March 3, 2008

Microchip Technology Raises Financial Guidance for Fourth Quarter Fiscal 2008

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

Microchip Technology Incorporated (NASDAQ:MCHP), a leading provider of microcontroller and analog semiconductors, today updated the financial guidance provided in its January 24, 2008 press release for the fourth quarter of fiscal 2008 ending March 31, 2008. Microchip expects net sales to be flat to up 4% from its net sales of $252.6 million in the third quarter of fiscal 2008. Microchip's prior guidance, provided in its January 24, 2008 press release was for net sales to be down 2% to up 4% sequentially. Earnings per diluted share are expected to be approximately 36 to 38 cents on a GAAP basis. Excluding the effect of share-based compensation, earnings per diluted share are expected to be approximately 40 to 42 cents on a non-GAAP basis. Microchip's prior guidance, provided in its January 24, 2008 press release, was for earnings per diluted share to be approximately 35 to 38 cents on a GAAP basis, and approximately 39 to 42 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 and fiscal year 2008 after market close on Monday, April 28, 2008. Microchip will include a reconciliation of its GAAP and non-GAAP results as part of such announcement.

"Our business has performed well through the first two months of the quarter," said Steve Sanghi, Microchip's President and CEO. "Based on the momentum we are experiencing, we feel comfortable that our business will sequentially grow in the March quarter. Also, our gross margins for the March quarter are expected to reach another record of approximately 60.9% on a GAAP basis, and approximately 61.5% on a non-GAAP basis, prior to the effect of share-based compensation."

Microchip Technology will present at the Morgan Stanley 2008 Technology Conference on Monday, March 3, 2007 at 2:45 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.

Cautionary Statement:

The statements in this release relating to net sales being flat to up 4% in the quarter ending March 31, 2008, GAAP EPS and non-GAAP EPS for the March quarter, our momentum, our business sequentially growing in the March quarter, and record GAAP and non-GAAP gross margins for the March quarter 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.

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.

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 3, 2008 press release, or to reflect the occurrence of unanticipated events.

About Microchip:

Microchip Technology Incorporated 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.

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Source: Microchip Technology Incorporated