

November 30, 2010



## Microchip Technology Updates Guidance for Third Quarter Fiscal 2011

CHANDLER, Ariz.--(BUSINESS WIRE)-- Microchip Technology Incorporated (NASDAQ: MCHP), a leading provider of microcontroller, analog and Flash-IP solutions, announced today that based on bookings and sales activities in October and November that it expects its net sales for its third quarter of fiscal 2011 ending December 31, 2010 to be down 3% to 7% sequentially. On November 4, 2010, Microchip provided guidance of net sales decreasing 2% to 8% sequentially.

"The first two months of our December quarter have progressed as expected and we are narrowing our net sales guidance from our previous expectations," said Steve Sanghi, Microchip's President and CEO. "We currently expect gross margins, operating expenses and earnings per share to be in the same range as our previous guidance. We continue to see excellent design win traction in our strategic product lines and believe we are positioned well for future market share gains."

No conference call will be held in conjunction with today's press release. Microchip Technology will present at the Credit Suisse First Boston Annual Technology Conference on Tuesday, November 30, 2010 at 1:30 p.m. (Mountain Time). A live webcast and replay of the presentation can be accessed on the Microchip website at [www.microchip.com](http://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, gross margins, operating expense and earnings per share for the December 2010 quarter, design win traction in our strategic product lines and being well-positioned for future market share gains 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 continued 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 completing the integration of SST's business with our business and technologies; unexpected costs related to the completion of the integration of SST; the risk that our customers may fail to continue to accept the SST product offerings; 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; 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](http://www.microchip.com)) or the SEC's Web site ([www.sec.gov](http://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 November 30, 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](http://www.microchip.com).

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