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Microchip Technology Subsidiary SST and Novocell Semiconductor Announce Acquisition of Novocell by SST

Acquisition of Non-Volatile-Memory IP Supplier Grows Footprint and Increases Product Portfolio for Microchip's SST Flash-IP Solutions Business

CHANDLER, Ariz. & AUSTIN, Texas--(BUSINESS WIRE)-- [Microchip Technology Inc. \(NASDAQ: MCHP\)](#), a leading provider of microcontroller, mixed-signal, analog and Flash-IP solutions, through its Silicon Storage Technology ([SST](#)) subsidiary, and Novocell Semiconductor, Inc. ([Novocell](#)) today announced that Microchip and SST have signed a definitive agreement to acquire Novocell. The acquisition was approved by the Boards of Directors of each company and is being announced today at the 2013 Design Automation Conference (DAC) in Austin, Texas. The terms of the deal are confidential. The transaction is expected to close in early June 2013 and is expected to be immediately accretive on a non-GAAP basis.

"We are pleased to announce the acquisition of Novocell and are expecting great things as we integrate the technology into our ever-expanding portfolio of IP solutions," said Mark Reiten, vice president of Technology Licensing for SST, a wholly owned subsidiary of Microchip. "This acquisition provides our customers with valuable and differentiated technology and helps us to enable their designs with an even more comprehensive set of solutions, expanding our position as a leading memory IP supplier."

"We are extremely happy to become part of SST and the Microchip family and are excited by the strategic possibilities available to us, moving forward, from both a business as well as a technology perspective," stated Walter Novosel, Novocell's president and chief technical officer. "Novocell has continued to grow its portfolio of non-volatile-memory IP solutions since its inception, and we fully expect the technology to see an increased adoption from joining a leader like SST in the memory IP market. With SST's offerings in the high-density arena, we can concentrate on not only expanding our customer base, but also growing the footprint that SST has built with customers worldwide in low-density OTP and MTP memory."

Under the acquisition agreement, Novocell will become a wholly owned subsidiary of SST, a Microchip company. SST and Novocell are committed to a seamless customer transition. SST plans to invest in continuing, designing, developing and extending Novocell's product portfolio and roadmap.

About Silicon Storage Technology

Microchip's **Silicon Storage Technology, Inc. (SST) subsidiary** is a leading provider of embedded Flash technology. SST develops, designs, licenses, and markets a diversified range of proprietary and patented SuperFlash® memory technology solutions for the consumer, industrial and automotive markets. SST was founded in 1989, went public in 1995

(NASDAQ: SSTI), and was acquired by Microchip in April 2010. SST is now a wholly owned subsidiary of Microchip and is headquartered in San Jose, Calif. For more information, visit the SST website at <http://www.microchip.com/get/QN0T>.

About Novocell Semiconductor, Inc.

Novocell Semiconductor, Inc. is a leading supplier of non-volatile-memory (NVM) intellectual property (IP) solutions for fabless semiconductor companies, integrated device manufacturers and foundries. The company was founded in 2002 and was an early innovator in the commercialization of NVM design using anti-fuse technology. Novocell has unique and innovative IP products, providing it with the ability to claim the highest reliability for its NVM OTP products of any competitor, and it has an enviable customer list that includes some of the largest electronics and avionics firms in the world. Novocell is headquartered in Hermitage, Pennsylvania. More information can be found at <http://www.microchip.com/get/3LM1>.

About Microchip Technology

Microchip Technology Inc. (NASDAQ: MCHP) is a leading provider of microcontroller, mixed-signal, 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 website at <http://www.microchip.com/get/4MV7>.

Forward-Looking Statements

The statements in this release relating to the expected closing date, transaction being accretive, expecting great things, ever-expanding portfolio of IP solutions, enabling designs with an even more comprehensive set of solutions, expanding our position as a leading memory IP supplier, fully expecting the technology to see an increased adoption, expanding our customer base, growing the footprint that SST has built, seamless customer transition and SST plans to invest in continuing, designing, developing and extending Novocell's product portfolio and roadmaps, are forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are subject to a number of business, economic, legal and other risks that are inherently uncertain and difficult to predict, including, but not limited to: the actual timing of the closing of the acquisition, the satisfaction of the conditions to closing in the acquisition agreement, changes in demand or market acceptance of Novocell's existing or future technology; competitive developments; the effect of the acquisition on Novocell's existing customer relationships; the ability to successfully integrate Novocell's operations and employees and retain key employees; 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 the SEC filings of Microchip including those 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 website (<http://www.microchip.com>) or the SEC's website (<http://www.sec.gov>) or from commercial document retrieval services. Stockholders are cautioned not to place undue reliance on the forward-looking statements in this press release, which speak only as of the date such statements are made. Microchip undertakes no obligation to publicly update any forward-looking statements to reflect events, circumstances or new information after this June 3, 2013 press release, or to reflect the occurrence of unanticipated events.

Note: The Microchip name, the SST name, the Microchip and SST logos, and SuperFlash are registered trademarks of Microchip Technology Inc. and Silicon Storage Technology, Inc., as applicable, in the USA and other countries. Novocell Semiconductor is a trademark of Novocell Semiconductor, Inc. All other trademarks mentioned herein are the property of their respective companies.

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