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# Microchip Technology Enhances Its Global Distributor Network for Increased Customer Support

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

Microchip Technology Incorporated (NASDAQ: MCHP), a leading provider of microcontroller and analog semiconductors, announced today that it is enhancing support for its worldwide base of customers by partnering with Avnet Electronics Marketing and Future Electronics to provide its global distribution services.

Microchip has added Avnet Memec, a subsidiary of Avnet Electronics Marketing throughout the Americas, as a new distribution partner. Microchip already has Avnet Silica serving its European customer base and Avnet Electronics Marketing in Asia serving its Asian customers. This addition increases Microchip's reach to the broad global base that Avnet Electronics Marketing in Asia, Avnet Memec in the Americas and Avnet Silica in Europe currently support. Avnet Memec's focused and select line card of semiconductor suppliers, concentration on demand creation and dedicated field application engineers fit very well in Microchip's worldwide technical customer support model.

Steve Sanghi, Microchip's President and CEO, noted, "With this change today, Microchip continues to build on its technical customer support focus with two global distributors, Avnet and Future, in its lineup. These two global distributors, combined with our regional and specialty distribution partners, support more than 60% of our worldwide business. The entire worldwide distribution network remains fully committed to addressing the needs of Microchip's more than 60,000 customers worldwide."

Roy Vallee, Chairman and CEO of Avnet, Inc., said, "Microchip is a premier semiconductor company that has consistently grown market share in its served markets. Avnet is pleased to expand our relationship with Microchip worldwide, and we look forward to better serving our joint customers by driving accelerated success through Avnet's global design chain and supply chain services." Vallee further stated, "Avnet's global footprint comprised of regionally specialized businesses is ideally suited for meeting the dynamic needs of Microchip and our customers."

Robert Miller, President and CEO of Future Electronics, commented, "Microchip and Future have enjoyed a close working relationship since the early 1990s. We were the first distributor to sell their products to a global customer base. We are excited about Microchip's new global distribution program and the opportunities that it presents to Future Electronics."

In addition, Microchip also announced that it has terminated its relationship with Arrow Electronics, effective immediately. The relationship with Arrow was limited to Europe and the Americas, and represented approximately 7% of Microchip's sales.

Microchip is working with all of its channel partners to ensure that its customers have continuity of supply and support through this transition phase. Delivery times for most Microchip products remain at less than three weeks, providing quick, ample supply when required by customers.

Mr. Sanghi concluded, "We believe that today's changes will have substantial long-term benefits to serving the technical and commercial support needs of our customers. This change adds Avnet Memec to our large network of regional distributors that create demand for our products around the world. Additionally this change enhances the strong relationship that we have enjoyed with Future Electronics for the last 17 years. From the corporate revenue perspective, the positioning of our proprietary products will allow a seamless transfer of customers to the new distributor network in Americas and Europe."

#### Cautionary Statement:

The statements in this release relating to continuing to build on our technical customer support focus, our commitment to addressing the needs of our customers, consistent market share growth, ensuring that our customers have continuity of supply and support through the transition, delivery times remaining at less than three weeks, our ability to provide ample quick supply of product to customers, the changes providing long-term benefits in serving our customers' needs, distributors' ability to create demand for our products, and a seamless transfer of customers to our new distributor network 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; our actual ability to transition customer accounts; our actual ability to achieve benefits of new customer and distribution relationships; the mix of inventory we hold and our ability to satisfy short-term orders from our inventory; 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; 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 February 4, 2008 press release, or to reflect the occurrence of unanticipated events.

#### About Microchip:

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 Web site at [www.microchip.com](http://www.microchip.com).

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