

November 1, 2016



## **Microchip Technology Announces Sale Of Mobile Touch Assets To Solomon Systech Limited**

CHANDLER, Ariz., Nov. 1, 2016 /PRNewswire/ -- Microchip Technology Incorporated (NASDAQ: MCHP), a leading provider of microcontroller, mixed-signal, analog and Flash-IP solutions, today announced the signing of an agreement to sell certain Mobile Touch business assets to Solomon Systech (International) Limited ("Solomon Systech"), a Hong Kong based semiconductor company. Solomon Systech engages in the development and sale of display panel drivers, high speed interfaces, graphic controllers and other semiconductor products including touch controllers, and integrated touch and display drivers for all applications. The transaction included the sale of certain semiconductor products, equipment and patents; and a license to certain other intellectual property and patents related to Microchip's Mobile Touch product line. Microchip Technology also agreed to provide certain transition services to Solomon Systech. This transaction is expected to close within approximately two weeks upon the satisfaction of certain customary closing conditions.



# **MICROCHIP**

"This transaction culminates Microchip's previously announced plans to sell the non-core Mobile Touch assets that came to us through the Atmel acquisition. We are very pleased that we were able to consummate this transaction in a timely manner," said Steve Sanghi, Microchip's Chairman and CEO.

Mr. Sanghi added, "This transaction should have no impact on our continuing operations. The results from the Mobile Touch Business sold to Solomon Systech have been classified as assets held for sale since April 4, 2016, and were not included in our results from continuing operations."

Mr. Sanghi concluded, "Since closing of our acquisition of Atmel on April 4, 2016, we have been working diligently on the integration activities associated with Atmel which include taking actions to achieve strong financial returns from the continuing businesses, integrating the Atmel employees into the Microchip culture, and actively marketing the Mobile Touch

assets that were held for sale. We believe we are well on our way to significantly improving Atmel's business model which we believe will provide substantial long-term value to our stockholders."

There will be no conference call held in conjunction with this announcement. Microchip will hold its Second Quarter Fiscal 2017 earnings call as previously scheduled on November 7, 2016.

### **Safe Harbor**

The statements in this release regarding the expected closing date of the transaction, that the transaction should have no impact on our continued operations, working diligently on the integration activities associated with Atmel, taking actions to achieve strong financial returns, being well on our way to significantly improving Atmel's business model, and providing substantial long-term 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 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 transaction; the satisfaction of the conditions to closing in the agreement; any termination of the agreement; changes in demand for or market acceptance of our products (including Atmel products) and the products of our respective customers; competitive developments; the costs and outcome of any current or future litigation involving Microchip or the transaction; our ability to realize the expected synergies and other benefits of our Atmel acquisition; 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, 10-Q and 8-K. You can obtain copies of Forms 10-K, 10-Q and 8-K and other relevant documents free of charge on Microchip's website ([www.microchip.com](http://www.microchip.com)) or the SEC's website ([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 1, 2016 press release, or to reflect the occurrence of unanticipated events.

### **About Microchip:**

Microchip Technology Incorporated 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 [www.microchip.com](http://www.microchip.com).

### **About Solomon Systech (International) Limited**

Solomon Systech (International) Limited and its subsidiaries as a Group is a leading semiconductor company providing display IC products and system solutions on an international basis under its own global brand. Adopting a "fabless" business model, the Group specializes in the design, development and sales of proprietary IC products and system solutions that enable a wide range of display applications for smartphones, smart

TVs and other smart devices including consumer electronics products, wearables, portable devices and industrial appliances. Solomon Systech (International) Limited's shares have been listed on the main board of the Stock Exchange of Hong Kong Limited since April 8th, 2004 (stock code: 2878). More information about the Group, its products and services may be obtained at <http://www.solomon-systech.com/>.

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