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MICROCHIP TECHNOLOGY ANNOUNCES PURCHASE
OF ADDITIONAL WAFER FABRICATION FACILITY

CHANDLER, Arizona -- (October 8, 1993) -- (NASDAQ:MCHP) -- Microchip Technology Incorporated, a leading semiconductor manufacturer of field programmable microcontrollers and specialty memory products, today announced the completion of its purchase of a major additional wafer fabrication facility to augment the Company’s semiconductor production capacity. The new facility is located in the Phoenix suburb of Tempe, Arizona and is thirteen miles from Microchip’s current Chandler fabrication facility.

The wafer facility, completed in 1986 by GTE’s Microelectronics Division and later sold to Digital Equipment Corporation, is approximately 170,000 total square feet in size and features over 25,000 square feet of Class 10 capable clean room manufacturing space. The additional facility will more than double Microchip’s total square footage available for wafer fabrication. Microchip currently anticipates that the new facility will be fully operational by October 1994.

The purchase price of the facility was not disclosed; however, Microchip intends to fund the building purchase with a combination of existing cash and a commercial bank mortgage loan. The Company plans to use a combination of internally-generated and external funds, including equipment leases, to facilitate the new fabrication facility with the process equipment necessary for initial wafer production. Total capital expenditures required for both the building and the additional equipment needed to bring the facility into the initial phase of production is estimated to be approximately $25 million.

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Microchip Technology Inc.
Announces Purchase of Additional Facility

Microchip Technology is a leading supplier of field programmable 8-bit microcontrollers and related specialty memory products for high-volume embedded control solutions. Microchip addresses the growing need for innovative embedded control applications in the consumer, automotive, office automation, communication and industrial markets with products that feature the industry’s most economical OTP (one-time programmable) as well as ROM memory capability. The Company is headquartered near Phoenix in Chandler, Arizona with wafer fabrication facilities in both Chandler and Tempe, Arizona, and has a wholly owned subsidiary performing assembly and test in Kaohsiung, Taiwan. Microchip employs approximately 1,150 employees and has sales offices located throughout Asia, Europe, Japan and North America.

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