August 2, 2012

Microchip Technology Declares Quarterly Cash Dividend of 35.1 Cents Per Share

CHANDLER, Ariz.--(BUSINESS WIRE)-- Microchip Technology Incorporated (NASDAQ: MCHP), a leading provider of microcontroller, analog and Flash-IP solutions, today announced that its Board of Directors has declared a quarterly cash dividend on its common stock of 35.1 cents per share. The dividend is payable on September 5, 2012 to stockholders of record on August 22, 2012. Microchip initiated quarterly cash dividend payments in the third quarter of fiscal year 2003.

“The cash generation at Microchip continues to be very strong and we ended the June 2012 quarter with a record high of $1.82 billion of cash and investments on the balance sheet,” said Steve Sanghi, President, Chief Executive Officer and Chairman of the Board. “The Board of Directors is pleased to announce another record quarterly dividend payment to our shareholders, exemplifying our commitment to return value to our stockholders.”

Cautionary Statement:

The statements contained in this release relating to strong cash generation and our commitment to return value to our stockholders 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 actual results to differ materially, including, but not limited to: actual cash flows generated from and used in the operation of our business; actual or projected levels of capital expenditures; our balance of cash and investments; the impact of any significant acquisitions we may make (including our SMSC acquisition which closed earlier today); our ability to successfully integrate SMSC’s operations and employees and otherwise realize the expected benefits of such acquisition, changes in demand or market acceptance of our products (including SMSC products and our licensed technology) 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 manage our production levels; our ability to control the level of operating expenses relative to our level of revenues; 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; costs and outcome of any current or future tax audit or any litigation involving intellectual property, customers or other issues; disruptions in our business or the businesses of our customers or suppliers due to natural disasters (including any floods in Thailand), terrorist activity, armed conflict, war, worldwide oil prices and supply, public health concerns or disruptions in the transportation system; 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 website (www.microchip.com) or the SEC's website (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 August 2, 2012 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 website at www.microchip.com.

The Microchip logo and name are registered trademarks of Microchip Technology Incorporated.

Microchip Technology Incorporated
INVESTOR RELATIONS
J. Eric Bjornholt, 480-792-7804
CFO
Gordon Parnell, 480-792-7374
Vice President of Business Development and Investor Relations

Source: Microchip Technology Incorporated