

NEWS RELEASE



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MICROCHIP TECHNOLOGY ANNOUNCES SALE OF NAND DRIVE AND OTHER ASSETS TO GREENLIANT SYSTEMS LTD.

CHANDLER, Arizona – May 24, 2010 – (NASDAQ: MCHP) – Microchip Technology Incorporated, a leading provider of microcontroller, analog and Flash-IP solutions, today announced the consummation of the sale of certain non-core assets from its Silicon Storage Technology (SST) subsidiary. The product lines sold included NAND Drives, NAND controllers, Smart Card ICs, Combo Memory, Concurrent SuperFlash, Small-Sector Flash and many-time Programmable Flash memories. The buyer, Greenliant Systems Ltd., is a new company founded by Mr. Bing Yeh, the ex-Chairman and CEO of SST. The sale included inventory, equipment, intellectual property and certain other assets and liabilities associated with the product lines. Approximately 100 employees (18% of SST’s workforce) transferred to Greenliant as part of this transaction. SST also agreed to provide certain transition services to Greenliant for up to 90 days. The terms of the transaction were not disclosed.

“This transaction represents a step in Microchip’s previously announced plans to restructure SST by selling certain non-core assets. The transaction involved employees as well as assets in Sunnyvale, California; Hsinchu, Taiwan; and Shanghai and Beijing, China. We are very pleased with the expediency with which we were able to consummate this multi-country cross-border transaction,” said Steve Sanghi, Microchip’s President and CEO.

Mr. Sanghi added, “Since closing the acquisition of SST on April 8, 2010, we have been working diligently on the integration activities associated with SST which include taking actions to achieve strong financial returns from the continuing businesses, integrating the SST employees into the Microchip culture, and actively marketing those assets held for sale. We are well on our way to transforming SST into Microchip’s business model which we believe will provide substantial long-term value to our stockholders.”

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Mr. Sanghi concluded, “This transaction should have no impact on our previous financial guidance for continuing operations. The results from the business units sold to Greenliant have been classified as discontinued operations and will be reported as such through the date of the transaction in our financial results for the June 2010 quarter.”

There will be no conference call held in conjunction with this announcement. Microchip executives will be attending the UBS Investment Bank Global Technology and Services Conference in New York, New York on Wednesday, June 9, 2010 at 3:30 p.m.

Cautionary Statement:

The statements in this release relating to SST providing certain transition services to Greenliant, Microchip’s plan to restructure SST by selling certain non-core assets, taking actions to achieve strong financial returns from SST’s continuing businesses, integrating the SST employees into the Microchip culture, actively marketing SST assets held for sale, transforming SST into Microchip’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 statements involve risks and uncertainties that could cause our actual results to differ materially, including, but not limited to: the strength of the economic recovery or any unexpected fluctuations or weakness in the U.S. and global economies, changes in demand or market acceptance of SST or Microchip products and the customers for such products; the mix of SST or Microchip inventory we hold and our ability to satisfy short-term orders from such inventory; our ability to effectively ramp production of SST or Microchip products; 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 SST or Microchip products through distribution; changes or fluctuations in customer order patterns and seasonality; foreign currency effects on our business; the impact of any significant acquisitions that we may make; costs and outcome of any current or future tax audit or any litigation involving intellectual property, customers or other issues; difficulties associated with successfully integrating SST’s business with our business and technologies; unexpected costs related to the acquisition and integration of SST; the risk that our customers may fail to accept the SST product offering; disruptions in our business or the businesses of

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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 including the recent volcanic activity in Iceland; 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 May 24, 2010 press release, or to reflect the occurrence of unanticipated events.

About Microchip:

Microchip Technology Incorporated is a leading provider of microcontroller, 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.

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