

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name Cypress Semiconductor Corporation		2 Issuer's employer identification number (EIN) 94-2885898	
3 Name of contact for additional information Neil H. Weiss	4 Telephone No. of contact (408) 943-2630	5 Email address of contact nhw@cypress.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 198 Champion Court		7 City, town, or post office, state, and Zip code of contact San Jose, CA 95134	
8 Date of action October 16, 2014		9 Classification and description Common stock, cash distribution	
10 CUSIP number 232806109	11 Serial number(s)	12 Ticker symbol CY	13 Account number(s)

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ **On August 20, 2014, Cypress Semiconductor Corporation's ("the Company") Board of Directors declared a cash distribution payment of \$0.11 per common share. The distribution was payable on October 16, 2014 to stockholders of record on September 25, 2014.**

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ **We believe the cash distribution will represent a return of capital for U.S. income tax purposes, and therefore should reduce a shareholder's basis by \$0.11 per common share.**

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ **Cash distribution of \$0.11 per common share.**

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ IRC Sections 301, 316

18 Can any resulting loss be recognized? ▶ N/A

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ 2014

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ▶ /s/ Neil H. Weiss Date ▶ November 6, 2014

Print your name ▶ Neil H. Weiss Title ▶ Senior VP, Treasurer

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶	Firm's EIN ▶			
	Firm's address ▶	Phone no.			