June 8, 2010

Microchip Technology Reaffirms Financial Guidance for First Quarter Fiscal 2011

CHANDLER, Ariz.--(BUSINESS WIRE)-- Microchip Technology Incorporated (NASDAQ: MCHP), a leading provider of microcontroller, analog and Flash-IP solutions, today reaffirmed its financial guidance provided in its May 5, 2010 earnings press release. Microchip's financial results for the first quarter ending June 30, 2010 will include the results of the acquisition of Silicon Storage Technology, Inc. Microchip currently expects net sales of approximately $318 million and non-GAAP earnings per diluted share of approximately 52 cents for the June quarter. The expected results on a GAAP basis cannot be provided at this time as the financial valuation associated with the acquisition of Silicon Storage Technology, Inc. has not been completed.

"We are pleased with how the June 2010 quarter is progressing to date and are reconfirming our guidance for the quarter. We expect Microchip's stand-alone business to produce $300 million in revenue and non-GAAP earnings of 49 cents per share. The SST business is expected to produce $18 million in revenue and 3 cents per share in non-GAAP earnings," said Steve Sanghi, Microchip's President and CEO. "The combined projections for Microchip and SST are $318 million in revenue and 52 cents per share of non-GAAP earnings for the June quarter."

Mr. Sanghi added, "We expect days of inventory at Microchip as well as our distributors to be approximately flat with last quarter. We have seen the strongest ever first two months of the quarter in bookings, we have a record backlog building for the September quarter and expect continued revenue growth ahead.

"We continue to make outstanding progress in the restructuring of the SST business. We announced the consummation of the sale of the NAND drive and certain memory product lines on May 21, 2010. We are progressing well on the sale of the WiFi power amplifier business as well as some additional memory product lines for specific application segments. We are ahead of the schedule that we had laid out for investors during our last earnings conference call, when we said that we expect the restructuring to be completed by the end of December 2010," concluded Mr. Sanghi.

Microchip Technology will present at the UBS Global Technology and Services Conference on Wednesday, June 9, 2010 at 3:30 p.m. (Eastern Time). A live webcast and replay of the presentation can be accessed on the Microchip website at www.microchip.com. The replay of the webcast will be available for a period of seven days following the presentation.

Cautionary Statement:

The statements in this release relating to our expected net sales and non-GAAP earnings per diluted share for the June 2010 quarter, how the June 2010 quarter is progressing, revenue and non-GAAP earnings per share for each of Microchip and SST on a stand-alone basis, expected days of inventory, building a record backlog for the September quarter, expected continued growth ahead, continuing to make outstanding progress in the

restructuring of the SST business, progressing well on the sale of the WiFi power amplifier business and memory product lines, being ahead of schedule for our SST restructuring, and our expectation that the restructuring will be complete by the end of December 2010 are forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These statements involve risks and uncertainties that could cause our actual results to differ materially, including, but not limited to: the strength of the economic recovery or any unexpected fluctuations or weakness in the U.S. and global economies, changes in demand or market acceptance of our products and the products of our customers; the mix of inventory we hold and our ability to satisfy short-term orders from our inventory; changes in utilization of our manufacturing capacity and our ability to effectively ramp our production levels; competitive developments including pricing pressures; the level of orders that are received and can be shipped in a quarter; the level of sell-through of our products through distribution; changes or fluctuations in customer order patterns and seasonality; foreign currency effects on our business; the impact of any significant acquisitions that we make; costs and outcome of any current or future tax audit or any litigation involving intellectual property, customers or other issues; difficulties associated with successfully integrating SST's business with our business and technologies; unexpected costs related to the acquisition and integration of SST; the risk that our customers may fail to accept the SST product offerings; the actual timing of our sale of certain SST business lines; disruptions in our business or the businesses of our customers or suppliers due to natural disasters, terrorist activity, armed conflict, war, worldwide oil prices and supply, public health concerns or disruptions in the transportation system including the recent volcanic activity in Iceland; and general economic, industry or political conditions in the United States or internationally.

For a detailed discussion of these and other risk factors, please refer to Microchip's filings on Forms 10-K and 10-Q. You can obtain copies of Forms 10-K and 10-Q and other relevant documents for free at Microchip's Web site (www.microchip.com) or the SEC's Web site (www.sec.gov) or from commercial document retrieval services.

Stockholders of Microchip are cautioned not to place undue reliance on our forward-looking statements, which speak only as of the date such statements are made. Microchip does not undertake any obligation to publicly update any forward-looking statements to reflect events, circumstances or new information after this June 8, 2010 press release, or to reflect the occurrence of unanticipated events.

About Microchip:

Microchip Technology Incorporated is a leading provider of microcontroller, analog and Flash-IP solutions, providing low-risk product development, lower total system cost and faster time to market for thousands of diverse customer applications worldwide. Headquartered in Chandler, Arizona, Microchip offers outstanding technical support along with dependable delivery and quality. For more information, visit the Microchip Web site at www.microchip.com.

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