

**NOTICE TO HOLDERS OF JUNIOR SUBORDINATED CONVERTIBLE
DEBENTURES OF MICROCHIP TECHNOLOGY INCORPORATED**

2.125% Junior Subordinated Convertible Debentures due 2037

CUSIP Number 595017ABO and 595017 AA2¹

To the Holders of the 2.125% Junior Subordinated Convertible Debentures due 2037 (the “Debentures”) of Microchip Technology Incorporated:

On August 5, 2010, Microchip Technology Incorporated, a Delaware Corporation (the “Company”) announced that its Board of Directors declared a quarterly cash dividend to its holders of common stock of \$0.343 per share (the “Cash Dividend”). The Cash Dividend is payable on September 2, 2010 to the Company’s stockholders of record on August 19, 2010 (the “Record Date”).

Immediately after 5:00 p.m., New York City time, on the Record Date, pursuant to Section 9.04(d) of the Indenture, dated as of December 7, 2007 (the “Indenture”), by and between the Company and Wells Fargo Bank, National Association, as Trustee (the “Trustee”), the Conversion Rate on the Debentures was adjusted as a result of the Cash Dividend. Pursuant to Section 9.04(d) of the Indenture, the Conversion Rate with respect to the Debentures is now changed such that each Holder of Debentures will be entitled to receive 33.7620 shares of the Company’s common stock per \$1,000 principal amount of Debentures, subject to adjustment as provided in Article 9 of the Indenture.

Additionally, the maximum conversion rate the described in Section 9.06(d) of the Indenture and, with respect to section 9.06 of the Indenture, the Additional Shares, Stock Price and each of the thresholds in section 9.06(d), have been similarly adjusted.

Capitalized terms used herein but not defined herein shall have the meanings assigned to such terms in the Indenture. This notice is being sent to you pursuant to Section 9.04(j) of the Indenture. **No action is necessary or required on your part with respect to the adjustment of the Conversion Rate.** If you have any questions, please contact J. Eric Bjornholt at the Company, telephone 480 792-7804.

¹ The CUSIP number is included solely for the convenience of the holders of Notes. Neither the Company nor the Trustee shall be responsible for the selection or use of the CUSIP number, nor is any representation made as to their correctness with respect to the Notes or as indicated in this notice.