



COST BASIS INFORMATION FOR MICROCHIP'S ACQUISITION OF ATMEL

For tax purposes, Microchip's acquisition of Atmel was a taxable transaction. Accordingly, an Atmel stockholder will be required to include in income the value of the consideration such stockholder received in exchange for the shares of Atmel common stock exchanged in the merger. The consideration per share was \$7.00 in cash and 0.0237 of a share of Microchip common stock. Since part of the consideration you received consisted of Microchip common stock, that stock must be valued. For Microchip's internal tax purposes, Microchip's intends to value the Microchip common stock issued for shares of Atmel common stock exchanged in the merger using the average of the high and low sales prices as quoted on Nasdaq for sales of Microchip common stock on the closing date of the merger which was April 4, 2016.

The high sales price for a share of Microchip common stock on April 4, 2016 was \$48.61.

The low sales price for a share of Microchip common stock on April 4, 2016 was \$47.84.

The average of the high and low sales prices for a share of Microchip common stock April 4, 2016 was \$48.225.

The foregoing statements are provided for informational purposes only and are not intended to constitute tax advice to any person. Accordingly, stockholders are urged to consult their own tax advisors regarding the federal, state, local, foreign, and other tax consequences of the merger in light of their particular circumstances.