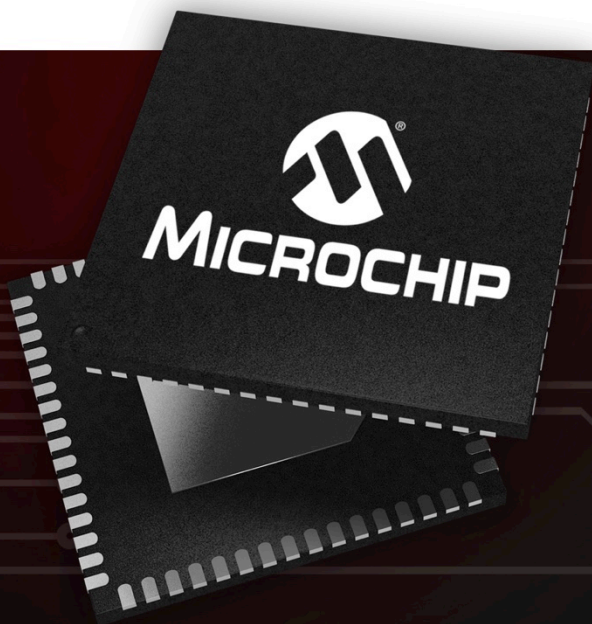
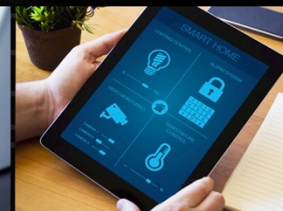




MICROCHIP



A Leading Provider of Microcontroller,
Mixed-Signal, Analog & Flash-IP Solutions



Microsemi Acquisition March 1, 2018

Steve Sanghi
Chief Executive Officer



Forward Looking Statement Safe Harbor:

During the course of this presentation, we will make projections or other forward-looking statements regarding the future financial performance of the company or future events, including our strategy, growth drivers, industry outlook, industry trends, market size and our financial model. We will also make projections or other forward-looking statements regarding our pending acquisition of Microsemi including deal timing, deal benefits, synergies, integration plans, plans to finance the transaction, deal accretion and pro-forma financial information for the transaction. We wish to caution you that such statements are just predictions and that actual events or results may differ materially. These statements are subject to a number of risks and uncertainties, including the actual timing of the closing of the Microsemi acquisition, the satisfaction of the conditions to closing in the Microsemi acquisition agreement, any termination of the Microsemi acquisition agreement, the effect of the acquisition on Microchip's and Microsemi's existing relationships with customers and vendors and their operating results and businesses; the costs and outcome of any litigation involving Microchip, Microsemi or the acquisition transaction, our ability to successfully integrate the operations and employees, retain key employees and customers and otherwise realize the expected synergies and benefits of our Microsemi acquisition; the impact of any future significant acquisitions that we may make; 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 (including China), changes in demand or market acceptance of our products and the products of our customers; changes in U.S. corporate tax laws as a result of the Tax Cuts and Jobs Act of 2017 or other future legislation, 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 and expand 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 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 or other matters involving intellectual property, customers, or other issues; 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, public health concerns or disruptions in the transportation system; and general economic, industry or political conditions in the United States or internationally. Actual results may differ materially from the expected results. For a detailed discussion of these and other risk factors, please refer to Microchip's and Microsemi's filings on Forms 10-K, 10-Q and 8-K. You can obtain copies of Forms 10-K, 10-Q, 8-K and other relevant documents for free at Microchip's website (www.microchip.com), Microsemi's website (www.microsemi.com) or the SEC's website (www.sec.gov) or from commercial document retrieval services. These documents contain and identify other important factors that could cause our actual results to differ materially from those contained in our projections or forward-looking statements. You are cautioned not to place undue reliance on our forward-looking statements, which speak only as of the date such statements are made. We do not undertake any obligation to publicly update any forward-looking statements to reflect events, circumstances or new information after this presentation or to reflect the occurrence of unanticipated events.

Additional Information and Where to Find It

In connection with the proposed acquisition, Microsemi will file a proxy statement and other related documents with the SEC. INVESTORS AND STOCKHOLDERS ARE ADVISED TO READ THESE DOCUMENTS WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION. Investors and stockholders may obtain a free copy of these documents (when available) and other documents filed by Microsemi at the SEC's web site at www.sec.gov and at the Investor section of their website at <https://investor.microsemi.com/>.

Microchip, Microsemi and their directors and executive officers may be deemed to be participants in the solicitation of proxies from the stockholders of Microsemi in connection with the Merger. Information regarding the special interests of these directors and executive officers in the transaction will be included in the proxy statement described above. Additional information regarding the directors and executive officers of Microchip is also included in Microchip's proxy statement for its 2017 Annual Meeting of Stockholders, which was filed with the SEC on July 13, 2017. Additional information regarding the directors and executive officers of Microsemi is also included in Microsemi's proxy statement for its 2018 Annual Meeting of Stockholders, which was filed with the SEC on December 20, 2017. These documents are available free of charge at the SEC's web site at www.sec.gov and as described above.



Microsemi Overview

- **Strong complementary portfolio of Specialized Ethernet, Storage and Optical Networking Microcontrollers, FPGA, Wireless, Timing, Analog and Mixed-Signal products**
- **Leadership in Defense, Aerospace, Data Center and Communication markets – ~ 80% of revenue**
 - Markets where Microchip has less penetration
- **FY2017 (9/30/2017) revenue of ~\$1.8B**
 - 64% non-GAAP gross margin; 31.9% non-GAAP operating margin
 - FQ1 (12/31/2017) revenue of \$468.7M; 63.2% non-GAAP gross margin and 32.2% non-GAAP operating profit
- **Diversified global customer base and channels**
 - ~64% of revenue from Asia and Europe
 - ~49% of revenue through distribution
- **Net debt of \$1.8B on the balance sheet at 12/31/2017**
- **Headquartered in Aliso Viejo, CA**
 - Approximately 4800 employees worldwide

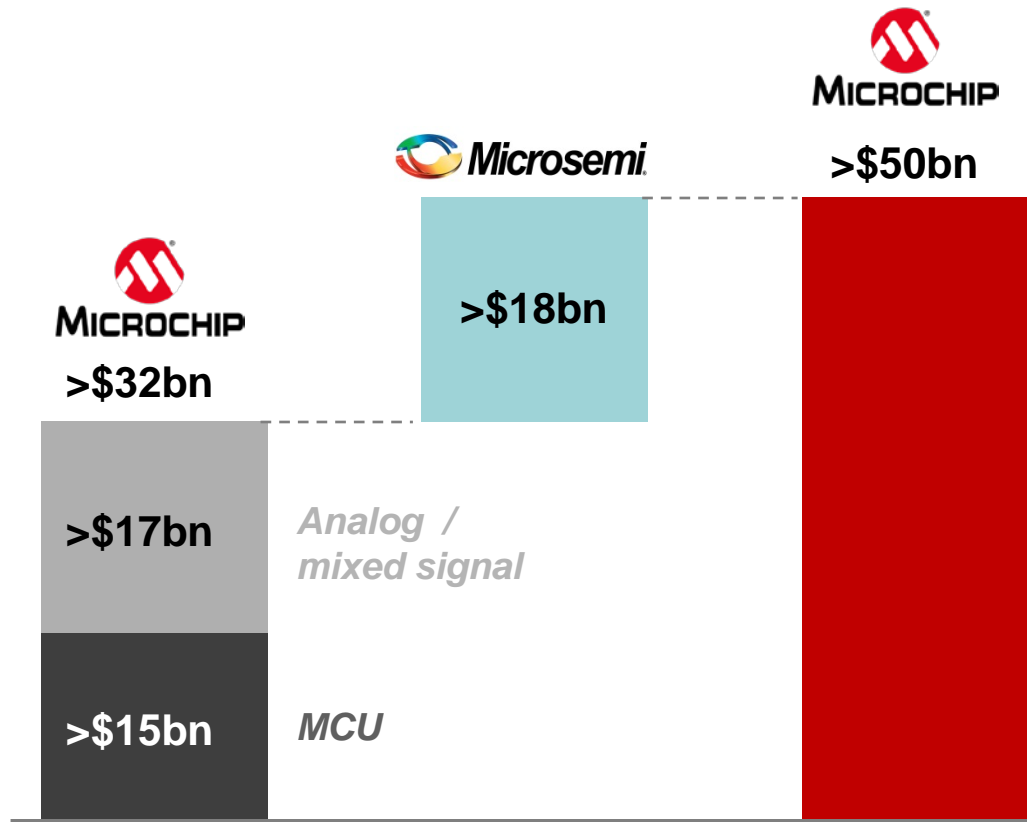


Strategically and Financially Compelling Transaction

- **Strengthens Microchip's presence in Defense, Aerospace, Data Center and Communications markets**
- **Expands our Ethernet portfolio to serve Industrial IoT, Enterprise and Carrier markets**
- **Adds specialized Microcontrollers to serve the Enterprise Storage and Optical Networking markets**
- **Extends Microchip's portfolio of Timing, Low Power Wireless, Analog Power and Mixed Signal solutions**
- **Adds Discrete and FPGA as new product capabilities to add to portfolio**
- **Drives further scale in manufacturing, customer reach and sales channels**
- **Adds a patent portfolio of over 1500 patents to Microchip's strong IP portfolio**
- **Significant EPS accretion through growth and synergy with estimated \$300 million in synergies in year 3 after close**

Over \$18B SAM Expansion

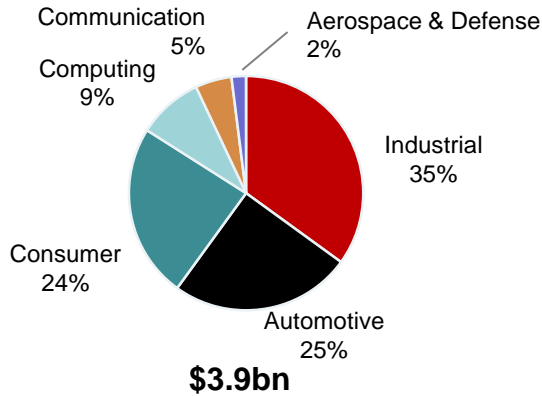
- ✓ Strengthened end market presence
- ✓ Expanded portfolio
- ✓ Specialized solutions



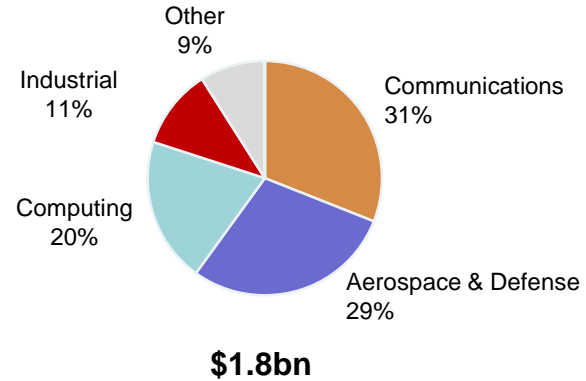
Source: Gartner/Dataquest reports and Microchip and Microsemi management estimates

End-Market Diversification

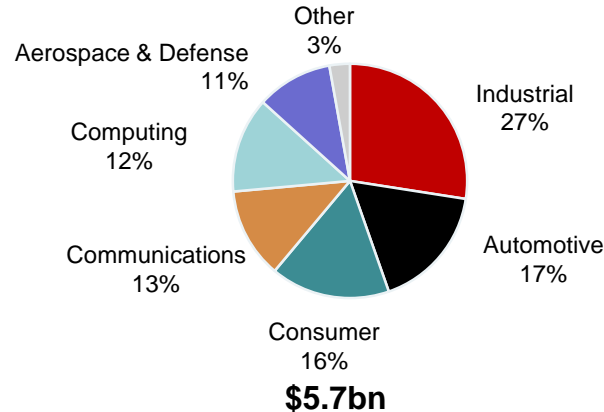
Microchip



Microsemi

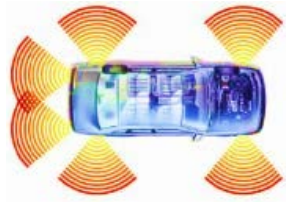
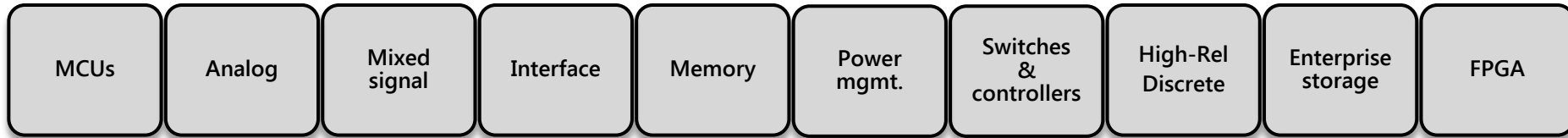


Combined



Note: Reflects non-GAAP financials and end market diversification is based on management estimates

Extensive Combined Portfolio Across End Markets





Highly Profitable Financial Model *

	Microchip	Microsemi	Microchip + Microsemi	Long Term Model
Revenue (\$M)	\$3,977	\$1,875	\$5,852	
Gross Margin (%)	61.4%	63.2%	62.0%	63%
R&D (%)	12.1%	18.5%	14.2%	13%
SG&A (%)	9.9%	12.5%	10.7%	9.5%
Op Income (\$M)	\$1,567	\$603	\$2,170	
Op Income (%)	39.4%	32.2%	37.1%	40.5%

* In millions, except percentages. All figures are non-GAAP and are based on results for the December 2017 quarter. Revenue and operating income dollars are based on December 2017 quarter results which were annualized by multiplying the December quarter numbers by four.



Synergy and Accretion Expectations

- Transaction is expected to be immediately accretive to our non GAAP earnings per share
- Short term: Targeting 18% growth in non-GAAP EPS from FY18 to FY19 with accretion from Microsemi (assumes June 2018 close)
 - Microsemi adds ~75 cents of non-GAAP EPS accretion annualized run rate in the first year after close
- Long term: 3rd year after close (FY2021), we expect:
 - \$300M in synergy from cost savings and revenue growth
 - Microsemi to contribute ~\$1.75 of non GAAP EPS
 - Targeting consolidated Microchip non GAAP EPS of ~\$8/share
- Represents non GAAP EPS growth of over 14% per year for Microchip from FY18 through FY21
- Extends Microchip's record of organic as well as acquisition driven revenue and non GAAP EPS growth



Transaction Summary And Financing

- **Transaction value of \$10.15B**
 - Includes assumption of net debt of Microsemi of \$1.8B as of 12/31/2017
- **\$68.78 per share in cash to Microsemi stockholders**
- **Transaction is being funded through a combination of:**
 - \$1.6B of cash from combined company balance sheets
 - \$0.6B of cash bridge loan that will build on the combined companies balance sheet from 12/31/17 through the close
 - \$3B from our existing line of credit
 - Approximately \$5B in new debt
 - A large portion of the new debt is expected to be pre-payable
- **Pro forma net Debt/EBITDA leverage at transaction close of 4.7x (assumes CQ2 2018 close)**
 - Plan rapid de-levering post transaction close through a combination of growth in free cash flow (used to paydown debt) and EBITDA expansion
- **Expect transaction to close in CQ2 2018, subject to customary closing conditions, and stockholder as well as regulatory approvals**

Summary

- **Microsemi adds strong complementary product lines which support the Microchip 2.0 strategy**
- **Microsemi's strength in Defense, Aerospace, Data Center and Communication markets complements Microchip's strength in Industrial, Automotive and Consumer markets**
- **Microsemi adds further operational and customer scale in a consolidating industry**
- **The transaction creates significant stockholder value from strong non GAAP EPS accretion**
- **Microsemi acquisition is the next step in Microchip's track record of successful M&A**

Another Compelling Transaction!



MICROCHIP

Thank You!



SMART | CONNECTED | SECURE