

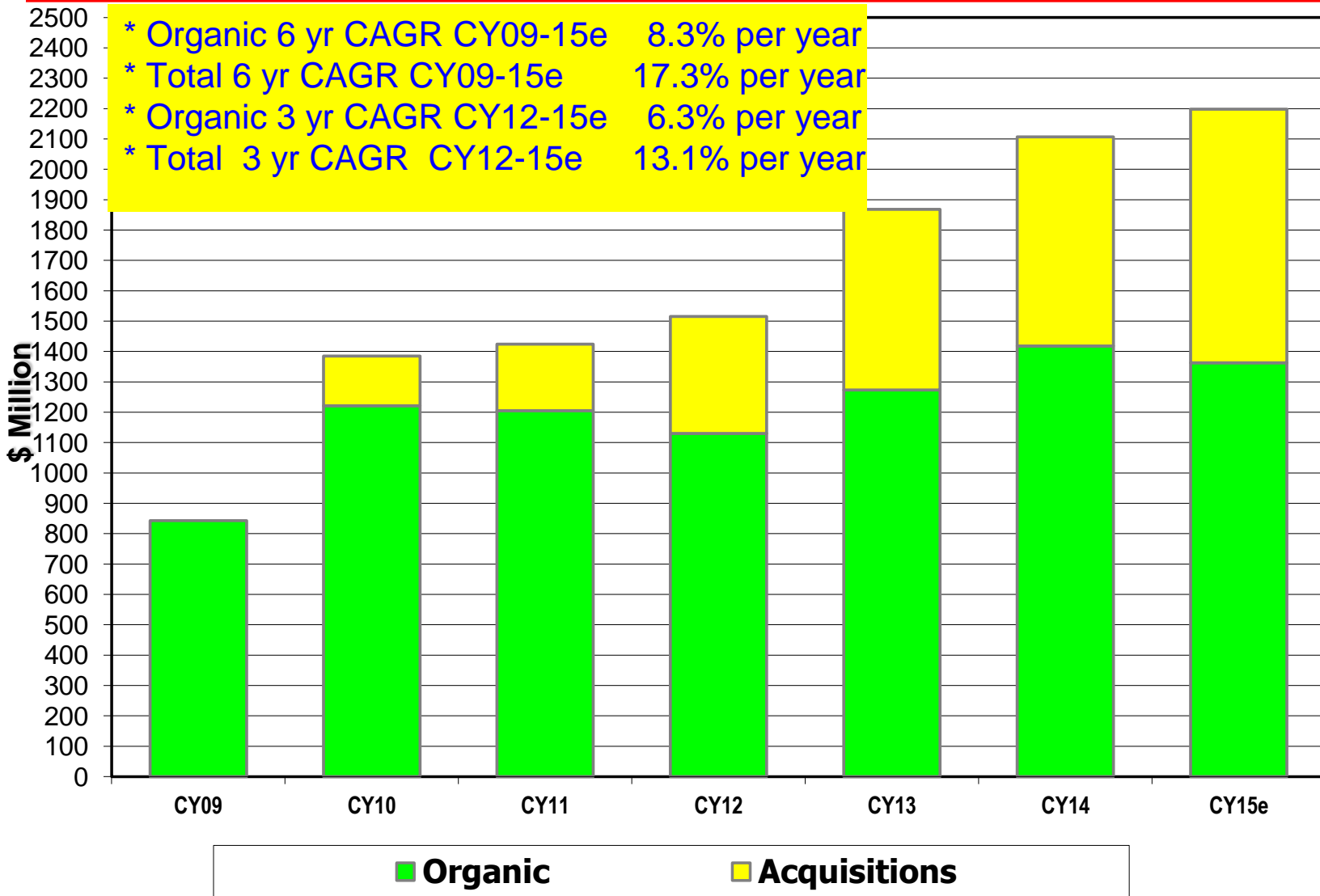


MICROCHIP

**MCHP Sales and EPS Growth
Organic vs. Acquisition
CY2009 – CY2015**



Net Sales Growth by CY 09-15est*





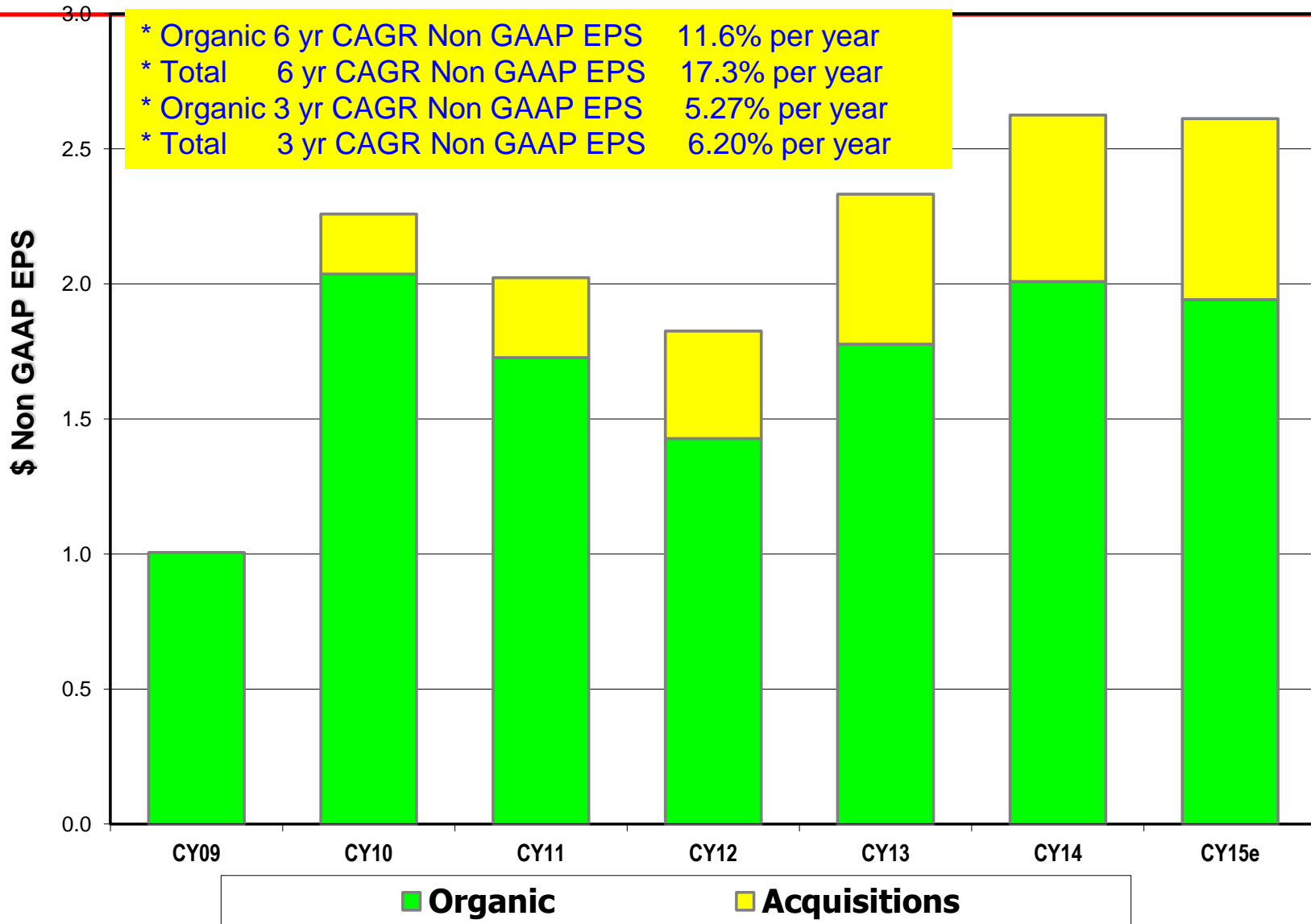
6 Yr CAGR Comparison of Net Sales*

- **Microchip Technology (Total)** 17.3%
- **Analog Devices** 8.5%
- **Microchip Technology (Organic)** 8.3%
- **Linear Technology** 8.1%
- **Semiconductor Industry *** 6.7%
- **Silicon Labs** 6.4%
- **Maxim** 5.1%
- **Freescale** 4.1%
- **Texas Instruments** 3.8%
- **Atmel** - 0.4%



Non-GAAP EPS Growth*

* Organic 6 yr CAGR Non GAAP EPS 11.6% per year
 * Total 6 yr CAGR Non GAAP EPS 17.3% per year
 * Organic 3 yr CAGR Non GAAP EPS 5.27% per year
 * Total 3 yr CAGR Non GAAP EPS 6.20% per year





Explanation Notes

- **Non GAAP Financial Measures:**

We are using non-GAAP net sales and non-GAAP diluted earnings per share which exclude the items noted below, as applicable, to permit additional analysis of our performance. Our non-GAAP adjustments, where applicable, include the effect of share-based compensation, expenses related to our acquisition activities (including intangible asset amortization, inventory valuation costs, severance costs, and legal and other general and administrative expenses associated with acquisitions), GAAP non recognition of revenue for inventory in the distribution channel at the acquisition dates for our acquisitions, non-cash interest expense on our convertible debentures, the related income tax implications of these items and non-recurring tax events. We believe that our disclosure of non-GAAP net sales provides investors with useful information regarding the actual end market demand for our products.

Management believes these non-GAAP measures are useful to investors because they enhance the understanding of our historical financial performance and comparability between periods. Many of our investors have requested that we disclose this non-GAAP information because they believe it is useful in understanding our performance as it excludes non-cash and other charges that many investors feel may obscure our underlying operating results. Management uses these non-GAAP measures to manage and assess the profitability of our business. Specifically, we do not consider such items when developing and monitoring our budgets and spending. Our determination of the above non-GAAP measures might not be the same as similarly titled measures used by other companies, and it should not be construed as a substitute for amounts determined in accordance with GAAP. There are limitations associated with using non-GAAP measures, including that they exclude financial information that some may consider important in evaluating our performance. Management compensates for this by presenting information on both a GAAP and non-GAAP basis for investors and providing reconciliations of the GAAP and non-GAAP results.

A reconciliation of Microchip's GAAP to non-GAAP revenue and diluted earnings per share can be found on Microchip's website at www.microchip.com

- **Explanation of Organic Revenue, non-GAAP Earnings Per Share and Calendar Year (CY) 2015 Revenue:**

For purposes of separating organic revenue and earnings from revenue and earnings from acquisitions, Microchip takes the first full quarter of revenue and earnings from an acquired company following the date of acquisition as its baseline revenue and earnings. Any increases or decreases in revenue and earnings after the first full quarter are included as organic revenue and earnings.

CY 2015 revenue is based on publicly available information and assumes that Microchip and the companies listed on slide 3 achieve revenue at the midpoint of their guidance for the December 2015 quarter. Note that the revenue information for Analog Devices is presented based on their 12 month period ending in January 2016.

- **Semiconductor Industry revenue CAGR:**

The information presented on slide 3 for the semiconductor industry CAGR is from www.semiconductor.org and includes an assumed fourth quarter of calendar 2015 quarterly sequential revenue decline of 4%.