

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name		2 Issuer's employer identification number (EIN)	
Microchip Technology Incorporated		86-0629024	
3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact	
Gary W. McDaniel	480-792-7200	gary.mcdaniel@microchip.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact		7 City, town, or post office, state, and Zip code of contact	
2355 W. Chandler Blvd.		Chandler, AZ 85224	
8 Date of action		9 Classification and description	
2016		Conversion Rate Adjustment on Convertible Debt	
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
595017104		MCHP	

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ **In accordance with the terms of certain of its convertible notes, Microchip Technology Incorporated made an adjustment to the conversion rate of the convertible notes as a result of making cash distributions to its common shareholders. The conversion rate adjustment resulted in a deemed distribution to its convertible debt holders in the amounts listed below:**

Convertible Notes Due 2025: Deemed distribution on February 18, 2016 in the amount of \$5.26 per \$1,000 bond

Convertible Notes Due 2037: Deemed distribution on February 22, 2016 in the amount of \$14.18 per \$1,000 bond

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶

Approximately 42.4076% of the deemed distributions described above are to be treated as a dividend and approximately 57.5924% represents a return of capital.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ **As described above, Microchip Technology Incorporated has determined that of such deemed distributions described above, approximately 42.4076% are to be treated as a dividend and 57.5924% represent a return of capital. The portion treated as a dividend should be added to a holder's basis in a convertible note. The portion treated as a return of capital should have no impact on basis.**

Deemed Distribution Date	2016		2016 Return of
	Total Distribution	Dividend	Capital
02/18/2016 (Notes Due 2025)	\$5.26	\$2.2306	\$3.0294
02/22/2016 (Notes Due 2037)	\$14.18	\$6.0134	\$8.1666

