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Microchip Technology Achieves Number-One Position in Worldwide 8-bit Microcontroller Revenue

Company Also Expects Shipment of 2 Billionth Flash Microcontroller This Quarter

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

Microchip Technology Inc. (NASDAQ:MCHP), a leading provider of microcontroller and analog semiconductors, has secured the number-one position in worldwide 8-bit microcontroller revenue, according to industry analyst firm Gartner Dataquest's 2006 rankings. Achieving the number-one ranking in revenue solidifies Microchip's position as the global market-share leader in 8-bit microcontrollers, having gained the number-one ranking for unit shipments back in 2002. Additionally, Microchip expects to ship its two billionth Flash microcontroller this quarter.

Today's announcement demonstrates the dramatic growth and market acceptance that Microchip's proprietary PIC(R) microcontroller architecture has continued to achieve since the Company's inception in 1989. According to the annual Gartner Dataquest rankings, Microchip placed 20th in worldwide revenue in 1990. Today, Microchip serves more than 55,000 customers in over 65 countries who are designing high-volume embedded control applications in the consumer, automotive, office-automation, communications and industrial-control markets worldwide.

Based on a powerful RISC core, the 8-bit PIC microcontroller architecture provides users with an easy migration path from 6 to 100 pins among all families. Having shipped well over five billion microcontrollers to date, Microchip offers close to 450 PIC microcontrollers in reprogrammable (Flash), one-time-programmable (OTP), and read-only memory (ROM) program memory configurations, featuring numerous on-chip peripherals. The 16-bit PIC24 microcontrollers and dsPIC(R) digital signal controllers build upon the performance, peripherals and features of the Microchip 8-bit PIC18 family, offering up to 40 MIPS throughput and integrated DSP capabilities.

"Microchip became number one by pioneering the field-programmable segment of the 8-bit microcontroller market with one-time-programmable (OTP) and Flash microcontrollers for volume-production quantities -- not just for design and development," said Microchip's CEO and President, Steve Sanghi. "Leading engineers worldwide continue to use the PIC microcontroller architecture because we provide a competitive advantage to their businesses with faster time to market, lower total system cost, and low-risk product development."

Mitch Little, vice president of Microchip's Worldwide Sales and Applications, said, "This ranking is the result of the sustained focus we bring to embedded-control applications, the superb execution over many years by the worldwide Microchip team, and the continued

endorsement of PIC microcontrollers by our customers. Our unique corporate culture has created a unified team that is dedicated to supporting our customers globally, including a non-commissioned worldwide field sales and applications force. We extend our deepest gratitude to our worldwide customers and distribution partners for enabling this number-one ranking to occur."

From evaluation kits, programmers, in-circuit debuggers to state-of-the art in-circuit emulators that run full speed with tomorrow's highest speed technologies, the development tools from Microchip offer simplicity, power, and affordability. Microchip stands alone among semiconductor companies by offering a low-cost, universal, and truly integrated development environment for 8- and 16-bit microcontrollers and 16-bit digital signal controllers, ranging from 6-pin to over 100-pin devices. Engineers can manage all related Microchip development tools from the single MPLAB(R) Integrated Development Environment (IDE) platform. With this common core of development tools, Microchip customers can easily transition to new microcontrollers without incurring the expense and learning curve of new development tools.

Microchip Customer Support

Microchip is committed to supporting its customers by helping design engineers develop products faster and more efficiently. Customers can access four main service areas at www.microchip.com. The Support area provides a fast way to get questions answered; the Sample area offers free evaluation samples of any Microchip device; microchipDIRECT provides 24-hour pricing, ordering, inventory, and credit for convenient purchasing of all Microchip devices and development tools; finally, the Training area educates customers through webinars, sign-ups for local seminar and workshop courses, and information about the annual MASTERs events held throughout the world.

About Microchip Technology

Microchip Technology Inc. (NASDAQ:MCHP) 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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