; 2) costs savings associated with "load shedding"; 3) dollar rebates based on actual load shed; and 4) overall reduction of energy consumption and greenhouse gas emissions.

"Adopting green technology solutions as part of our energy retrofit program, such as these inexpensive programmable wireless thermostats, is not only the best bang for our buck, it will also achieve the best result and help grow local jobs," stated Supervisor Liz Kniss, President of the County of Santa Clara Board of Supervisors.

"This is the kind of program the Economic Stimulus Package should be funding," said Vice President of the Board of Supervisors Ken Yeager. "Low cost, easy-to-install retrofits provide the best savings while moving us into the green economy, a benefit to both the public and private sectors."

The County of Santa Clara faces a situation similar to many other property owners in the nation. Industry analysts' estimate that 70-80% of existing buildings in the United States have antiquated pneumatic thermostats and make deployment of Auto-Demand Response difficult to achieve.

Cypress Envirosystems offers a wireless pneumatic thermostat that can easily replace a conventional non-communicating pneumatic device. The Cypress solution can be retrofitted to replace an existing conventional, pneumatic thermostat in about 15 minutes, creating minimal disruption to the building occupants. Conventional direct digital control thermostats typically cost around \$2,000 to \$3,000 per thermostat and installation requires building tenants to vacate the

facility while electrical work is done. Installation of a conventional direct digital control system would have cost the County over \$880,000 and required at least six months to install.

About Cypress Envirosystems, Inc.

Cypress Envirosystems is a subsidiary of Cypress Semiconductor (NYSE: 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 <u>www.CypressEnvirosystems.com</u>.

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 PSoC® programmable system-on-chip, USB controllers, general-purpose programmable clocks and memories. Cypress also offers wired and wireless connectivity technologies ranging from its CyFi[™] Low-Power RF solution, to West Bridge® and EZ-USB® FX2LP controllers that enhance connectivity and performance in multimedia handsets. Cypress serves numerous markets including consumer, computation, data communications, automotive, and industrial. Cypress trades on the NYSE under the ticker symbol CY. Visit Cypress online at <u>www.cypress.com</u>.

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