

March 5, 2007



Microchip Technology Updates Financial Guidance for Fourth Quarter Fiscal 2007

CHANDLER, Ariz.--(BUSINESS WIRE)--

Microchip Technology Incorporated (NASDAQ: MCHP), a leading provider of microcontroller and analog semiconductors, today updated its financial guidance provided in its January 31, 2007 press release for the fourth quarter of fiscal 2007 ending March 31, 2007. Microchip expects net sales to be flat to slightly up from its net sales of \$251 million in the third quarter of fiscal 2007. Earnings per diluted share are expected to be approximately 33 cents on a GAAP basis. Excluding the effect of share-based compensation, earnings per diluted share are expected to be approximately 36 cents on a non-GAAP basis. No conference call will be held in conjunction with this guidance update. Microchip plans to announce its financial results for the fourth quarter of fiscal 2007 after market close on Thursday, April 26, 2007.

"Bookings and turns were unseasonably strong through February," said Steve Sanghi, Microchip's President and CEO. "With the Lunar New Year now behind us, we anticipate further strengthening of business fundamentals in March, and are thus comfortable with this financial guidance. With improving trends in the business, we are confident that the trough of the current inventory correction cycle is behind us. With growth anticipated in the June and September quarters, we are preparing our manufacturing capabilities, predominantly in assembly and test, to be able to respond to increased demand in the business."

Microchip Technology will present at the Morgan Stanley 2007 Technology Conference on Tuesday, March 6, 2007 at 2:15 p.m. (Pacific 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.

The statements in this release relating to updating our prior guidance, our net sales and GAAP and non-GAAP earnings per share for the fourth quarter of fiscal year 2007, further strengthening of business fundamentals in March, improving trends in the business, our confidence that the trough of the current inventory correction cycle is behind us, anticipated growth in the June and September quarters, and increased demand in the business 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: 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; our ability to continue to secure sufficient assembly and testing capacity; 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; 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, 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, including Thailand.

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. Further information regarding Microchip's use of non-GAAP information is contained in its January 31, 2007 press release.

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 March 5, 2007 press release, or to reflect the occurrence of unanticipated events.

Microchip Technology Inc. is a leading provider of microcontroller and analog semiconductors, 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.

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