



NEWS RELEASE

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MICROCHIP TECHNOLOGY PROVIDES BREAK-OUT OF ORGANIC SALES GROWTH VERSUS ACQUISITION GROWTH

CHANDLER, Arizona – December 1, 2015 - (NASDAQ: MCHP) - Microchip Technology Incorporated, a leading provider of microcontroller, mixed signal, analog and Flash-IP solutions, today announced that it is providing the break-out of its net sales derived from organic growth versus growth derived from acquisitions. Microchip has posted three slides that provide this break-out on the investor relations page of its website at www.microchip.com/investors.

Steve Sanghi, Microchip's President and CEO, commented, "Over a six year period from CY2009 to CY2015, with our December 2015 quarter net sales projected at our guidance mid-point, Microchip's total net sales grew at a compounded annual growth rate (CAGR) of 17.3%, including acquisitions. Over the same period, excluding acquisitions, Microchip's net sales grew at a CAGR of 8.3%, versus the semiconductor industry's CAGR of 6.7%. Thus, Microchip's organic net sales grew at a higher rate than the industry over this period and our acquisitions augmented our organic growth, resulting in more than doubling our growth rate."

Mr. Sanghi added, "We have also posted on our website a comparison of Microchip's results compared to the results of many of our microcontroller and analog/mixed signal competitors. Our organic net sales grew faster than all of them except for one, despite most of them also having acquisition growth. In fact, our total net sales grew at more than twice the rate of any of our competitors included in our analysis."

Mr. Sanghi further added, "Our growth rate evidences the success of our "elbow-out" acquisition strategy that we have often shared with investors, where our organic sales growth is better than the market and acquisitions are adding further growth and not replacing the organic growth."

"From an earnings perspective, our non-GAAP earnings per share grew at a CAGR of 17.3% over the same six year period. Additionally, the earnings per share derived from our organic growth excluding acquisitions grew at a CAGR of 11.6% per year," concluded Mr. Sanghi.

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There will be no conference call associated with this press release. Microchip's President and CEO, Steve Sanghi, is presenting at the Credit Suisse 19th Annual Technology, Media and Telecom Conference tomorrow, Wednesday, December 2, 2015. A live webcast and replay of the presentation will be available at www.microchip.com. As referenced above, please refer to the slides posted on our website for important additional information about our organic sales growth versus acquisition growth and other matters in this press release

Cautionary Statement:

The statements in this release relating to the success of our acquisition strategy where our organic sales growth is better than the market and acquisitions are adding further growth and not replacing the organic growth 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: any economic uncertainty due to monetary policy, political or other issues in the U.S. or internationally, any unexpected fluctuations or weakness in the U.S. and global economies, changes in demand or market acceptance of our products and the products of our customers; foreign currency effects on our business; the mix of inventory we hold and our ability to satisfy short-term orders from our inventory; changes in utilization of our manufacturing capacity and our ability to effectively manage our production levels; 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; our ability to successfully integrate the operations and employees from our acquisitions (including our recent acquisition of Micrel), retain key employees and otherwise realize the expected synergies and benefits of our acquisitions (including Micrel); our ability to continue to realize the expected benefits of our other acquisitions; the impact of any other significant acquisitions that we may make; our ability to obtain a sufficient supply of wafers from third party wafer foundries and the cost of such wafers, the costs and outcome of any current or future tax audit or any litigation involving intellectual property, customers or other issues; our actual average stock price in the December 2015 quarter and the impact such price will have on our share count; disruptions in our business or the businesses of our customers or suppliers due to natural disasters including any floods in Thailand), terrorist activity, armed conflict, war, worldwide oil prices and supply, Ebola or other 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 website (www.microchip.com) or the SEC's website (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 December 1, 2015 press release, or to reflect the occurrence of unanticipated events.

About Microchip:

Microchip Technology Incorporated is a leading provider of microcontroller, mixed-signal, 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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