

Microchip Letter to Customers & Channel Partners

October 2, 2008

Dear Valued Customers and Channel Partners,

We made an important announcement this morning that I would like to share with you. Microchip and ON Semiconductor today announced that we have sent a letter to the Board of Directors of Atmel Corporation proposing to acquire the company. Upon consummating the proposed transaction, Atmel's Microcontroller business would become part of Microchip's Microcontroller business. Atmel's Non Volatile Memory, RF and Automotive businesses would become part of ON Semiconductor. We envision that Microchip would sell Atmel's ASIC business to a third party.

We expect both Microchip and Atmel Microcontroller customers would benefit from having an expanded range of competitive solutions from a single provider. We would of course continue to offer the full range of Microchip Microcontrollers, and deliver on the roadmaps we have shared with you. In addition, you can expect that the strong support that our customers are accustomed to would carry over to the Atmel Microcontroller business as well.

Microchip has a proven reputation for enabling low-risk product development, lower total system cost, faster time to market and outstanding customer service for thousands of diverse customer applications worldwide spanning the automotive, communications, computing, consumer and industrial control markets. We expect to apply these same strengths to Atmel's business while continuing to deliver their full range of microcontrollers, and intend to make the integration process as seamless as possible for you.

Today's announcement is only the proposal for the acquisition of Atmel. As details become clearer in the coming months, we will seek to keep you informed in a timely fashion. At Microchip, your success is paramount to us, and we remain committed to doing our very best to enable your success.

Sincerely,

Steve