



**Microchip Technology Incorporated  
2355 West Chandler Boulevard  
Chandler, Arizona 85224-6199, U.S.A.**

**Prospectus for the public offer**

**of up to 1,703,783 shares of Microchip Technology Incorporated common stock  
each with a par value of USD 0.001  
under the Microchip Technology Incorporated International Employee Stock Purchase Plan**

**to the employees of certain European Economic Area ("EEA") subsidiaries of Microchip Technology Incorporated**

**June 24, 2016**

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## DEUTSCHE ZUSAMMENFASSUNG DES PROSPEKTS

### Hinweis an den Leser

Zusammenfassungen bestehen aus verschiedenen Offenlegungselementen, die als „Angaben“ bezeichnet werden. Diese Angaben sind unten in den Abschnitten A – E enthalten (A.1 – E.7).

Diese Zusammenfassung enthält alle Angaben, die in einer Zusammenfassung für die angebotene Art von Wertpapieren und diesen Emittenten erforderlich sind. Da bestimmte Angaben in der Zusammenfassung nicht enthalten sein müssen, können in der Nummerierung der Angaben Lücken auftreten.

Es kann vorkommen, dass im Hinblick auf eine bestimmte Angabe keine relevanten Informationen zur Verfügung gestellt werden können, obwohl die entsprechenden Informationen aufgrund der Art der angebotenen Wertpapiere und des Emittenten eigentlich zwingend in die Zusammenfassung aufzunehmen sind. In einem solchen Fall wird die entsprechende Angabe in der Zusammenfassung mit der Bezeichnung „entfällt“ kenntlich gemacht.

| Abschnitt A – Einleitung und Warnhinweise   |  |   |  |
|---|--|---|--|
| A.1   | Diese Zusammenfassung sollte als Einführung zum Prospekt verstanden werden. Der Anleger sollte jede Entscheidung zur Anlage in die betreffenden Wertpapiere auf die Prüfung des gesamten Prospektes stützen. Für den Fall, dass vor einem Gericht Ansprüche auf Grund der in diesem Prospekt enthaltenen Informationen geltend gemacht werden, könnte der als Kläger auftretende Anleger in Anwendung der einzelstaatlichen Rechtsvorschriften der Staaten des Europäischen Wirtschaftsraums („EWR“) die Kosten für die Übersetzung des Prospekts vor Prozessbeginn zu tragen haben. Diejenigen Personen, die die Verantwortung für die Zusammenfassung einschließlich etwaige Übersetzungen übernommen haben oder von denen der Erlass der Zusammenfassung ausgeht, können zivilrechtlich haftbar gemacht werden, jedoch nur für den Fall, dass die Zusammenfassung irreführend, unrichtig oder widersprüchlich ist, wenn sie zusammen mit den anderen Teilen des Prospekts gelesen wird, oder sie, wenn sie zusammen mit den anderen Teilen des Prospekts gelesen wird, nicht alle erforderlichen Schlüsselinformationen vermittelt. |   |  |
| A.2   | <table border="1"><tr><td><b>Verwendung des Prospekts für die spätere Weiterveräußerung oder endgültige Platzierung von Wertpapieren durch Finanzintermediäre</b></td><td>Entfällt. Der Emittent hat der Verwendung des Prospekts für die spätere Weiterveräußerung oder endgültige Platzierung von Wertpapieren nicht zugestimmt.</td></tr></table>   | <b>Verwendung des Prospekts für die spätere Weiterveräußerung oder endgültige Platzierung von Wertpapieren durch Finanzintermediäre</b> | Entfällt. Der Emittent hat der Verwendung des Prospekts für die spätere Weiterveräußerung oder endgültige Platzierung von Wertpapieren nicht zugestimmt. |
| <b>Verwendung des Prospekts für die spätere Weiterveräußerung oder endgültige Platzierung von Wertpapieren durch Finanzintermediäre</b> | Entfällt. Der Emittent hat der Verwendung des Prospekts für die spätere Weiterveräußerung oder endgültige Platzierung von Wertpapieren nicht zugestimmt.   |   |  |

| Abschnitt B – Emittent |   |   |
|------------------------|---|---|
| B.1                    | <b>Juristische und kommerzielle Bezeichnung des Emittenten</b>  | Die juristische und kommerzielle Bezeichnung des Emittenten lautet Microchip Technology Incorporated. In dieser Zusammenfassung beziehen sich Verweise auf „Microchip“ oder die „Gesellschaft“ sowie auf „wir“, „uns“ und „unsere“ jeweils auf Microchip Technology Incorporated und ihre Tochtergesellschaften, sofern sich aus dem Zusammenhang nichts anderes ergibt.  |
| B.2                    | <b>Sitz und Rechtsform des Emittenten, das für den Emittenten geltende Recht und Land der Gründung der Gesellschaft</b>                   | Microchip ist eine Kapitalgesellschaft. Die Hauptniederlassung von Microchip befindet sich in 2355 West Chandler Boulevard, Chandler, Arizona 85224-6199, USA. Die Gesellschaft wurde gegründet nach und untersteht dem Recht des Staates Delaware, USA.  |
| B.3                    | <b>Art der derzeitigen Geschäftstätigkeit und Haupttätigkeiten des Emittenten sowie die Hauptmärkte, auf denen der Emittent tätig ist</b> | <p>Die Gesellschaft entwickelt, fertigt und verkauft spezialisierte Halbleiterprodukte, die von ihren Kunden für eine große Anzahl von verschiedenen integrierten Steuergeräte-Applikationen eingesetzt werden. Das Produktportfolio der Gesellschaft umfasst universell und für spezielle Zwecke einsetzbare 8-Bit, 16-Bit und 32-Bit Microcontroller, ein breites Spektrum an linearen, mit gemischten Signalen ausgestatteten, zum Energie- und Temperaturmanagement einsetzbaren, Radiofrequenz-, Sicherungs-, und Sicherheits-, Hochleistungsgeräten sowie Hochleistungsgeräte für die drahtlose und drahtgebundene Konnektivität und serielle EEPROMs (Abkürzung des englischen Begriffs „electrically erasable programmable read-only memory“), serielle Flash Speichergeräte, parallele Flash Speichergeräte sowie Speichergeräte für parallele SRAMs (Abkürzung des englischen Begriffs „static random-access memory“ sog. statisches RAM). Die Gesellschaft lizenziert auch Flash-Technologie aus, die in vielen verschiedenen Produkten eingesetzt wird. Ihr synergistisches Produktportfolio ist auf mehrere tausend verschiedene Anwendungen weltweit und auf eine steigende Nachfrage nach Hochleistungsdesigns in den Märkten für Steuerungsgeräte in der Automobil-, Kommunikations-, Computer-, Konsumgüter- und Industriebranche ausgerichtet. Microchips Qualitätssicherungssysteme sind ISO/TS16949 (Version von 2009) zertifiziert.</p> <p>Die Gesellschaft konzentriert sich strategisch auf integrierte Steuerungslösungen, insbesondere</p> <ul style="list-style-type: none"> <li>• Universell und für spezielle Zwecke einsetzbare Microcontroller</li> <li>• Entwicklungswerkzeuge und zugehörige Software</li> <li>• Analoge Produkte, Schnittstellen- und Mischsignalprodukte</li> <li>• Drahtgebundene und drahtlose Konnektivitätsprodukte</li> <li>• Speicherprodukte</li> <li>• Auslizenzierung von Technologie.</li> </ul> <p>Die Produktionsstätten der Gesellschaft befinden sich in</p> <ul style="list-style-type: none"> <li>• Tempe, Arizona (Fab 2)</li> <li>• Gresham, Oregon (Fab 4)</li> <li>• Chandler, Arizona (Prüfung der Halbleiterscheiben (Wafer))</li> <li>• Bangkok, Thailand (Prüfung der Halbleiterscheiben (Wafer), Zusammenbau und Test).</li> </ul> <p>Die Gesellschaft vermarktet und verkauft ihre Produkte weltweit vorwiegend über ihr eigenes Direktvertriebsnetz sowie über Vertriebspartner. Die Lizenzierungsabteilung hat Mitarbeiter für Verkauf, Technologie, Design, Produkte, Test und Ausfallsicherheit, um Unterstützung bei den Anforderungen der Lizenznehmer der Gesellschaft zu leisten.</p> |

Die geographische Umsatzverteilung war in den Geschäftsjahren 2016, 2015 und 2014 wie folgt (in tausend Dollar):

|                               | Am 31. März endendes Geschäftsjahr <sup>(1)</sup> |       |              |       |              |       |
|-------------------------------|---|-------|--------------|-------|--------------|-------|
|                               | 2016  | %     | 2015         | %     | 2014         | %     |
| Nord-, Süd- und Mittelamerika | \$ 417.579  | 19,2  | \$ 421.947   | 19,7  | \$ 365.609   | 18,9  |
| Europa                        | 474.629   | 21,8  | 452.165      | 21,0  | 411.531      | 21,3  |
| Asien                         | 1.281.126   | 59,0  | 1.272.924    | 59,3  | 1.154.077    | 59,8  |
| Gesamtumsatz                  | \$ 2.173.334                                      | 100,0 | \$ 2.147.036 | 100,0 | \$ 1.931.217 | 100,0 |

(1) Die Finanzdaten sind den geprüften Konzernabschlüssen der Gesellschaften für die am 31. März 2016, 31. März 2015 und 31. März 2014 endenden Geschäftsjahre, wie im Jahresbericht (Annual Report) der Gesellschaft auf Formblatt 10-K für das am 31. März 2016 endende Geschäftsjahr veröffentlicht, entnommen.

In der Halbleiterindustrie herrscht ein intensiver Wettbewerb und die Halbleiterindustrie ist durch Preisverfall und rasche Technologiewechsel gekennzeichnet. Die Gesellschaft steht mit großen inländischen und internationalen Halbleiterherstellern im Wettbewerb, von denen viele besser im Markt wahrgenommen werden und über größere finanzielle, technische, Marketing-, Vertriebs- und andere Ressourcen als die Gesellschaft verfügen, um ihre Produkte zu entwickeln, herzustellen, zu vermarkten und zu vertreiben. Die Gesellschaft steht zudem mit einer Reihe von Unternehmen im Wettbewerb, von denen sie annimmt, dass sie ihre selbst entwickelten Produktlinien in Ländern wie China und Taiwan durch Kopieren, Klonen, Raubkopieren oder Nachkonstruktion (Reverse Engineering) nachbilden. Die Gesellschaft führt weiterhin Maßnahmen durch, um ihr geistiges Eigentum weltweit energisch und offensiv zu verteidigen und zu schützen.

Am 3. August 2015 haben wir Micrel, Incorporated erworben, eine in San Jose, Kalifornien, ansässige börsennotierte Gesellschaft, die ein breites Spektrum an hochleistungsfähigen Analog-, Strom- und Mixed-Signal-Schaltkreisen entwirft, entwickelt, herstellt und vermarktet. Infolge der Akquisition wurde Micrel zu einer hundertprozentigen Tochtergesellschaft der Gesellschaft.

Die Gesellschaft zahlte insgesamt etwa USD 430,0 Mio. in Form von Barmitteln und gab insgesamt 8.626.795 Stammaktien an Micrel-Aktionäre aus. Die gesamte im Rahmen der Übernahme gewährte Gegenleistung betrug ca. USD 816,2 Mio.; dies umfasst auch etwa USD 4,1 Mio. in Form von Sachmitteln für den Umtausch bestimmter anteilsbasierter Vergütungsprämien (share-based payment awards) von Micrel gegen Aktienprämien (stock awards) der Gesellschaft und etwa USD 13,1 Mio. in Form von Barmitteln für die Auszahlung fällig gewordener („vested“) Mitarbeiteraktienprämien.

Am 4. April 2016 haben wir die Übernahme der Atmel Corporation („Atmel“) abgeschlossen. Atmel ist weltweit führend im Bereich Entwicklung und Herstellung von Microcontrollern, kapazitiven „Touch“-Lösungen, Komponenten mit leistungsstarken Logikschaltungen, Mixed-Signal, nichtflüchtigen Speichern sowie Hochfrequenz-Komponenten. Atmel ist in San Jose, Kalifornien, ansässig und unterhält Niederlassungen, Produktionsstätten und Forschungsstationen in Nordamerika, Europa und Asien.

Nach Maßgabe des Übernahmevertrags erhielten Atmel-Aktionäre USD 8,15 pro Aktie, unterteilt in USD 7,00 pro Aktie in Form von Barmitteln und USD 1,15 pro Aktie in Form von Microchip-Stammaktien. Nach Ausschluss von Atmels Barmitteln und Investitionen ohne Schulden in Höhe von etwa USD 39,3 Millionen, stellt der Kaufpreis einen Eigenkapitalwert von insgesamt etwa USD 3,47 Milliarden und einen Unternehmenswert von insgesamt etwa USD 3,43 Milliarden dar.

**B.4a** **Wichtigste jüngste Trends mit Auswirkung auf den Emittenten und seine Branche**

Die Halbleiterindustrie ist saisonal geprägt und großen Schwankungen von Angebot und Nachfrage ausgesetzt. Da ein bedeutender Anteil der Umsätze von Microchip in Konsumgütermärkten und internationalen Märkten generiert wird, sind die Umsätze allgemein im dritten und vierten Quartal des Geschäftsjahrs niedriger. Es ist allerdings festzustellen, dass in letzter Zeit die Änderungen der globalen wirtschaftlichen Rahmenbedingungen und der Rahmenbedingungen in der Halbleiterindustrie eine größere Auswirkung auf die wirtschaftlichen Ergebnisse der Gesellschaft als saisonale Schwankungen gehabt haben, was es schwierig macht, den zukünftigen Einfluss saisonaler Schwankungen auf das Geschäft einzuschätzen.

Zudem veröffentlichte Microchip am 4. Mai 2016 ihre Umsatzerwartungen für den am 30. Juni 2016 endenden Dreimonatszeitraum. Ohne Atmel erwarten wir für das Juni-Quartal eine Steigerung der Nettoumsätze von 1 % bis 5 %.

|  |   |
|--|---|
|  | <p>Aufgrund der kürzlich erfolgten Akquisition von Atmel und der damit einhergehenden unterschiedlichen Erwerbsmethoden und Umsätze im Zusammenhang mit der Realisierung der in unserem Vertriebskanal getätigten Umsätze, sind wir zum Zeitpunkt der Veröffentlichung des vorliegenden Prospekts nicht in der Lage für Microchip als konsolidiertes Ganzes, einschließlich Atmel, Umsatzerwartungen nach GAAP zur Verfügung zu stellen. Auf Basis von nicht nach GAAP ermittelten Zahlen gehen wir für das Quartal Juni davon aus, dass wir durch Atmel zusätzliche Umsatzerlöse aus fortgeführten Geschäftsbereichen in Höhe von ca. USD 225 Mio. bis USD 245 Mio. generieren. Daher erwarten wir im Quartal Juni konsolidierte, nicht nach GAAP ermittelte Umsätze in Höhe von USD 799,1 Mio. und USD 841,9 Mio.</p> <p>Unsere Prognose nicht nach GAAP ermittelter Umsatzerlöse für das Quartal Juni 2016 gibt sowohl für die Vertriebspartner von Atmel als auch von Micrel die Realisierung von Umsätzen auf Grundlage der Vertriebszahlen wieder. Für Zwecke der GAAP wird der von Atmels Vertriebspartnern im Vertrieb vor dem Übernahmestichtag erzielte Nettoumsatz nicht bilanziert. Wir sind der Auffassung, dass die Veröffentlichung unserer nicht nach GAAP ermittelten Umsatzerlöse Anlegern nützliche Informationen über die auf dem Endmarkt tatsächlich bestehende Nachfrage nach unseren Produkten an die Hand gibt. Nicht nach GAAP ermittelte Umsatzerlöse erlauben uns eine zusätzliche Analyse unserer Leistungen.</p> <p>Das Management ist der Auffassung, dass diese nicht nach GAAP ermittelten Messgrößen für Anleger deshalb nützlich sind, weil sie dazu beitragen, das Verständnis für unsere Finanzleistung in der Vergangenheit zu verbessern und die Vergleichbarkeit von Bilanzzeiträumen zu erleichtern. Die vorstehenden, nicht nach GAAP ermittelten Messgrößen sind ggf. nicht mit ähnlich bezeichneten Messgrößen anderer Unternehmen vergleichbar und sollten nicht als Ersatz für Beiträge, die nach GAAP festgestellt wurden, gedeutet werden. Nicht nach GAAP ermittelten Messgrößen sind nur eingeschränkt verwendbar, u. a. weil sie ggf. bestimmte Finanzinformationen nicht enthalten, die zur Bewertung unserer Leistung als wesentlich erachtet werden könnten.</p> <p><b>Microcontroller</b></p> <p>Historisch betrachtet hat der durchschnittliche Verkaufspreis in der Halbleiterindustrie im Laufe der Nutzungsdauer eines bestimmten Produkts immer abgenommen. Da die Microcontroller-Produkte der Gesellschaft selbst entwickelt sind, blieb ihr durchschnittlicher Verkaufspreis im Laufe der Zeit relativ konstant. Insbesondere aufgrund der bestehenden Wettbewerbssituation ist Microchip derzeit in bestimmten Microcontroller-Produktlinien moderatem Preisdruck ausgesetzt; die Gesellschaft erwartet, dass sich dieser Preisdruck auch fortsetzen wird. In der Vergangenheit war sie in der Lage, den Rückgang ihres durchschnittlichen Verkaufspreises in den Microcontroller-Produktlinien abzumildern, indem sie neue Produkte mit einem erweiterten Angebot an Funktionen und zu höheren Preisen auf den Markt brachte; die Gesellschaft erwartet, dass sie hierzu auch in Zukunft in der Lage sein wird.</p> <p><b>Analoge, Schnittstellen- und Mischsignalprodukte</b></p> <p>Analoge, Schnittstellen- und Mischsignalprodukte können sowohl selbst entwickelt als auch nicht selbst entwickelt sein. Microchip geht davon aus, dass derzeit über 80 % der analogen, Schnittstellen- und Mischsignalprodukte der Gesellschaft selbst entwickelt sind; bei diesen Produkten halten sich die Preise, ähnlich wie bei den Microcontroller-Produkten, relativ stabil. Der nicht selbst entwickelte Anteil ihres Geschäftsbereichs Analoge, Schnittstellen- und Mischsignalprodukte wird Preisschwankungen ausgesetzt sein, die sich hauptsächlich aus der jeweils aktuellen Angebots- und Nachfragesituation für diese Produkte ergeben werden. Microchip geht davon aus, dass sich der selbst entwickelte Anteil an den analog-, Schnittstellen- und Mischsignalprodukten der Gesellschaft im Laufe der Zeit erhöhen wird.</p> <p><b>Speicherprodukte</b></p> <p>Historisch betrachtet verlief die Preisgestaltung für Speicherprodukte konjunkturbedingt, wobei auf starke Preisrückgänge Perioden mit relativer Preisstabilität folgten, je nach veränderten Kapazitäten der Industrie in unterschiedlichen Stufen des Geschäftszyklus. Microchip ist in Bezug auf ihre Speicherprodukte einem Preisdruck unterschiedlichster Ausprägung durch ihre Wettbewerber ausgesetzt; die Gesellschaft erwartet, dass sich dies in der Zukunft fortsetzen wird.</p> <p><b>Lagerbestand</b></p> <p>Ohne Atmel erwartet die Gesellschaft im Quartal Juni 2016 im Vergleich zum Quartal März 2016 eine Zunahme ihres Lagerbestandes, ohne durch die Übernahme von Atmel erworbene Bestände, von einem auf neun Tage. Unser aktueller Lagerbestand wird abhängig sein von der Größe des Lagerbestands, den unsere Vertriebspartner für sich zur Unterstützung ihrer Kunden für erforderlich halten, von der Nachfrage nach unseren Produkten insgesamt sowie von unseren Produktionsmengen. Die Gesellschaft ist der Auffassung, dass sie durch ihren derzeitigen Lagerbestand wettbewerbsfähige Vorlaufzeiten einhalten und ihren Kunden eine starke Lieferkapazität bieten</p> |
|--|---|

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|  |  | <p>kann, und so ihren Kapitalaufwand für das Geschäftsjahr 2015 relativ gering halten wird. Bevor Microchip Lagerbestandserwartungen zur Verfügung stellen kann, die auch Atmel mit einschließen, muss die Analyse von Atmels Erwerbsmethode abgeschlossen sein.</p> <p><b>Forschung und Entwicklung</b></p> <p>Die Gesellschaft setzt auf die Investition in neue und verbesserte Produkte, einschließlich Software für Entwicklungssysteme sowie ihre Entwicklungs- und Produktionsprozesstechnologien. Die Gesellschaft geht davon aus, dass diese Investitionen ein wichtiger Faktor zur Aufrechterhaltung ihrer Wettbewerbsposition sind.</p> <p><b>Patente</b></p> <p>Microchip unterhält ein Portfolio von US-Patenten und ausländischen Patenten, die zu unterschiedlichen Zeitpunkten in den Jahren 2016 bis 2035 auslaufen. Zudem sind zahlreiche Anmeldungen für US-Patente und ausländische Patente anhängig. Die Gesellschaft erwartet nicht, dass das Auslaufen eines bestimmten Patents wesentliche Auswirkungen auf ihr Geschäft haben wird. Während die Gesellschaft beabsichtigt, ihre Technologie und Fertigungsprozesse weiterhin patentieren zu lassen, ist sie der Auffassung, dass ihr fortlaufender Erfolg vor allem abhängig ist von den technischen Fertigkeiten und der Innovationskraft ihrer Mitarbeiter sowie von der Fähigkeit der Gesellschaft, neue und verbesserte Produkte innerhalb von kurzer Zeit kaufmännisch zu bewerten.</p> <p><b>Umweltauflagen und sonstige Vorschriften</b></p> <p>Die Umweltgesetze werden laufend ausgeweitet. Schwerpunkt hierbei ist die Reduzierung bzw. Beseitigung von Gefahrstoffen und hoch schädlichen Substanzen in elektronischen Erzeugnissen und Verpackungsmaterialien. Solche und weitere in Zukunft geltenden Umweltvorschriften könnten dazu führen, dass die Gesellschaft gezwungen ist, einzelne Produkte zu überarbeiten sowie dazu, dass sich die Herstellungs-, Verkaufs und Transportkosten der Produkte für die Gesellschaft verteuern könnten.</p> <p>Darüber hinaus hat die Anzahl und die Komplexität der Gesetze mit Schwerpunkt Energieeffizienz elektronischer Produkte und Zubehörteile, Wiederverwertung elektronischer Produkte sowie Vermeidung und Wiederverwertung von Verpackungsmaterialien beträchtlich zugenommen. Soweit die Gesellschaft Produkte auf Lager hat, die wegen Änderungen von Vorschriften oder Kundenanforderungen unverkäuflich sind, könnte sie ggf. gezwungen sein, diese Lagerbestände abschreiben zu müssen. Die Gesellschaft erwartet, dass sich diese Risiken und Entwicklungen fortsetzen. Darüber hinaus rechnet die Gesellschaft mit einer Zunahme an Kundenanforderungen in Bezug auf die Einhaltung freiwilliger Kriterien in Verbindung mit der Reduzierung bzw. Beseitigung von Gefahrstoffen und hoch schädlichen Substanzen in elektronischen Erzeugnissen sowie Energieeffizienzmaßnahmen.</p> <p><b>Bruttomarge</b></p> <p>Microchip geht davon aus, dass ihre Bruttomarge weiter schwanken wird, abhängig vor allem von schwankender Produktionsauslastung, dem Gesamtproduktmix aus Microcontrollern, analogen, Schnittstellen- und Mischsignalprodukten, Speicherprodukten und der Auslizenzierung von Technologie sowie der Nettoumsatzerlöse dieser Produkte in den jeweiligen Quartalen. Daneben werden nach Auffassung der Gesellschaft die Fertigungsausbeute, die Deckung der Fixkosten sowie das makroökonomische und das Wettbewerbsumfeld, in den Märkten, in denen die Gesellschaft tätig ist, von Bedeutung sein.</p> <p><b>Finanzierung</b></p> <p>Um ihre Wettbewerbsfähigkeit zu erhalten muss die Gesellschaft laufend die Notwendigkeit prüfen, sowohl im Bereich der Produktion als auch der Forschung und Entwicklung beträchtliche Investitionen in Anlagegüter zu tätigen. Zum Zwecke des Erhalts bzw. des Ausbaus von Microchips Waferproduktion, Montagewerken und Testeinrichtungen, aber auch für Bardividenden, Aktienrückkäufe oder Akquisitionen oder zu anderen Zwecken kann Microchip jederzeit weitere Fremdmittel aus ihrem Kreditvertrag in Anspruch nehmen oder sich zusätzliche Eigenkapital- oder Fremdfinanzierung beschaffen. Zeitplan und Höhe eines solchen Finanzierungsbedarfs ist von einer ganzen Reihe von Faktoren abhängig, u. a. der Höhe der Dividendenzahlungen, Änderungen von Steuergesetzen und -verordnungen in Bezug auf die Rückführung von auf Offshore-Finanzplätzen ausgelagerte Barmittel, der Nachfrage nach den Produkten der Gesellschaft, Veränderungen der Branchenbedingungen, dem Produktmix, Wettbewerbsfaktoren oder von Microchips Fähigkeit, geeignete Übernahmekandidaten zu finden. Es besteht keine Garantie, dass eine entsprechende Finanzierung zu annehmbaren Bedingungen bereitgestellt wird; zudem bedeutet jede zusätzliche Eigenkapitalfinanzierung für die Aktionäre der Gesellschaft eine schrittweise Verwässerung ihres Aktienbesitzes.</p> |
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| B.5   | <b>Beschreibung der Gruppe und Stellung des Emittenten innerhalb der Gruppe</b>              | Entfällt, da bezüglich der Organisationsstruktur von Microchip keine Informationen in diesem Prospekt enthalten sein müssen.  |                   |   |  |  |                            |                            |             |                   |              |              |              |              |         |         |         |                           |         |         |         |                       |         |         |         |  |         |         |        |  |       |       |       |                |         |         |         |                                      |       |       |       |             |        |        |        |             |           |          |          |  |   |          |   |  |       |        |       |   |         |         |         |                                       |          |          |        |  |         |         |         |  |     |       |   |   |                   |                   |                   |   |                |                |                |  |                |                |                |
|---|--|---|-------------------|---|--|--|----------------------------|----------------------------|-------------|-------------------|--------------|--------------|--------------|--------------|---------|---------|---------|---------------------------|---------|---------|---------|-----------------------|---------|---------|---------|--|---------|---------|--------|--|-------|-------|-------|----------------|---------|---------|---------|--------------------------------------|-------|-------|-------|-------------|--------|--------|--------|-------------|-----------|----------|----------|--|---|----------|---|--|-------|--------|-------|---|---------|---------|---------|---------------------------------------|----------|----------|--------|--|---------|---------|---------|--|-----|-------|---|---|-------------------|-------------------|-------------------|---|----------------|----------------|----------------|--|----------------|----------------|----------------|
| B.6   | <b>Darstellung der Beteiligungen am Kapital der Gesellschaft</b>                             | Entfällt, da bezüglich der Beteiligungen am Kapital der Gesellschaft keine Informationen in diesem Prospekt enthalten sein müssen.  |                   |   |  |  |                            |                            |             |                   |              |              |              |              |         |         |         |                           |         |         |         |                       |         |         |         |  |         |         |        |  |       |       |       |                |         |         |         |                                      |       |       |       |             |        |        |        |             |           |          |          |  |   |          |   |  |       |        |       |   |         |         |         |                                       |          |          |        |  |         |         |         |  |     |       |   |   |                   |                   |                   |   |                |                |                |  |                |                |                |
| B.7   | <b>Ausgewählte Finanzdaten bezüglich Microchip und erhebliche nachfolgende Veränderungen</b> | <p>Die nachfolgend dargestellten ausgewählten Finanzdaten sind aus den geprüften Konzernabschlüssen der Gesellschaft für die zum 31. März 2016, 31. März 2015 und 31. März 2014 endenden Geschäftsjahre, wie im Jahresbericht (Annual Report) der Gesellschaft nach Formular 10-K für das Geschäftsjahr zum 31. März 2016 veröffentlicht, entnommen. Dieser Jahresbericht kann, wie im Abschnitt „Verfügbare Unterlagen“ („Documents Available for Inspection“) dieses Prospekts dargestellt, eingesehen werden. Die Konzernabschlüsse der Gesellschaft wurden in Übereinstimmung mit den in den Vereinigten Staaten von Amerika allgemein anerkannten Grundsätzen ordnungsgemäßer Buchführung („US-GAAP“) erstellt (alle Beträge sind in tausend USD angegeben, mit Ausnahme der Angaben pro Aktie).</p> <p>Zum 23. Juni 2016 lag der Wechselkurs zwischen US-Dollar und Euro bei USD 1,000 = EUR 0,8750. Diese Wechselkursinformationen dienen lediglich der Veranschaulichung. Wir geben keine Zusicherung dahingehend ab, dass ein in den nachstehenden Tabellen aufgeführter US-Dollar-Betrag zu diesem Wechselkurs oder einem anderen Wechselkurs in Euro umgerechnet wurde oder werden könnte.</p> <p><b>Daten aus der Gewinn- und Verlustrechnung:</b></p> <table border="1" data-bbox="453 1048 1409 2027"> <thead> <tr> <th rowspan="2"></th> <th colspan="3" style="text-align: center;"><b>Am 31. März endendes Geschäftsjahr</b></th> </tr> <tr> <th style="text-align: center;"><b>2016 <sup>(1)</sup></b></th> <th style="text-align: center;"><b>2015 <sup>(1)</sup></b></th> <th style="text-align: center;"><b>2014</b></th> </tr> </thead> <tbody> <tr> <td>Nettoumsatzerlöse</td> <td style="text-align: right;">\$ 2.173.334</td> <td style="text-align: right;">\$ 2.147.036</td> <td style="text-align: right;">\$ 1.931.217</td> </tr> <tr> <td>Umsatzkosten</td> <td style="text-align: right;">967.870</td> <td style="text-align: right;">917.472</td> <td style="text-align: right;">802.474</td> </tr> <tr> <td>Forschung und Entwicklung</td> <td style="text-align: right;">372.596</td> <td style="text-align: right;">349.543</td> <td style="text-align: right;">305.043</td> </tr> <tr> <td>Vertriebsgemeinkosten</td> <td style="text-align: right;">301.670</td> <td style="text-align: right;">274.815</td> <td style="text-align: right;">267.278</td> </tr> <tr> <td>Abschreibungen auf erworbenes immaterielles Vermögen</td> <td style="text-align: right;">174.896</td> <td style="text-align: right;">176.746</td> <td style="text-align: right;">94.534</td> </tr> <tr> <td>Außergewöhnliche Belastungen, netto <sup>(2)</sup></td> <td style="text-align: right;">3.957</td> <td style="text-align: right;">2.840</td> <td style="text-align: right;">3.024</td> </tr> <tr> <td>Betriebsgewinn</td> <td style="text-align: right;">352.345</td> <td style="text-align: right;">425.620</td> <td style="text-align: right;">458.864</td> </tr> <tr> <td>Verluste aus at-equity Investitionen</td> <td style="text-align: right;">(345)</td> <td style="text-align: right;">(317)</td> <td style="text-align: right;">(177)</td> </tr> <tr> <td>Zinserträge</td> <td style="text-align: right;">24.447</td> <td style="text-align: right;">19.527</td> <td style="text-align: right;">16.485</td> </tr> <tr> <td>Zinsaufwand</td> <td style="text-align: right;">(104.018)</td> <td style="text-align: right;">(62.034)</td> <td style="text-align: right;">(48.716)</td> </tr> <tr> <td>Verlust bei Tilgung der Wandelschuldverschreibungen <sup>(3)</sup></td> <td style="text-align: right;">—</td> <td style="text-align: right;">(50.631)</td> <td style="text-align: right;">—</td> </tr> <tr> <td>Sonstige Nettoerträge/sonstiger Nettoaufwand</td> <td style="text-align: right;">8.864</td> <td style="text-align: right;">13.742</td> <td style="text-align: right;">5.898</td> </tr> <tr> <td>Erträge aus fortgeführten Geschäftsbereichen vor Einkommenssteuer</td> <td style="text-align: right;">281.293</td> <td style="text-align: right;">345.907</td> <td style="text-align: right;">432.354</td> </tr> <tr> <td>Einkommenssteuerrückstellung (Ertrag)</td> <td style="text-align: right;">(42.632)</td> <td style="text-align: right;">(19.418)</td> <td style="text-align: right;">37.073</td> </tr> <tr> <td>Nettoertrag aus fortgeführten Geschäftsbereichen</td> <td style="text-align: right;">323.925</td> <td style="text-align: right;">365.325</td> <td style="text-align: right;">395.281</td> </tr> <tr> <td>Abzüglich: Nettoverlust, der Minderheitsbeteiligungen (non-controlling interests) zuzuordnen ist</td> <td style="text-align: right;">207</td> <td style="text-align: right;">3.684</td> <td style="text-align: right;">—</td> </tr> <tr> <td>Nettoertrag aus fortgeführten Geschäftsbereichen, der Microchip Technology zuzuordnen ist</td> <td style="text-align: right;"><u>\$ 324.132</u></td> <td style="text-align: right;"><u>\$ 369.009</u></td> <td style="text-align: right;"><u>\$ 395.281</u></td> </tr> <tr> <td>Nettoertrag aus fortgeführten Geschäftsbereichen pro Aktie (unverwässert), der den Aktionären von Microchip Technology zuzuordnen ist</td> <td style="text-align: right;"><u>\$ 1,59</u></td> <td style="text-align: right;"><u>\$ 1,84</u></td> <td style="text-align: right;"><u>\$ 1,99</u></td> </tr> <tr> <td>Nettoertrag aus fortgeführten Geschäftsbereichen pro Aktie (verwässert), der den Aktionären von Microchip Technology</td> <td style="text-align: right;"><u>\$ 1,49</u></td> <td style="text-align: right;"><u>\$ 1,65</u></td> <td style="text-align: right;"><u>\$ 1,82</u></td> </tr> </tbody> </table> |                   | <b>Am 31. März endendes Geschäftsjahr</b> |  |  | <b>2016 <sup>(1)</sup></b> | <b>2015 <sup>(1)</sup></b> | <b>2014</b> | Nettoumsatzerlöse | \$ 2.173.334 | \$ 2.147.036 | \$ 1.931.217 | Umsatzkosten | 967.870 | 917.472 | 802.474 | Forschung und Entwicklung | 372.596 | 349.543 | 305.043 | Vertriebsgemeinkosten | 301.670 | 274.815 | 267.278 | Abschreibungen auf erworbenes immaterielles Vermögen | 174.896 | 176.746 | 94.534 | Außergewöhnliche Belastungen, netto <sup>(2)</sup> | 3.957 | 2.840 | 3.024 | Betriebsgewinn | 352.345 | 425.620 | 458.864 | Verluste aus at-equity Investitionen | (345) | (317) | (177) | Zinserträge | 24.447 | 19.527 | 16.485 | Zinsaufwand | (104.018) | (62.034) | (48.716) | Verlust bei Tilgung der Wandelschuldverschreibungen <sup>(3)</sup> | — | (50.631) | — | Sonstige Nettoerträge/sonstiger Nettoaufwand | 8.864 | 13.742 | 5.898 | Erträge aus fortgeführten Geschäftsbereichen vor Einkommenssteuer | 281.293 | 345.907 | 432.354 | Einkommenssteuerrückstellung (Ertrag) | (42.632) | (19.418) | 37.073 | Nettoertrag aus fortgeführten Geschäftsbereichen | 323.925 | 365.325 | 395.281 | Abzüglich: Nettoverlust, der Minderheitsbeteiligungen (non-controlling interests) zuzuordnen ist | 207 | 3.684 | — | Nettoertrag aus fortgeführten Geschäftsbereichen, der Microchip Technology zuzuordnen ist | <u>\$ 324.132</u> | <u>\$ 369.009</u> | <u>\$ 395.281</u> | Nettoertrag aus fortgeführten Geschäftsbereichen pro Aktie (unverwässert), der den Aktionären von Microchip Technology zuzuordnen ist | <u>\$ 1,59</u> | <u>\$ 1,84</u> | <u>\$ 1,99</u> | Nettoertrag aus fortgeführten Geschäftsbereichen pro Aktie (verwässert), der den Aktionären von Microchip Technology | <u>\$ 1,49</u> | <u>\$ 1,65</u> | <u>\$ 1,82</u> |
|   | <b>Am 31. März endendes Geschäftsjahr</b>  |   |                   |   |  |  |                            |                            |             |                   |              |              |              |              |         |         |         |                           |         |         |         |                       |         |         |         |  |         |         |        |  |       |       |       |                |         |         |         |                                      |       |       |       |             |        |        |        |             |           |          |          |  |   |          |   |  |       |        |       |   |         |         |         |                                       |          |          |        |  |         |         |         |  |     |       |   |   |                   |                   |                   |   |                |                |                |  |                |                |                |
|   | <b>2016 <sup>(1)</sup></b>   | <b>2015 <sup>(1)</sup></b>  | <b>2014</b>       |   |  |  |                            |                            |             |                   |              |              |              |              |         |         |         |                           |         |         |         |                       |         |         |         |  |         |         |        |  |       |       |       |                |         |         |         |                                      |       |       |       |             |        |        |        |             |           |          |          |  |   |          |   |  |       |        |       |   |         |         |         |                                       |          |          |        |  |         |         |         |  |     |       |   |   |                   |                   |                   |   |                |                |                |  |                |                |                |
| Nettoumsatzerlöse   | \$ 2.173.334   | \$ 2.147.036  | \$ 1.931.217      |   |  |  |                            |                            |             |                   |              |              |              |              |         |         |         |                           |         |         |         |                       |         |         |         |  |         |         |        |  |       |       |       |                |         |         |         |                                      |       |       |       |             |        |        |        |             |           |          |          |  |   |          |   |  |       |        |       |   |         |         |         |                                       |          |          |        |  |         |         |         |  |     |       |   |   |                   |                   |                   |   |                |                |                |  |                |                |                |
| Umsatzkosten  | 967.870  | 917.472   | 802.474           |   |  |  |                            |                            |             |                   |              |              |              |              |         |         |         |                           |         |         |         |                       |         |         |         |  |         |         |        |  |       |       |       |                |         |         |         |                                      |       |       |       |             |        |        |        |             |           |          |          |  |   |          |   |  |       |        |       |   |         |         |         |                                       |          |          |        |  |         |         |         |  |     |       |   |   |                   |                   |                   |   |                |                |                |  |                |                |                |
| Forschung und Entwicklung   | 372.596  | 349.543   | 305.043           |   |  |  |                            |                            |             |                   |              |              |              |              |         |         |         |                           |         |         |         |                       |         |         |         |  |         |         |        |  |       |       |       |                |         |         |         |                                      |       |       |       |             |        |        |        |             |           |          |          |  |   |          |   |  |       |        |       |   |         |         |         |                                       |          |          |        |  |         |         |         |  |     |       |   |   |                   |                   |                   |   |                |                |                |  |                |                |                |
| Vertriebsgemeinkosten   | 301.670  | 274.815   | 267.278           |   |  |  |                            |                            |             |                   |              |              |              |              |         |         |         |                           |         |         |         |                       |         |         |         |  |         |         |        |  |       |       |       |                |         |         |         |                                      |       |       |       |             |        |        |        |             |           |          |          |  |   |          |   |  |       |        |       |   |         |         |         |                                       |          |          |        |  |         |         |         |  |     |       |   |   |                   |                   |                   |   |                |                |                |  |                |                |                |
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| Außergewöhnliche Belastungen, netto <sup>(2)</sup>  | 3.957  | 2.840   | 3.024             |   |  |  |                            |                            |             |                   |              |              |              |              |         |         |         |                           |         |         |         |                       |         |         |         |  |         |         |        |  |       |       |       |                |         |         |         |                                      |       |       |       |             |        |        |        |             |           |          |          |  |   |          |   |  |       |        |       |   |         |         |         |                                       |          |          |        |  |         |         |         |  |     |       |   |   |                   |                   |                   |   |                |                |                |  |                |                |                |
| Betriebsgewinn  | 352.345  | 425.620   | 458.864           |   |  |  |                            |                            |             |                   |              |              |              |              |         |         |         |                           |         |         |         |                       |         |         |         |  |         |         |        |  |       |       |       |                |         |         |         |                                      |       |       |       |             |        |        |        |             |           |          |          |  |   |          |   |  |       |        |       |   |         |         |         |                                       |          |          |        |  |         |         |         |  |     |       |   |   |                   |                   |                   |   |                |                |                |  |                |                |                |
| Verluste aus at-equity Investitionen  | (345)  | (317)   | (177)             |   |  |  |                            |                            |             |                   |              |              |              |              |         |         |         |                           |         |         |         |                       |         |         |         |  |         |         |        |  |       |       |       |                |         |         |         |                                      |       |       |       |             |        |        |        |             |           |          |          |  |   |          |   |  |       |        |       |   |         |         |         |                                       |          |          |        |  |         |         |         |  |     |       |   |   |                   |                   |                   |   |                |                |                |  |                |                |                |
| Zinserträge   | 24.447   | 19.527  | 16.485            |   |  |  |                            |                            |             |                   |              |              |              |              |         |         |         |                           |         |         |         |                       |         |         |         |  |         |         |        |  |       |       |       |                |         |         |         |                                      |       |       |       |             |        |        |        |             |           |          |          |  |   |          |   |  |       |        |       |   |         |         |         |                                       |          |          |        |  |         |         |         |  |     |       |   |   |                   |                   |                   |   |                |                |                |  |                |                |                |
| Zinsaufwand   | (104.018)  | (62.034)  | (48.716)          |   |  |  |                            |                            |             |                   |              |              |              |              |         |         |         |                           |         |         |         |                       |         |         |         |  |         |         |        |  |       |       |       |                |         |         |         |                                      |       |       |       |             |        |        |        |             |           |          |          |  |   |          |   |  |       |        |       |   |         |         |         |                                       |          |          |        |  |         |         |         |  |     |       |   |   |                   |                   |                   |   |                |                |                |  |                |                |                |
| Verlust bei Tilgung der Wandelschuldverschreibungen <sup>(3)</sup>  | —  | (50.631)  | —                 |   |  |  |                            |                            |             |                   |              |              |              |              |         |         |         |                           |         |         |         |                       |         |         |         |  |         |         |        |  |       |       |       |                |         |         |         |                                      |       |       |       |             |        |        |        |             |           |          |          |  |   |          |   |  |       |        |       |   |         |         |         |                                       |          |          |        |  |         |         |         |  |     |       |   |   |                   |                   |                   |   |                |                |                |  |                |                |                |
| Sonstige Nettoerträge/sonstiger Nettoaufwand  | 8.864  | 13.742  | 5.898             |   |  |  |                            |                            |             |                   |              |              |              |              |         |         |         |                           |         |         |         |                       |         |         |         |  |         |         |        |  |       |       |       |                |         |         |         |                                      |       |       |       |             |        |        |        |             |           |          |          |  |   |          |   |  |       |        |       |   |         |         |         |                                       |          |          |        |  |         |         |         |  |     |       |   |   |                   |                   |                   |   |                |                |                |  |                |                |                |
| Erträge aus fortgeführten Geschäftsbereichen vor Einkommenssteuer   | 281.293  | 345.907   | 432.354           |   |  |  |                            |                            |             |                   |              |              |              |              |         |         |         |                           |         |         |         |                       |         |         |         |  |         |         |        |  |       |       |       |                |         |         |         |                                      |       |       |       |             |        |        |        |             |           |          |          |  |   |          |   |  |       |        |       |   |         |         |         |                                       |          |          |        |  |         |         |         |  |     |       |   |   |                   |                   |                   |   |                |                |                |  |                |                |                |
| Einkommenssteuerrückstellung (Ertrag)   | (42.632)   | (19.418)  | 37.073            |   |  |  |                            |                            |             |                   |              |              |              |              |         |         |         |                           |         |         |         |                       |         |         |         |  |         |         |        |  |       |       |       |                |         |         |         |                                      |       |       |       |             |        |        |        |             |           |          |          |  |   |          |   |  |       |        |       |   |         |         |         |                                       |          |          |        |  |         |         |         |  |     |       |   |   |                   |                   |                   |   |                |                |                |  |                |                |                |
| Nettoertrag aus fortgeführten Geschäftsbereichen  | 323.925  | 365.325   | 395.281           |   |  |  |                            |                            |             |                   |              |              |              |              |         |         |         |                           |         |         |         |                       |         |         |         |  |         |         |        |  |       |       |       |                |         |         |         |                                      |       |       |       |             |        |        |        |             |           |          |          |  |   |          |   |  |       |        |       |   |         |         |         |                                       |          |          |        |  |         |         |         |  |     |       |   |   |                   |                   |                   |   |                |                |                |  |                |                |                |
| Abzüglich: Nettoverlust, der Minderheitsbeteiligungen (non-controlling interests) zuzuordnen ist                                      | 207  | 3.684   | —                 |   |  |  |                            |                            |             |                   |              |              |              |              |         |         |         |                           |         |         |         |                       |         |         |         |  |         |         |        |  |       |       |       |                |         |         |         |                                      |       |       |       |             |        |        |        |             |           |          |          |  |   |          |   |  |       |        |       |   |         |         |         |                                       |          |          |        |  |         |         |         |  |     |       |   |   |                   |                   |                   |   |                |                |                |  |                |                |                |
| Nettoertrag aus fortgeführten Geschäftsbereichen, der Microchip Technology zuzuordnen ist   | <u>\$ 324.132</u>  | <u>\$ 369.009</u>   | <u>\$ 395.281</u> |   |  |  |                            |                            |             |                   |              |              |              |              |         |         |         |                           |         |         |         |                       |         |         |         |  |         |         |        |  |       |       |       |                |         |         |         |                                      |       |       |       |             |        |        |        |             |           |          |          |  |   |          |   |  |       |        |       |   |         |         |         |                                       |          |          |        |  |         |         |         |  |     |       |   |   |                   |                   |                   |   |                |                |                |  |                |                |                |
| Nettoertrag aus fortgeführten Geschäftsbereichen pro Aktie (unverwässert), der den Aktionären von Microchip Technology zuzuordnen ist | <u>\$ 1,59</u>   | <u>\$ 1,84</u>  | <u>\$ 1,99</u>    |   |  |  |                            |                            |             |                   |              |              |              |              |         |         |         |                           |         |         |         |                       |         |         |         |  |         |         |        |  |       |       |       |                |         |         |         |                                      |       |       |       |             |        |        |        |             |           |          |          |  |   |          |   |  |       |        |       |   |         |         |         |                                       |          |          |        |  |         |         |         |  |     |       |   |   |                   |                   |                   |   |                |                |                |  |                |                |                |
| Nettoertrag aus fortgeführten Geschäftsbereichen pro Aktie (verwässert), der den Aktionären von Microchip Technology                  | <u>\$ 1,49</u>   | <u>\$ 1,65</u>  | <u>\$ 1,82</u>    |   |  |  |                            |                            |             |                   |              |              |              |              |         |         |         |                           |         |         |         |                       |         |         |         |  |         |         |        |  |       |       |       |                |         |         |         |                                      |       |       |       |             |        |        |        |             |           |          |          |  |   |          |   |  |       |        |       |   |         |         |         |                                       |          |          |        |  |         |         |         |  |     |       |   |   |                   |                   |                   |   |                |                |                |  |                |                |                |

|  |  | <p>zuzuordnen ist</p> <table border="1"> <tr> <td>Dividenden pro Aktie</td> <td>\$ 1,433</td> <td>\$ 1,425</td> <td>\$ 1,417</td> </tr> <tr> <td>Im Umlauf befindliche Aktien (unverwässert)</td> <td>203.384</td> <td>200.937</td> <td>198.291</td> </tr> <tr> <td>Im Umlauf befindliche Aktien (verwässert)</td> <td>217.388</td> <td>223.561</td> <td>217.630</td> </tr> </table> <p>(1) Siehe Abschnitt B3 „Art der derzeitigen Geschäftstätigkeit und Haupttätigkeiten des Emittenten sowie die Hauptmärkte, auf denen der Emittent tätig ist“ mit der Darstellung unserer wesentlichen Unternehmenszusammenschlüsse während der Geschäftsjahre 2016 und 2015.</p> <p>(2) Die folgende Tabelle zeigt eine Zusammenfassung der außergewöhnlichen Belastungen für den Dreijahreszeitraum endend zum 31. März 2016:</p> <table border="1"> <thead> <tr> <th></th> <th colspan="3">31. März 2013</th> </tr> <tr> <th></th> <th>2016</th> <th>2015</th> <th>2014</th> </tr> </thead> <tbody> <tr> <td>Aufwendungen aus Akquisitionen</td> <td>\$ 11.163</td> <td>\$ 2.840</td> <td>\$ 1.654</td> </tr> <tr> <td>Vergleich</td> <td>(7.206)</td> <td>—</td> <td>—</td> </tr> <tr> <td>Anpassung auf Eventualaufwendungen</td> <td>—</td> <td>—</td> <td>1.370</td> </tr> <tr> <td>Lizenzen auf Patente</td> <td>—</td> <td>—</td> <td>—</td> </tr> <tr> <td>Gesamt</td> <td>\$ 3.957</td> <td>\$ 2.840</td> <td>\$ 3.024</td> </tr> </tbody> </table> <p><b>Bilanzdaten:</b></p> <table border="1"> <thead> <tr> <th></th> <th colspan="3">31. März 2013</th> </tr> <tr> <th></th> <th>2016</th> <th>2015</th> <th>2014</th> </tr> </thead> <tbody> <tr> <td>Betriebskapital</td> <td>\$ 2.714.704</td> <td>\$ 2.310.645</td> <td>\$ 1.633.320</td> </tr> <tr> <td>Bilanzsumme</td> <td>5.567.515</td> <td>4.780.713</td> <td>4.067.630</td> </tr> <tr> <td>Langfristige Verbindlichkeiten (ohne kurzfristigen Anteil)</td> <td>2.483.037</td> <td>1.826.858</td> <td>1.003.258</td> </tr> <tr> <td>Eigenkapital der Aktionäre von Microchip</td> <td>2.150.919</td> <td>2.044.654</td> <td>2.135.461</td> </tr> </tbody> </table> <p>Siehe Abschnitt B3 „Art der derzeitigen Geschäftstätigkeit und Haupttätigkeiten des Emittenten sowie die Hauptmärkte, auf denen der Emittent tätig ist“ mit der Darstellung der Übernahme der Atmel Corporation im April 2016. Mit Ausnahme der dort dargestellten Veränderungen haben sich Finanzlage und Handelsposition der Gesellschaft seit dem 31. März 2016 nicht wesentlich geändert.</p> | Dividenden pro Aktie | \$ 1,433 | \$ 1,425 | \$ 1,417 | Im Umlauf befindliche Aktien (unverwässert) | 203.384 | 200.937 | 198.291 | Im Umlauf befindliche Aktien (verwässert) | 217.388 | 223.561 | 217.630 |  | 31. März 2013 |  |  |  | 2016 | 2015 | 2014 | Aufwendungen aus Akquisitionen | \$ 11.163 | \$ 2.840 | \$ 1.654 | Vergleich | (7.206) | — | — | Anpassung auf Eventualaufwendungen | — | — | 1.370 | Lizenzen auf Patente | — | — | — | Gesamt | \$ 3.957 | \$ 2.840 | \$ 3.024 |  | 31. März 2013 |  |  |  | 2016 | 2015 | 2014 | Betriebskapital | \$ 2.714.704 | \$ 2.310.645 | \$ 1.633.320 | Bilanzsumme | 5.567.515 | 4.780.713 | 4.067.630 | Langfristige Verbindlichkeiten (ohne kurzfristigen Anteil) | 2.483.037 | 1.826.858 | 1.003.258 | Eigenkapital der Aktionäre von Microchip | 2.150.919 | 2.044.654 | 2.135.461 |
|--|--|--|----------------------|----------|----------|----------|---|---------|---------|---------|---|---------|---------|---------|--|---------------|--|--|--|------|------|------|--------------------------------|-----------|----------|----------|-----------|---------|---|---|------------------------------------|---|---|-------|----------------------|---|---|---|--------|----------|----------|----------|--|---------------|--|--|--|------|------|------|-----------------|--------------|--------------|--------------|-------------|-----------|-----------|-----------|--|-----------|-----------|-----------|--|-----------|-----------|-----------|
| Dividenden pro Aktie                                       | \$ 1,433   | \$ 1,425   | \$ 1,417             |          |          |          |   |         |         |         |   |         |         |         |  |               |  |  |  |      |      |      |                                |           |          |          |           |         |   |   |                                    |   |   |       |                      |   |   |   |        |          |          |          |  |               |  |  |  |      |      |      |                 |              |              |              |             |           |           |           |  |           |           |           |  |           |           |           |
| Im Umlauf befindliche Aktien (unverwässert)                | 203.384  | 200.937  | 198.291              |          |          |          |   |         |         |         |   |         |         |         |  |               |  |  |  |      |      |      |                                |           |          |          |           |         |   |   |                                    |   |   |       |                      |   |   |   |        |          |          |          |  |               |  |  |  |      |      |      |                 |              |              |              |             |           |           |           |  |           |           |           |  |           |           |           |
| Im Umlauf befindliche Aktien (verwässert)                  | 217.388  | 223.561  | 217.630              |          |          |          |   |         |         |         |   |         |         |         |  |               |  |  |  |      |      |      |                                |           |          |          |           |         |   |   |                                    |   |   |       |                      |   |   |   |        |          |          |          |  |               |  |  |  |      |      |      |                 |              |              |              |             |           |           |           |  |           |           |           |  |           |           |           |
|  | 31. März 2013  |  |                      |          |          |          |   |         |         |         |   |         |         |         |  |               |  |  |  |      |      |      |                                |           |          |          |           |         |   |   |                                    |   |   |       |                      |   |   |   |        |          |          |          |  |               |  |  |  |      |      |      |                 |              |              |              |             |           |           |           |  |           |           |           |  |           |           |           |
|  | 2016   | 2015   | 2014                 |          |          |          |   |         |         |         |   |         |         |         |  |               |  |  |  |      |      |      |                                |           |          |          |           |         |   |   |                                    |   |   |       |                      |   |   |   |        |          |          |          |  |               |  |  |  |      |      |      |                 |              |              |              |             |           |           |           |  |           |           |           |  |           |           |           |
| Aufwendungen aus Akquisitionen                             | \$ 11.163  | \$ 2.840   | \$ 1.654             |          |          |          |   |         |         |         |   |         |         |         |  |               |  |  |  |      |      |      |                                |           |          |          |           |         |   |   |                                    |   |   |       |                      |   |   |   |        |          |          |          |  |               |  |  |  |      |      |      |                 |              |              |              |             |           |           |           |  |           |           |           |  |           |           |           |
| Vergleich  | (7.206)  | —  | —                    |          |          |          |   |         |         |         |   |         |         |         |  |               |  |  |  |      |      |      |                                |           |          |          |           |         |   |   |                                    |   |   |       |                      |   |   |   |        |          |          |          |  |               |  |  |  |      |      |      |                 |              |              |              |             |           |           |           |  |           |           |           |  |           |           |           |
| Anpassung auf Eventualaufwendungen                         | —  | —  | 1.370                |          |          |          |   |         |         |         |   |         |         |         |  |               |  |  |  |      |      |      |                                |           |          |          |           |         |   |   |                                    |   |   |       |                      |   |   |   |        |          |          |          |  |               |  |  |  |      |      |      |                 |              |              |              |             |           |           |           |  |           |           |           |  |           |           |           |
| Lizenzen auf Patente                                       | —  | —  | —                    |          |          |          |   |         |         |         |   |         |         |         |  |               |  |  |  |      |      |      |                                |           |          |          |           |         |   |   |                                    |   |   |       |                      |   |   |   |        |          |          |          |  |               |  |  |  |      |      |      |                 |              |              |              |             |           |           |           |  |           |           |           |  |           |           |           |
| Gesamt   | \$ 3.957   | \$ 2.840   | \$ 3.024             |          |          |          |   |         |         |         |   |         |         |         |  |               |  |  |  |      |      |      |                                |           |          |          |           |         |   |   |                                    |   |   |       |                      |   |   |   |        |          |          |          |  |               |  |  |  |      |      |      |                 |              |              |              |             |           |           |           |  |           |           |           |  |           |           |           |
|  | 31. März 2013  |  |                      |          |          |          |   |         |         |         |   |         |         |         |  |               |  |  |  |      |      |      |                                |           |          |          |           |         |   |   |                                    |   |   |       |                      |   |   |   |        |          |          |          |  |               |  |  |  |      |      |      |                 |              |              |              |             |           |           |           |  |           |           |           |  |           |           |           |
|  | 2016   | 2015   | 2014                 |          |          |          |   |         |         |         |   |         |         |         |  |               |  |  |  |      |      |      |                                |           |          |          |           |         |   |   |                                    |   |   |       |                      |   |   |   |        |          |          |          |  |               |  |  |  |      |      |      |                 |              |              |              |             |           |           |           |  |           |           |           |  |           |           |           |
| Betriebskapital  | \$ 2.714.704   | \$ 2.310.645   | \$ 1.633.320         |          |          |          |   |         |         |         |   |         |         |         |  |               |  |  |  |      |      |      |                                |           |          |          |           |         |   |   |                                    |   |   |       |                      |   |   |   |        |          |          |          |  |               |  |  |  |      |      |      |                 |              |              |              |             |           |           |           |  |           |           |           |  |           |           |           |
| Bilanzsumme  | 5.567.515  | 4.780.713  | 4.067.630            |          |          |          |   |         |         |         |   |         |         |         |  |               |  |  |  |      |      |      |                                |           |          |          |           |         |   |   |                                    |   |   |       |                      |   |   |   |        |          |          |          |  |               |  |  |  |      |      |      |                 |              |              |              |             |           |           |           |  |           |           |           |  |           |           |           |
| Langfristige Verbindlichkeiten (ohne kurzfristigen Anteil) | 2.483.037  | 1.826.858  | 1.003.258            |          |          |          |   |         |         |         |   |         |         |         |  |               |  |  |  |      |      |      |                                |           |          |          |           |         |   |   |                                    |   |   |       |                      |   |   |   |        |          |          |          |  |               |  |  |  |      |      |      |                 |              |              |              |             |           |           |           |  |           |           |           |  |           |           |           |
| Eigenkapital der Aktionäre von Microchip                   | 2.150.919  | 2.044.654  | 2.135.461            |          |          |          |   |         |         |         |   |         |         |         |  |               |  |  |  |      |      |      |                                |           |          |          |           |         |   |   |                                    |   |   |       |                      |   |   |   |        |          |          |          |  |               |  |  |  |      |      |      |                 |              |              |              |             |           |           |           |  |           |           |           |  |           |           |           |
| <b>B.8</b>   | <b>Pro-forma-Finanzinformationen</b>   | Entfällt. Der Prospekt enthält keine ausgewählten wesentlichen Pro-Forma- Finanzinformationen.   |                      |          |          |          |   |         |         |         |   |         |         |         |  |               |  |  |  |      |      |      |                                |           |          |          |           |         |   |   |                                    |   |   |       |                      |   |   |   |        |          |          |          |  |               |  |  |  |      |      |      |                 |              |              |              |             |           |           |           |  |           |           |           |  |           |           |           |
| <b>B.9</b>   | <b>Gewinnprognose</b>  | Entfällt. Dieser Prospekt enthält keine Gewinnprognose.  |                      |          |          |          |   |         |         |         |   |         |         |         |  |               |  |  |  |      |      |      |                                |           |          |          |           |         |   |   |                                    |   |   |       |                      |   |   |   |        |          |          |          |  |               |  |  |  |      |      |      |                 |              |              |              |             |           |           |           |  |           |           |           |  |           |           |           |
| <b>B.10</b>  | <b>Beschränkungen im Bestätigungsvermerk zu den historischen Finanzinformationen</b> | Entfällt. Es gibt keine entsprechenden Beschränkungen im Bestätigungsvermerk.  |                      |          |          |          |   |         |         |         |   |         |         |         |  |               |  |  |  |      |      |      |                                |           |          |          |           |         |   |   |                                    |   |   |       |                      |   |   |   |        |          |          |          |  |               |  |  |  |      |      |      |                 |              |              |              |             |           |           |           |  |           |           |           |  |           |           |           |
| <b>B.11</b>  | <b>Erklärung zum Geschäftskapital</b>  | Microchip geht davon aus, dass ihr Geschäftskapital (d.h., ihre Fähigkeit, auf Barmittel und andere verfügbare Liquiditätsquellen zuzugreifen) ihren derzeitigen Bedarf für mindestens 12 Monate ab dem Datum dieses Prospekts deckt.  |                      |          |          |          |   |         |         |         |   |         |         |         |  |               |  |  |  |      |      |      |                                |           |          |          |           |         |   |   |                                    |   |   |       |                      |   |   |   |        |          |          |          |  |               |  |  |  |      |      |      |                 |              |              |              |             |           |           |           |  |           |           |           |  |           |           |           |

| <b>Abschnitt C - Wertpapiere</b> |  |   |
|----------------------------------|--|---|
| <b>C.1</b>                       | <b>Beschreibung von Art und Gattung der angebotenen Wertpapiere, einschließlich der Wertpapierkennnummer</b> | Die angebotenen Wertpapiere sind Stammaktien der Gesellschaft mit einem Nennwert von USD 0,001 pro Aktie. Die Stammaktien der Gesellschaft werden an dem NASDAQ ® Global Market („NASDAQ“) unter dem Kürzel „MHCP“ gehandelt. Die US-Wertpapieridentifikationsnummer (CUSIP) der Aktien lautet 595017104. Die international Wertpapieridentifikationsnummer (Securities Identification Number (ISIN)) für die Gesellschaft lautet US5950171042. Die deutsche Wertpapier-Kenn-Nummer lautet 886105.  |
| <b>C.2</b>                       | <b>Währung der Wertpapieremission</b>  | Der US-Dollar ist die Währung der Wertpapieremission.   |
| <b>C.3</b>                       | <b>Anzahl der ausgegebenen Aktien</b>  | Microchip ist zur Ausgabe von bis zu 450.000.000 Stammaktien ermächtigt. Zum 31. Mai 2016 hatte die Gesellschaft 237.497.913 ausgegebene Aktien und 214.885.521 im Umlauf befindliche Stammaktien. Die Stammaktien von Microchip haben einen Nennwert von USD 0,001 pro Aktie. Die ausgegebenen Aktien sind voll eingezahlt.  |
| <b>C.4</b>                       | <b>Beschreibung der mit den Wertpapieren verbundenen Rechte</b>  | <p>Ein teilnehmender Arbeitnehmer hat solange keine Stimm-, Dividenden- oder andere Aktionärsrechte im Hinblick auf die unter dem Microchip Technology International Employee Stock Purchase Plan (der „IESPP“) angebotenen Aktien, bis die Erwerbsrechte ausgeübt und die Aktien von dem teilnehmenden Arbeitnehmer erworben worden sind. Nach dem Erwerb der Aktien ist der teilnehmende Arbeitnehmer berechtigt, die mit den Aktien verbundenen Rechte (wie unten näher beschrieben) auszuüben.</p> <p>Dividendenrechte. Der Verwaltungsrat (board of directors) (der „Verwaltungsrat“) kann auf jeder ordentlichen oder außerordentlichen Sitzung oder durch schriftlichen Beschluss eine Dividende aus den gesetzlich dazu zur Verfügung stehenden Mitteln beschließen. Der Verwaltungsrat bestimmt das Nachweisdatum (Record Date) und das Auszahlungsdatum für Dividendenzahlungen. Dividenden können als Bar- oder Sachdividende oder in Aktien der Gesellschaft ausbezahlt werden.</p> <p>Es gibt keine Dividendenbeschränkungen und keine speziellen Verfahrensvorschriften für Aktionäre, die in der EU („Europäische Union“) bzw. im EWR ansässig sind.</p> <p>Die Stammaktionäre der Gesellschaft haben einen Anspruch auf die vom Verwaltungsrat in seinem freien Ermessen jeweils auf einer ordentlichen oder außerordentlichen Sitzung beschlossenen Dividendenzahlungen aus den gesetzlich dafür vorgesehenen Mitteln. Nicht innerhalb von drei Jahren durchgesetzte Ansprüche auf Dividendenzahlung fallen grundsätzlich dem Staat von Delaware zu.</p> <p>Stimmrechte. Stammaktionäre haben pro Aktie eine Stimme und können über alle die Aktionäre betreffenden Angelegenheiten abstimmen. Alle Maßnahmen, die von Aktionären vorgenommen werden müssen oder für die die Zustimmung der Aktionäre erforderlich ist, können in der ordnungsgemäß einberufenen ordentlichen (jährlichen) Hauptversammlung, in einer ordnungsgemäß einberufenen außerordentlichen Hauptversammlung oder im schriftlichen Verfahren von den Aktionären vorgenommen werden. Außerordentliche Hauptversammlungen werden vom Vorsitzenden des Verwaltungsrats, vom Verwaltungsrat der Gesellschaft oder von Aktionären, die mindestens 50 % der an Dritte ausgegebenen Aktien der Gesellschaft halten, einberufen.</p> <p>Recht auf Liquidationserlöse. Im Fall der Liquidation, Auflösung oder Abwicklung der Gesellschaft, sind die Stammaktionäre berechtigt, einen pro-ratarischen Anteil an den Vermögensgegenständen der Gesellschaft nach Abzug aller Zahlungen auf Verbindlichkeiten oder Rückstellungen, vorbehaltlich vorrangiger Recht aus Vorzugsaktien, soweit ausgegeben, zu erhalten.</p> <p>Keine Bezugs-, Einzugs- oder Wandlungsrechte. Die Stammaktionäre der Gesellschaft haben keine Bezugsrechte auf den Erwerb von Aktien der Gesellschaft oder von in Aktien der Gesellschaft wandelbaren Instrumenten. Die Stammaktien der Gesellschaft unterliegen nicht der Einziehung und gewähren keine Wandlungsrechte.</p> |
| <b>C.5</b>                       | <b>Übertragbarkeit</b>   | Die unter dem IESPP gewährten Erwerbsrechte können von einem Teilnehmer nicht auf dritte Parteien abgetreten oder übertragen werden. Der Verwaltungsrat oder ein vom Verwaltungsrat ernannter Ausschuss kann ggf. unter von ihm näher festgelegten Voraussetzungen übertragbare Erwerbsrechte gewähren. Die nach Ausübung der Erwerbsrechte erworbenen Aktien sind frei übertragbar, so lange die Aktien gemäß einem wirksamen Registrierungsdocument nach dem  |

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|            |   | U.S. Securities Act von 1933 ordnungsgemäß registriert sind.   |
| <b>C.6</b> | <b>Zulassung zum Handel an einem geregelten Markt</b> | Entfällt. Wie oben in Abschnitt C.1 erwähnt, werden die Aktien an der NASDAQ gehandelt. Sie werden nicht zum Handel an einem geregelten Markt zugelassen.  |
| <b>C.7</b> | <b>Dividendenpolitik</b>                              | <p>Seit dem dritten Quartal 2003 hat die Gesellschaft Bardividenden beschlossen und an ihre Stammaktionäre ausbezahlt. In den Geschäftsjahren 2016, 2015 und 2014 betragen die Gesamtdividenden pro Aktie jeweils USD 1,433, USD 1,425 und USD 1,417. Die in den Geschäftsjahren 2016, 2015 und 2014 ausbezahlten Gesamtdividenden betragen jeweils USD 291,1 Millionen, USD 286,5 Millionen und USD 281,2 Millionen. Am 4. Mai 2016 gab Microchip bekannt, dass der Verwaltungsrat der Gesellschaft eine Quartalsbardividende auf ihre Stammaktien in Höhe von USD 0,3595 pro Aktie beschlossen hat. Die Quartalsdividende ist am 6. Juni 2016 an die am 23. Mai 2016 eingetragenen Aktionäre fällig. Der Gesamtbetrag dieser Dividende beläuft sich voraussichtlich auf ca. USD 77 Millionen.</p> <p>Der Verwaltungsrat von Microchip kann auf Basis der operativen Ergebnisse, der Finanzlage, der Liquiditätserfordernisse, den Geschäftsaussichten oder anderen Faktoren, die von dem Verwaltungsrat als relevant eingeschätzt werden, die Dividendenpolitik jederzeit ändern und die ausbezahlte Dividende erhöhen oder verringern oder keine Dividende an die Stammaktionäre ausbezahlen. Derzeit beabsichtigt Microchip, laufend quartalsweise Bardividenden auszubezahlen, je nach Marktbedingungen und Betriebsergebnis.</p> |

## Abschnitt D – Risiken

Arbeitnehmer sollten vor ihrer Anlageentscheidung die nachfolgend beschriebenen Risiken, die im Abschnitt „Risikofaktoren“ (Risk Factors) näher beschrieben sind, und die übrigen in diesem Prospekt enthaltenen Informationen sorgfältig lesen und bei ihrer Anlageentscheidung berücksichtigen. Der Eintritt dieser Risiken kann, einzeln oder zusammen mit anderen Umständen, die Geschäftstätigkeit und die Finanzlage der Gesellschaft wesentlich beeinträchtigen und dazu führen, dass der Börsenkurs der Aktien der Gesellschaft fällt. In diesem Fall könnten Arbeitnehmer ihr eingesetztes Kapital ganz oder teilweise verlieren. Der Prospekt enthält alle Risiken, die die Gesellschaft für wesentlich erachtet. Allerdings könnten sich die nachfolgend aufgeführten Risiken rückwirkend betrachtet als nicht abschließend herausstellen und daher nicht die einzigen Risiken sein, denen die Gesellschaft ausgesetzt ist. Weitere Risiken könnten die Geschäftstätigkeit und die Finanzlage der Gesellschaft beeinträchtigen. Die gewählte Reihenfolge der Risikofaktoren enthält weder eine Aussage über die Eintrittswahrscheinlichkeit noch über das Ausmaß bzw. die Bedeutung der einzelnen Risiken.

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| <b>D.1</b> | <b>Risiken im Hinblick auf Microchip oder ihr Branchenumfeld</b> | <ul style="list-style-type: none"><li>• Unsere operativen Ergebnisse werden von den globalen wirtschaftlichen Rahmenbedingungen beeinflusst und können in der Zukunft aufgrund einer Reihe von Faktorenschwanken und zu Nettoumsatzrückgängen und einem Profitabilitätsverlust bei der Gesellschaft führen.</li><li>• Unsere operativen Ergebnisse werden sinken, wenn wir unsere Produktionskapazitäten nicht effizient auslasten oder die Fertigungsleistung nicht aufrechterhalten können.</li><li>• Wir sind gegebenenfalls nicht in der Lage, die erwarteten Vorteile aus unseren abgeschlossenen oder zukünftigen Akquisitionen vollständig zu realisieren, einschließlich derjenigen aus der kürzlich abgeschlossenen Akquisition von Atmel.</li><li>• Unsere Finanzlage und unser Betriebsergebnis könnten sich verschlechtern, wenn es uns nicht gelingt, unsere gegenwärtige oder zukünftige Verschuldung effektiv zu steuern.</li><li>• Wir sind von Kundenaufträgen abhängig, die im selben Quartal eingehen und ausgeliefert werden und können daher den Umfang zukünftiger Auslieferungen von Produkten nur eingeschränkt vorhersehen.</li><li>• Intensiver Wettbewerb in den Märkten, in denen wir aktiv sind, kann zu steigendem Preisdruck, geringeren Umsatzerlösen und einem geringeren Marktanteil führen.</li><li>• Wir sind im Hinblick auf wesentliche Fertigungsprozesse von verschiedenen Auftragsproduzenten für Halbleiterscheiben (Wafer) abhängig, und unsere Lizenznehmer für SuperFlash und sonstige Technologien sind ebenfalls von solchen Wafer-Produzenten und anderen Auftragsproduzenten abhängig.</li><li>• Unser operatives Ergebnis könnte sich aufgrund saisonaler Schwankungen und großer Schwankungen von Angebot und Nachfrage in der Halbleiterindustrie verschlechtern.</li><li>• Unsere Geschäftsaktivitäten sind von dem Vertrieb durch Vertriebspartner abhängig.</li><li>• Unser Erfolg hängt von unserer Fähigkeit ab, rechtzeitig neue Produkte einzuführen.</li><li>• Durch unser Auslizensierungsgeschäft sind wir verschiedenen Risiken ausgesetzt, unter anderem: fehlende oder schwindende Marktakzeptanz, Produktionsstörungen bei Lizenznehmern bzw. niedrigere Produktionsniveaus als erwartet, die sich nachteilig auf die Umsatzerlöse auswirken, die wir mit Lizenznehmern generieren, sowie Ansprüche oder Schadenersatzforderungen in Bezug auf geistiges Eigentum oder Freistellungsansprüche.</li><li>• Wir könnten Umsatz verlieren, wenn unsere Rohstoff- und Gerätelieferanten nicht unsere Nachfrage decken können.</li><li>• Wir sind verschiedenen Risiken im Zusammenhang mit rechtlichen Auseinandersetzungen oder Ansprüchen ausgesetzt, unter anderem ungünstige Gerichtsentscheide, die sich in erheblicher Weise negativ auf unsere Finanzlage, Cash-Flows bzw. Betriebsergebnisse auswirken könnten.</li><li>• Sollte es uns nicht gelingen, unser geistiges Eigentum hinreichend zu schützen, könnte dies zu Umsatzausfällen und dem Verlust von Marktchancen führen.</li><li>• Unser operatives Ergebnis könnte sich verschlechtern, wenn die wirtschaftlichen Rahmenbedingungen sich negativ auf die Finanzlage unserer Lizenznehmer, Kunden, Vertriebspartner oder Zulieferer auswirken.</li><li>• Wir sind im hohen Maße vom Absatz unserer Produkte im Ausland und unserem operativen Geschäft im Ausland abhängig und sind daher politischen und wirtschaftlichen Risiken in</li></ul> |
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|     |                                   | <p>den jeweiligen Ländern ausgesetzt.</p> <ul style="list-style-type: none"> <li>• Wir schließen typischerweise keine langfristigen Verträge mit unseren Kunden; soweit doch, sind wir aufgrund bestimmter Bestimmungen dieser Verträge Risiken und Haftungsverpflichtungen ausgesetzt.</li> <li>• Wir müssen qualifiziertes Personal für uns gewinnen und halten, um erfolgreich zu sein; der Wettbewerb um qualifiziertes Personal kann intensiv sein.</li> <li>• Geschäftsunterbrechungen bei uns oder unseren wesentlichen Verkäufern, Unterauftragsnehmern, Lizenznehmern oder Kunden aufgrund von Naturereignissen oder anderen Umständen könnten sich negativ auf unser Geschäft auswirken.</li> <li>• Währungswechselkursschwankungen könnten sich negativ auf unser operatives Ergebnis auswirken.</li> <li>• Störungen unserer IT-Systeme oder ein unsachgemäßer Umgang mit Daten könnten sich negativ auf unseren Geschäftsbetrieb auswirken.</li> <li>• Schadensfälle, gegen die wir nicht versichert sind, oder die eine bestehende Deckung durch eine Versicherung überschreiten, könnten sich negativ auf unsere Profitabilität und Liquidität auswirken.</li> <li>• Wir unterliegen strengen umweltrechtlichen und sonstigen Vorschriften, die uns zwingen könnten, erhebliche zusätzliche Ausgaben zu tätigen.</li> <li>• Die entsprechende Vorgabe von Kunden, über die bestehenden gesetzlichen Regelungen hinausgehende strengere Geschäftspraktiken umzusetzen, könnte unsere Ertragsmöglichkeiten mindern oder zu höheren Kosten führen.</li> <li>• Potentielle US-Steuerlegislation im Hinblick auf unsere ausländischen Einkommen könnte unsere operativen und finanziellen Ergebnisse wesentlich nachteilig beeinträchtigen.</li> <li>• Die entsprechende Vorgabe von Kunden und neue gesetzliche Vorschriften in Bezug auf die Verwendung konfliktfreier Mineralien könnten uns zu erheblichen zusätzlichen Ausgaben zwingen.</li> <li>• Aufsichtsbehörden in Ländern, in die wir unsere Produkte liefern, könnten Strafzahlungen verlangen oder die Ausfuhr unserer Produkte einschränken.</li> <li>• Das Ergebnis von derzeit laufenden und zukünftigen Betriebsprüfungen im Hinblick auf unsere Einkommenssteuerbescheide durch die Bundessteuerbehörde (Internal Revenue Service) könnte negative Auswirkungen auf unser Betriebsergebnis haben.</li> <li>• Als Ergebnis unserer Akquisitionsaktivitäten haben unser Firmenwert und unsere immateriellen Vermögensgegenstände in den vergangenen Jahren beträchtlich zugenommen und wir werden in der Zukunft gegebenenfalls Abschreibungen auf Firmenwerte oder langfristige Vermögensgegenstände vornehmen müssen.</li> <li>• Unsere veröffentlichten Finanzergebnisse könnten sich aufgrund neuer Rechnungslegungsvorschriften oder Änderungen bestehender Rechnungslegungsvorschriften verschlechtern.</li> <li>• Klimaschutzvorschriften und der nachhaltige Klimawandel stellen regulatorische und physikalische Risiken dar, die nachteilige Auswirkungen auf unser operatives Ergebnis oder unsere Geschäftstätigkeit haben könnten.</li> </ul> |
| D.3 | <b>Wertpapierbezogene Risiken</b> | <ul style="list-style-type: none"> <li>• Der zukünftige Marktpreis von Microchips Stammaktien könnte aufgrund mehrerer Faktoren großen Schwankungen ausgesetzt sein.</li> <li>• Die Wandlung von von der Gesellschaft ausgegebenen Schuldverschreibungen wird die Anteile der bestehenden Aktionäre verwässern, einschließlich derjenigen Aktionäre, die zuvor ihre Schuldverschreibungen gewandelt haben</li> </ul>  |

| <b>Abschnitt E – Das Angebot</b> |  |   |
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| <b>E.1</b>                       | <b>Nettoemissionserlöse und geschätzte Gesamtkosten der Emission</b> | <p>Zum 23. Juni 2016 werden Aktien unter dem IESPP etwa 2.152 teilnahmeberechtigten Arbeitnehmern in Ländern außerhalb der USA angeboten. Der Maximalwert von Aktien, die Arbeitnehmer nach dem IESPP erwerben dürfen, beträgt USD 50.000 (USD 25.000 pro sechsmonatiger Angebotsperiode). Unter der Annahme, dass alle 2.152 teilnahmeberechtigten Arbeitnehmer die maximale Anzahl von in diesem Prospekt angebotenen Aktien unter dem IESPP erwerben, also 946 Aktien pro Arbeitnehmer pro Jahr, würde die maximale Anzahl der Aktien, die ausgegeben würde, 2.035.792 Aktien betragen. Dies würde die Anzahl der am 23. Juni 2016 für den Kauf im Rahmen des IESPP zur Verfügung stehenden 582.551 Aktien übersteigen. Unter der Annahme, dass die teilnahmeberechtigten Arbeitnehmer alle 582.551 Aktien zu einem Kaufpreis von USD 44,914 erwerben, was fünfundachtzig Prozent des Marktpreises der Aktie (USD 52,84) zum 23. Juni 2016 entspricht, würden die Gesamt-Bruttoemissionserlöse der Gesellschaft aus dem Angebot unter dem IESPP nach Maßgabe dieses Prospekts USD 26.164.696 betragen.</p> <p>Darüber hinaus gibt es weitere Beschränkungen, unter anderem eine Beschränkung für Arbeitnehmer, mehr als 10 % ihres Gehalts pro sechsmonatiger Angebotsperiode einzusetzen, und eine 5 % Beteiligungsobergrenze. Die obige Berechnung unterstellt, dass keine dieser Beschränkungen Anwendung findet.</p> <p>Nettoemissionserlöse</p> <p>Auf der Basis der obigen Berechnungen würde der Gesamtbruttoemissionserlös von Microchip im Zusammenhang mit dem Angebot unter dem IESPP USD 26.164.696 betragen.</p> <p>Die Kosten dieses Angebots bestehen aus Rechtsberatungskosten in Höhe von etwa USD 40.000. Nach Abzug dieser Kosten würde der Nettoemissionserlös auf Basis der vorstehenden Annahmen etwa USD 26.124.696 betragen.</p> <p>Folgen der Übernahme von Atmel</p> <p>Im April 2016 haben wir die Übernahme der Atmel Corporation abgeschlossen; siehe oben unter B.3, „Art der derzeitigen Geschäftstätigkeit und Haupttätigkeiten des Emittenten sowie die Hauptmärkte, auf denen der Emittent tätig ist“.</p> <p>Zum Datum dieses Prospekts haben Atmel Corporation und ihre Tochtergesellschaften insgesamt 1.373 Mitarbeiter. Es wird erwartet, dass diese Mitarbeiter zu verschiedenen Zeitpunkten im Laufe des Jahres 2016 die Berechtigung zur Teilnahme am IESPP erhalten werden. Wir erwarten jedoch nicht, dass wir während der Gültigkeitsdauer des Prospekts die Gesamtzahl der zum 23. Juni 2016 unter dem IESPP verfügbaren Aktien über die Anzahl von 582.551 hinaus erhöhen werden. Dementsprechend wird die Erhöhung der teilnahmeberechtigten Mitarbeiter keinen Einfluss auf die oben berechneten Brutto-Gesamtemissionserlöse oder Netto-Gesamtemissionserlöse haben.</p> |
| <b>E.2a</b>                      | <b>Gründe für das Angebot und Verwendung des Emissionserlöses</b>    | <p>Es ist beabsichtigt, durch den IESPP teilnahmeberechtigten Arbeitnehmern, die bei ausgewählten ausländischen Tochtergesellschaften von Microchip angestellt sind, die Möglichkeit zu gewähren, Stammaktien von Microchip zu erwerben und sich dadurch an der Zukunft der Gesellschaft zu beteiligen.</p> <p>Der Erlös aus dem Verkauf der Aktien ist nicht für einen bestimmten Zweck bestimmt und wird auf das allgemeine Geschäftskonto der Gesellschaft fließen. Auf diesem Konto werden sie mit anderen Geldern der Gesellschaft zusammengeführt und für allgemeine Zwecke der Gesellschaft verwendet.</p>   |
| <b>E.3</b>                       | <b>Beschreibung der Angebotsbedingungen</b>                          | <p>Microchip hat sich entschlossen, teilnahmeberechtigten Arbeitnehmern aus bestimmten ausländischen Tochtergesellschaften das Recht anzubieten, unter dem IESPP Stammaktien von Microchip zu erwerben (das „Erwerbsrecht“).</p> <p>Verwaltung des IESPP</p> <p>Jede ausländische Tochtergesellschaft ist für die Verwaltung des IESPP in Bezug auf die jeweils teilnahmeberechtigten Arbeitnehmer verantwortlich. Dementsprechend soll der IESPP in Bezug auf jede ausländische Tochtergesellschaft jeweils von einer Planverwaltung verwaltet werden, die entweder aus zwei Mitgliedern des Verwaltungsrats von Microchip oder des Arbeitnehmersausschusses des Verwaltungsrats (entsprechend der Definition im IESPP) von Microchip oder einem Beauftragten besteht, der von einem der beiden vorgenannten Gremien ernannt wird (der „Planverwalter“).</p> <p>Microchip hat E*TRADE Financial Corporate Services, Inc. (E*TRADE) als Dienstleister für den IESPP beauftragt. E*TRADE unterstützt Microchip bei der Verwaltung des IESPP. Die teil-</p>   |

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|  | <p>nehmenden Arbeitnehmer werden informiert, sollte Microchip einen anderen Dienstleister mit der Verwaltung der Depots der Teilnehmer beauftragen. Stammaktien, die nach dem IESPP an einen Teilnehmer zu liefern sind, werden auf den Namen etwaiger dazwischengeschalteter Personen („Street Names“) in dem E*TRADE Depot des jeweiligen Teilnehmers registriert.</p> <p><b>Angebotene Aktien</b></p> <p>Bei den angebotenen Aktien handelt es sich um Microchip-Stammaktien mit einem Nennbetrag von USD 0,001. Die Gesamtzahl der für den Kauf unter dem IESPP reservierten Aktien ist 1.703.783. Zum 23. Juni 2016 standen 582.551 Aktien für den Kauf im Rahmen des IESPP zur Verfügung.</p> <p><b>Angebotszeiträume</b></p> <p>Aktien werden jeweils am Ende eines Angebotszeitraums erworben, indem die Beiträge der Arbeitnehmer auf Basis der während des jeweiligen Angebotszeitraums gesammelter Lohneinbehalte zum Kauf von Aktien verwendet werden. Neue Angebotszeiträume beginnen im Allgemeinen am 1. Juni sowie am 1. Dezember eines jeden Jahres. Der Angebotszeitraum, der am 1. Juni 2015 begann, ist von dem vom 24. Juni 2015 datierenden und am 26. Juni 2015 gebilligten Prospekt abgedeckt. Der Prospekt vom 24. Juni 2015 ist bis zum 27. Juni 2016 gültig. Nach Ablauf seiner Gültigkeit werden der laufende Angebotszeitraum sowie die Angebotszeiträume, die am 1. Dezember 2016 und am 1. Juni 2017 beginnen, von diesem Prospekt abgedeckt. Die Angebotszeiträume laufen jeweils über sechs Monate. Das Recht der Teilnehmer, Aktien unter dem IESPP zu erwerben, wird automatisch am letzten Handelstag eines Angebotszeitraums (d.h. am 1. Dezember 2016 und am 1. Juni 2017 oder dem jeweils auf den betreffenden Tag folgenden Handelstag) auf Basis des Lohneinhalts des jeweiligen Teilnehmers ausgeübt.</p> <p><b>Lohneinbehalte</b></p> <p>Die Teilnehmer leisten einen Prozentsatz ihres Gehalts, der durch Lohneinbehalt für den Kauf von Aktien verwendet wird, als Beitrag. Wenn ein Teilnehmer seine Ermächtigung zum Lohneinbehalt einreicht, bestimmt er den Prozentsatz seines oder ihres Gehalts, der als Beitrag zum IESPP dienen soll und der zwischen 1% und 10% des Gehalts des teilnahmeberechtigten Arbeitnehmers liegen muss. Die von einem Teilnehmer autorisierten Lohneinbehalte werden dazu verwendet, ganze Aktien unter dem IESPP zu erwerben. Die Teilnehmer können ihre Teilnahme am IESPP jederzeit beenden, vorausgesetzt, dass eine entsprechende Benachrichtigung vor dem Ablauf der Rücktrittsfrist eingeht. Die Teilnehmer können ihren Lohneinbehalt einmal während eines laufenden Angebotszeitraums durch Einreichung eines entsprechend ausgefüllten Formulars beim Planverwalter (oder seiner Vertretung) reduzieren. Die Änderung des Lohneinhalts wird so schnell wie praktisch möglich wirksam. Darüber hinaus können Teilnehmer ihren Lohneinbehalt vor dem Beginn eines nachfolgenden Angebotszeitraums durch Einreichung des entsprechenden Formulars beim Planverwalter (oder seiner Vertretung) erhöhen oder reduzieren. Der neue Lohneinbehalt wird mit Beginn des neuen Angebotszeitraums wirksam.</p> <p><b>Teilnahmeberechtigung</b></p> <p>Nur Arbeitnehmer von festgelegten ausländischen Microchip Tochtergesellschaften, die dort am ersten Tag des jeweiligen Angebotszeitraums beschäftigt sind, können am IESPP teilnehmen. Arbeitnehmer beteiligen sich durch Ausfüllen der vorgeschriebenen Registrierungsdokumente (einschließlich eines Kaufvertrags und einer Ermächtigung zum Lohneinbehalt) bei dem Planverwalter an dem IESPP.</p> <p><b>Beendigung der Teilnahme</b></p> <p>Die Teilnahme ist freiwillig und kann von jedem Arbeitnehmer jederzeit bis fünf (5) Geschäftstage vor dem letzten Tag des Angebotszeitraums (oder eines anderen von der Verwaltungsstelle festgelegten Datums) durch Übermittlung eines vorgegebenen Formblatts an die Verwaltungsstelle beendet werden. Soweit keine gegenteilige Wahl getroffen wurde, werden alle Gelder, die dem IESPP-Konto des Teilnehmers gutgeschrieben worden sind, so bald wie nach Erhalt des vorgegebenen Formblatts verwaltungstechnisch möglich zurückgezahlt, und es werden keine Aktien gekauft.</p> <p><b>Kaufpreis</b></p> <p>Der Kaufpreis je Aktie beträgt fünfundachtzig Prozent (85 %) des Marktwerts der Stammaktien entweder am ersten oder am letzten Handelstag des jeweiligen Angebotszeitraums (d.h. dem Kaufdatum), je nachdem, welcher Preis niedriger ist. Der Marktwert der Aktien entspricht im Allgemeinen dem Schlusskurs der Aktien an der NASDAQ am entsprechenden Datum oder, wenn an diesem Datum keine Handelsaktivitäten in der Aktie stattgefunden haben, am nächsten davorliegenden Tag, an dem in der Aktie gehandelt wurde. Der Arbeitnehmer erhält einen Kontoauszug von der Gesellschaft, der den Kaufpreis und die Anzahl der Stammaktien enthält und kann</p> |
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|     |   | <p>sich in das E*TRADE System einloggen und dort dieselben Informationen abrufen.</p> <p>Änderungen und Beendigung des IESPP</p> <p>Der Verwaltungsrat kann den IESPP in Bezug auf eine oder mehrere ausländische Tochtergesellschaften am Ende eines Angebotszeitraums berichtigen, abändern, vorübergehend außer Kraft setzen oder beenden. Der Verwaltungsrat kann den IESPP auch vollständig unmittelbar nach dem Ende eines Angebotszeitraums außer Kraft setzen. In diesem Fall können keine weiteren Erwerbsrechte eingeräumt oder ausgeübt werden und es werden danach keine weiteren Lohneinhalte unter dem IESPP vorgenommen.</p> <p>Provision</p> <p>Beim Verkauf von Aktien wird den Teilnehmern eine Gebühr in Höhe von USD 17,95 - USD 24,95 pro Verkaufsoordertransaktion berechnet. Zudem erhebt die SEC derzeit eine Transaktionsgebühr in Höhe von USD 21,80 je USD 1.000.000,00 Bruttoemissionserlös. Die Gebühren können von den benannten Parteien geändert werden.</p>   |
| E.4 | <b>Beschreibung aller für das Angebot wesentlichen Interessen, einschließlich von Interessenskonflikten</b> | Entfällt, da bezüglich derartiger Interessen keine Informationen in diesem Prospekt enthalten sein müssen.   |
| E.5 | <b>Name des Unternehmens, das die Wertpapiere zum Verkauf anbietet</b>                                      | Microchip Technology Incorporated.   |
| E.6 | <b>Maximale Verwässerung</b>  | <p>Der Buchwert des Eigenkapitals der Gesellschaft (definiert als die Bilanzsumme abzüglich der gesamten Verbindlichkeiten), wie im Konzernabschluss nach US-GAAP wiedergegeben, betrug zum 31. März 2016 etwa USD 2.150.919.000. Dies entspricht etwa USD 10,01 pro Aktie (errechnet auf Basis von 214.885.521 im Umlauf befindlichen Aktien per 31. Mai 2016).</p> <p>Wenn die Gesellschaft Nettoemissionserlöse in Höhe von USD 26.124.696 erhalten hätte, hätte der Buchwert des Eigenkapitals etwa USD 2.177.043.696, bzw. USD 10,10 pro Aktie, betragen (auf Grundlage der erhöhten Anzahl von Aktien nach Erwerb von 582.551 Aktien und unter der Annahme eines Kaufpreises von USD 44,914, also fünfundachtzig Prozent des Marktpreises der Aktien (USD 52,84) zum 23. Juni 2016. Unter den oben beschriebenen Annahmen würde die Durchführung des Angebots daher zu einer unmittelbaren Erhöhung des Eigenkapitals um USD 26.124.696, bzw. etwa USD 0,09 (etwa 0,94 %) pro Aktie, für die Altaktionäre und einer durchschnittlichen Verwässerung um etwa USD 34,81 pro Aktie für den teilnahmeberechtigten Arbeitnehmer, der Aktien erworben hat, führen. Somit würde die Beteiligung von Anlegern, die Aktien zu einem Kaufpreis von USD 44,914 erworben haben, um etwa 77,5 % verwässert.</p> <p>Folgen der Übernahme von Atmel</p> <p>Im April 2016 haben wir die Übernahme der Atmel Corporation abgeschlossen; siehe oben unter B.3, „Art der derzeitigen Geschäftstätigkeit und Haupttätigkeiten des Emittenten sowie die Hauptmärkte, auf denen der Emittent tätig ist“.</p> <p>Zum Datum dieses Prospekts haben Atmel Corporation und ihre Tochtergesellschaften insgesamt 1.373 Mitarbeiter. Es wird erwartet, dass diese Mitarbeiter zu verschiedenen Zeitpunkten im Laufe des Jahres 2016 die Berechtigung zur Teilnahme am IESPP erhalten werden. Wir erwarten jedoch nicht, dass wir während der Gültigkeitsdauer des Prospekts die Gesamtzahl der zum 23. Juni 2016 unter dem IESPP verfügbaren Aktien über die Anzahl von 582.551 hinaus erhöhen werden. Dementsprechend wird die Erhöhung der teilnahmeberechtigten Mitarbeiter keinen Einfluss auf die oben berechneten Netto-Gesamtemissionserlöse oder die oben berechnete Verwässerung haben.</p> |
| E.7 | <b>Schätzung der dem Anleger vom Emittenten in Rech-</b>  | Entfällt. Es gibt keine solchen Ausgaben.  |

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|  | <b>nung gestellten<br/>Ausgaben</b> |  |
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## PROSPECTUS SUMMARY

### Note to the reader

Summaries are made up of disclosure requirements known as "Elements." These elements are numbered in Sections A – E (A.1 – E.7).

This summary contains all the Elements required to be included in a summary for this type of securities and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of "not applicable."

| <b>Section A — Introduction and Warnings</b> |   |
|--|---|
| <b>A.1</b>                                   | This summary should be read as an introduction to the prospectus. Any decision to invest in the securities should be based on consideration of the prospectus as a whole by the investor. Where a claim relating to the information contained in the prospectus is brought before a court, the plaintiff investor might, under the national legislation of the member states of the European Economic Area ("EEA"), have to bear the costs of translating the prospectus before the legal proceedings are initiated. Civil liability attaches to those persons who have assumed responsibility for the contents of the summary or presented the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the prospectus or it does not provide, when read together with the other parts of the prospectus, the required key information. |
| <b>A.2</b>                                   | <b>Use of the prospectus for subsequent resale or final placement of securities by financial intermediaries</b><br>Not applicable. The issuer has not consented to the use of the prospectus for subsequent resale or final placement of securities.  |

| Section B — Issuer |  |   |              |                                      |              |       |  |  |  |      |   |      |   |      |   |          |            |      |            |      |            |      |        |         |      |         |      |         |      |      |           |      |           |      |           |      |             |              |       |              |       |              |       |
|--------------------|--|---|--------------|--------------------------------------|--------------|-------|--|--|--|------|---|------|---|------|---|----------|------------|------|------------|------|------------|------|--------|---------|------|---------|------|---------|------|------|-----------|------|-----------|------|-----------|------|-------------|--------------|-------|--------------|-------|--------------|-------|
| B.1                | <b>Legal and Commercial Name of the Issuer</b>   | The legal and commercial name of the issuer is Microchip Technology Incorporated. References in this summary to "Microchip" or the "Company", as well as to "we," "us," and "our," each refer to Microchip Technology Incorporated and its subsidiaries, unless the context indicates otherwise.  |              |                                      |              |       |  |  |  |      |   |      |   |      |   |          |            |      |            |      |            |      |        |         |      |         |      |         |      |      |           |      |           |      |           |      |             |              |       |              |       |              |       |
| B.2                | <b>Domicile and Legal Form of Microchip, the Legislation under which the Issuer operates and its Country of Incorporation</b>  | Microchip is a corporation. Microchip's principal offices are located at 2355 West Chandler Boulevard, Chandler, Arizona 85224-6199, U.S.A. The Company is incorporated and existing under the laws of the State of Delaware, U.S.A.  |              |                                      |              |       |  |  |  |      |   |      |   |      |   |          |            |      |            |      |            |      |        |         |      |         |      |         |      |      |           |      |           |      |           |      |             |              |       |              |       |              |       |
| B.3                | <b>Description of the Nature of Microchip's current Operations and its principal Activities and identification of the principal markets in which the issuer competes</b> | <p>The Company develops, manufactures and sells specialized semiconductor products used by its customers for a wide variety of embedded control applications. The Company's product portfolio comprises general purpose and specialized 8-bit, 16-bit, and 32-bit microcontrollers, a broad spectrum of high-performance linear, mixed-signal, power management, thermal management, RF (radio frequency), safety, security, wired connectivity and wireless connectivity devices, as well as serial EEPROMs ("electrically erasable programmable read-only memory"), Serial Flash memories, Parallel Flash memories and serial SRAM ("static random-access memory") memories. The Company also licenses Flash-IP solutions that are incorporated in a broad range of products. Its synergistic product portfolio targets thousands of applications worldwide and a growing demand for high-performance designs in the automotive, communications, computing, consumer and industrial control markets. Microchip's quality systems are ISO/TS16949 (2009 version) certified.</p> <p>The Company's strategic focus is on embedded control solutions, including:</p> <ul style="list-style-type: none"> <li>• general purpose and specialized microcontrollers</li> <li>• development tools and related software</li> <li>• analog, interface and mixed signal products</li> <li>• wired and wireless connectivity products</li> <li>• memory products</li> <li>• technology licensing</li> </ul> <p>The Company's manufacturing facilities are located in:</p> <ul style="list-style-type: none"> <li>• Tempe, Arizona (Fab 2)</li> <li>• Gresham, Oregon (Fab 4)</li> <li>• Chandler, Arizona (wafer probe)</li> <li>• Bangkok, Thailand (wafer probe, assembly and test)</li> </ul> <p>The Company markets and sells its products worldwide primarily through a network of direct sales personnel and distributors. Its licensing division has dedicated sales, technology, design, product, test and reliability personnel that support the requirements of the Company's licensees.</p> <p>Sales by geography for fiscal 2016, fiscal 2015 and fiscal 2014 were as follows (dollars in thousands):</p> <table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="6">Year Ended March 31<sup>(1)</sup>,</th> </tr> <tr> <th>2016</th> <th>%</th> <th>2015</th> <th>%</th> <th>2014</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Americas</td> <td>\$ 417,579</td> <td>19.2</td> <td>\$ 421,947</td> <td>19.7</td> <td>\$ 365,609</td> <td>18.9</td> </tr> <tr> <td>Europe</td> <td>474,629</td> <td>21.8</td> <td>452,165</td> <td>21.0</td> <td>411,531</td> <td>21.3</td> </tr> <tr> <td>Asia</td> <td>1,281,126</td> <td>59.0</td> <td>1,272,924</td> <td>59.3</td> <td>1,154,077</td> <td>59.8</td> </tr> <tr> <td>Total Sales</td> <td>\$ 2,173,334</td> <td>100.0</td> <td>\$ 2,147,036</td> <td>100.0</td> <td>\$ 1,931,217</td> <td>100.0</td> </tr> </tbody> </table> <p>(1) The financial data are derived from the Company's audited consolidated financial statements for the fiscal years ended March 31, 2016, March 31, 2015 and March 31, 2014 as published in the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2016.</p> <p>The semiconductor industry is intensely competitive and has been characterized by price erosion and rapid technological change. The Company competes with major domestic and international</p> |              | Year Ended March 31 <sup>(1)</sup> , |              |       |  |  |  | 2016 | % | 2015 | % | 2014 | % | Americas | \$ 417,579 | 19.2 | \$ 421,947 | 19.7 | \$ 365,609 | 18.9 | Europe | 474,629 | 21.8 | 452,165 | 21.0 | 411,531 | 21.3 | Asia | 1,281,126 | 59.0 | 1,272,924 | 59.3 | 1,154,077 | 59.8 | Total Sales | \$ 2,173,334 | 100.0 | \$ 2,147,036 | 100.0 | \$ 1,931,217 | 100.0 |
|                    | Year Ended March 31 <sup>(1)</sup> ,   |   |              |                                      |              |       |  |  |  |      |   |      |   |      |   |          |            |      |            |      |            |      |        |         |      |         |      |         |      |      |           |      |           |      |           |      |             |              |       |              |       |              |       |
|                    | 2016   | %   | 2015         | %                                    | 2014         | %     |  |  |  |      |   |      |   |      |   |          |            |      |            |      |            |      |        |         |      |         |      |         |      |      |           |      |           |      |           |      |             |              |       |              |       |              |       |
| Americas           | \$ 417,579   | 19.2  | \$ 421,947   | 19.7                                 | \$ 365,609   | 18.9  |  |  |  |      |   |      |   |      |   |          |            |      |            |      |            |      |        |         |      |         |      |         |      |      |           |      |           |      |           |      |             |              |       |              |       |              |       |
| Europe             | 474,629  | 21.8  | 452,165      | 21.0                                 | 411,531      | 21.3  |  |  |  |      |   |      |   |      |   |          |            |      |            |      |            |      |        |         |      |         |      |         |      |      |           |      |           |      |           |      |             |              |       |              |       |              |       |
| Asia               | 1,281,126  | 59.0  | 1,272,924    | 59.3                                 | 1,154,077    | 59.8  |  |  |  |      |   |      |   |      |   |          |            |      |            |      |            |      |        |         |      |         |      |         |      |      |           |      |           |      |           |      |             |              |       |              |       |              |       |
| Total Sales        | \$ 2,173,334   | 100.0   | \$ 2,147,036 | 100.0                                | \$ 1,931,217 | 100.0 |  |  |  |      |   |      |   |      |   |          |            |      |            |      |            |      |        |         |      |         |      |         |      |      |           |      |           |      |           |      |             |              |       |              |       |              |       |

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|                    |   | <p>semiconductor companies, many of which have greater market recognition and greater financial, technical, marketing, distribution and other resources than the Company has with which to pursue engineering, manufacturing, marketing and distribution of their products. The Company also competes with a number of companies that it believes have copied, cloned, pirated or reverse engineered its proprietary product lines in such countries as China and Taiwan. The Company is continuing to take actions to vigorously and aggressively defend and protect its intellectual property on a worldwide basis.</p> <p>On August 3, 2015, we acquired Micrel, Incorporated, a publicly traded company based in San Jose, California that designs, develops, manufactures and markets a range of high-performance analog, power and mixed-signal integrated circuits. As a result of the acquisition, Micrel became a wholly owned subsidiary of the Company.</p> <p>The Company paid an aggregate of approximately \$430.0 million in cash and issued an aggregate of 8,626,795 shares of its common stock to Micrel shareholders. The total consideration transferred in the acquisition, including approximately \$4.1 million of non cash consideration for the exchange of certain share-based payment awards of Micrel for stock awards of the Company, and approximately \$13.1 million of cash consideration for the payout of vested employee stock awards, was approximately \$816.2 million.</p> <p>On April 4, 2016, we completed our acquisition of Atmel Corporation ("Atmel"). Atmel is a worldwide leader in the design and manufacture of microcontrollers, capacitive touch solutions, advanced logic, mixed-signal, nonvolatile memory and RF components. Atmel is headquartered in San Jose, California and has offices, manufacturing and research facilities in North America, Europe and Asia.</p> <p>Under the terms of the merger agreement, Atmel stockholders received \$8.15 per share in a combination of \$7.00 per share in cash and \$1.15 per share in shares of Microchip common stock. The acquisition price represents a total equity value of approximately \$3.47 billion, and a total enterprise value of approximately \$3.43 billion, after excluding Atmel's cash and in-vestments net of debt of approximately \$39.3 million.</p>   |
| <p><b>B.4a</b></p> | <p><b>Most significant Trends affecting the Issuer and its Industry</b></p> | <p>The semiconductor industry is characterized by seasonality and wide fluctuations of supply and demand. Since a significant portion of Microchip's revenue is from consumer markets and international sales, its business is subject to seasonally lower revenues in the third and fourth quarters of its fiscal year. However, in recent periods, changes in global economic and semiconductor industry conditions have had a more significant impact on the Company's results than seasonality, and has made it difficult to assess the impact of seasonal factors on its business.</p> <p>Additionally, on May 4, 2016, Microchip provided revenue guidance for the three month period ending June 30, 2016. Exclusive of Atmel, we expect June quarter net sales to be up between 1% and 5%.</p> <p>Due to our recent acquisition of Atmel and the related purchase accounting and revenue differences related to revenue recognition in our distribution channel, we are not able to provide GAAP revenue guidance for Microchip as a consolidated whole, including Atmel, as at the date of this Prospectus. On a non-GAAP basis, we expect Atmel to add approximately \$225 million to \$245 million in net sales from continuing operations in the June quarter. Therefore, we expect our consolidated non-GAAP revenue to be between \$799.1 million and \$841.9 million in the June quarter.</p> <p>Our non-GAAP net sales outlook for the June 2016 quarter reflects accounting for revenue for both Atmel and Micrel distributors on a sell-through basis. Net sales from Atmel's sell-through distributors that the distributors owned as of the acquisition date is not recognized for GAAP purposes. We believe that our disclosure of non-GAAP net sales provides investors with useful information regarding the actual end market demand for our products. We are using non-GAAP net sales to permit additional analysis of our performance.</p> <p>Management believes these non-GAAP measures are useful to investors because they enhance the understanding of our historical financial performance and comparability between periods. 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.</p> <p>Microcontrollers</p> <p>Historically, average selling prices in the semiconductor industry decrease over the life of any particular product. The overall average selling prices of the Company's microcontroller products have remained relatively constant over time due to the proprietary nature of these prod-</p> |

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|  | <p>ucts. Microchip has experienced, and expects to continue to experience, moderate pricing pressure in certain microcontroller product lines, primarily due to competitive conditions. It has in the past been able to, and expects in the future to be able to, moderate average selling price declines in its microcontroller product lines by introducing new products with more features and higher prices.</p> <p><b>Analog, Interface and Mixed Signal Products</b></p> <p>Analog, interface and mixed signal products can be proprietary or non-proprietary in nature. Currently, Microchip considers more than 80% of its analog, interface and mixed signal product mix to be proprietary in nature, where prices are relatively stable, similar to the pricing stability experienced in its microcontroller products. The non-proprietary portion of its analog, interface and mixed signal business will experience price fluctuations, driven primarily by the current supply and demand for those products. Microchip anticipates the proprietary portion of its analog, interface and mixed signal products will increase over time.</p> <p><b>Memory Products</b></p> <p>Memory product pricing has historically been cyclical in nature, with steep price declines followed by periods of relative price stability, driven by changes in industry capacity at different stages of the business cycle. Microchip has experienced, and expects to continue to experience, varying degrees of competitive pricing pressures in its memory products.</p> <p><b>Inventory Levels</b></p> <p>The Company expects its inventory levels, excluding inventory acquired through our Atmel acquisition, to increase from one to nine days in the June 2016 quarter compared to the March 2016 quarter. Our actual inventory level will depend on the inventory that our distributors decide to hold to support their customers, overall demand for our products and our production levels. The Company believes its existing level of inventory will allow it to maintain competitive lead times and provide strong delivery performance to its customers. Microchip needs to complete its purchase accounting analysis for Atmel before it can provide inventory guidance that includes Atmel.</p> <p><b>Research and Development</b></p> <p>The Company is committed to investing in new and enhanced products, including development systems software, and in its design and manufacturing process technologies. The Company believes these investments are significant factors in maintaining its competitive position.</p> <p><b>Patents</b></p> <p>Microchip maintains a portfolio of U.S. and foreign patents, expiring on various dates between 2016 and 2035. It also has numerous additional U.S. and foreign patent applications pending. It does not expect that the expiration of any particular patent will have a material impact on its business. While the Company's intention is to continue to patent its technology and manufacturing processes, it believes that its continued success depends primarily on the technological skills and innovative capabilities of its personnel and its ability to rapidly commercialize new and enhanced products.</p> <p><b>Environmental and other regulations</b></p> <p>There is a continuing expansion in environmental laws with a focus on reducing or eliminating hazardous substances and substances of high concern in electronic products and shipping materials. These and other future environmental regulations could require the Company to reengineer certain of its existing products and may make it more expensive for the Company to manufacture, sell and ship its products. In addition, the number and complexity of laws focused on the energy efficiency of electronic products and accessories, the recycling of electronic products, and the reduction in quantity and the recycling of packing materials have expanded significantly. The Company may have to write off inventory in the event that it holds unsaleable inventory as a result of changes to regulations or customer requirements. The Company expects these risks and trends to continue. In addition, the Company anticipates increased customer requirements to meet voluntary criteria related to the reduction or elimination of substances of high concern in its products and energy efficiency measures.</p> <p><b>Gross Margins</b></p> <p>Microchip anticipates that its gross margins will fluctuate over time, driven primarily by capacity utilization levels, the overall product mix of microcontroller, analog, interface and mixed signal products, memory products and technology licensing revenue and the percentage of net sales of each of these products in a particular quarter, as well as manufacturing yields, fixed cost absorption, and competitive and economic conditions in the markets it serves.</p> |
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|  |   | <p>Financing</p> <p>In order to remain competitive, the Company must constantly evaluate the need to make significant investments in capital equipment for both production and research and development. Microchip may increase its borrowings under its credit agreement or seek additional equity or debt financing from time to time to maintain or expand its wafer fabrication and product assembly and test facilities, for cash dividends, for share repurchases or for acquisitions or other purposes. The timing and amount of any such financing requirements will depend on a number of factors, including its level of dividend payments, changes in tax laws and regulations regarding the repatriation of offshore cash, demand for its products, changes in industry conditions, product mix, competitive factors and its ability to identify suitable acquisition candidates. There can be no assurance that such financing will be available on acceptable terms, and any additional equity financing would result in incremental ownership dilution to the Company's existing stockholders.</p>  |                   |                             |  |  |                            |                            |             |           |              |              |              |               |         |         |         |                          |         |         |         |                                     |         |         |         |  |         |         |        |                                     |       |       |       |                  |         |         |         |                                     |       |       |       |                 |        |        |        |                  |           |          |          |   |   |          |   |                             |       |        |       |   |         |         |         |                                |          |          |        |                                       |         |         |         |   |     |       |   |  |                   |                   |                   |  |                |                |                |  |                |                |                |                                     |                 |                 |                 |                                 |         |         |         |                                   |         |         |         |
|--|---|--|-------------------|-----------------------------|--|--|----------------------------|----------------------------|-------------|-----------|--------------|--------------|--------------|---------------|---------|---------|---------|--------------------------|---------|---------|---------|-------------------------------------|---------|---------|---------|--|---------|---------|--------|-------------------------------------|-------|-------|-------|------------------|---------|---------|---------|-------------------------------------|-------|-------|-------|-----------------|--------|--------|--------|------------------|-----------|----------|----------|---|---|----------|---|-----------------------------|-------|--------|-------|---|---------|---------|---------|--------------------------------|----------|----------|--------|---------------------------------------|---------|---------|---------|---|-----|-------|---|--|-------------------|-------------------|-------------------|--|----------------|----------------|----------------|--|----------------|----------------|----------------|-------------------------------------|-----------------|-----------------|-----------------|---------------------------------|---------|---------|---------|-----------------------------------|---------|---------|---------|
| B.5  | <b>Description of the Group and Issuer's Position within the Group</b>                    | Not applicable, because information regarding the organizational structure of Microchip is not required to be provided elsewhere in the prospectus.  |                   |                             |  |  |                            |                            |             |           |              |              |              |               |         |         |         |                          |         |         |         |                                     |         |         |         |  |         |         |        |                                     |       |       |       |                  |         |         |         |                                     |       |       |       |                 |        |        |        |                  |           |          |          |   |   |          |   |                             |       |        |       |   |         |         |         |                                |          |          |        |                                       |         |         |         |   |     |       |   |  |                   |                   |                   |  |                |                |                |  |                |                |                |                                     |                 |                 |                 |                                 |         |         |         |                                   |         |         |         |
| B.6  | <b>Interests in Microchip's Capital</b>   | Not applicable, because information regarding Microchip's capital structure is not required to be provided elsewhere in the prospectus.  |                   |                             |  |  |                            |                            |             |           |              |              |              |               |         |         |         |                          |         |         |         |                                     |         |         |         |  |         |         |        |                                     |       |       |       |                  |         |         |         |                                     |       |       |       |                 |        |        |        |                  |           |          |          |   |   |          |   |                             |       |        |       |   |         |         |         |                                |          |          |        |                                       |         |         |         |   |     |       |   |  |                   |                   |                   |  |                |                |                |  |                |                |                |                                     |                 |                 |                 |                                 |         |         |         |                                   |         |         |         |
| B.7  | <b>Selected Financial Information regarding Microchip and subsequent material changes</b> | <p>The following selected financial data are derived from the Company's audited consolidated financial statements for the fiscal years ended March 31, 2016, March 31, 2015 and March 31, 2014 as published in the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2016 which can be accessed as described in the section "Documents Available for Inspection" of this prospectus. The Company's consolidated financial statements were prepared in accordance with U.S. GAAP (Generally Accepted Accounting Principles – "U.S. GAAP") (all amounts are \$ in thousands, except per share data).</p> <p>As at June 23, 2016, the exchange rate between the U.S. dollar and the euro, expressed as euros per dollar, was \$1.000 = €0.8750. We have provided this exchange rate information solely for illustrative purposes. We make no representation that any amount of U.S. dollars specified in the tables below has been, or could be, converted into euro at the rate indicated or any other rate.</p> <p><b>Statement of Income Data:</b></p> <table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="3" style="text-align: center;"><b>Year ended March 31,</b></th> </tr> <tr> <th style="text-align: center;"><b>2016 <sup>(1)</sup></b></th> <th style="text-align: center;"><b>2015 <sup>(1)</sup></b></th> <th style="text-align: center;"><b>2014</b></th> </tr> </thead> <tbody> <tr> <td>Net sales</td> <td style="text-align: right;">\$ 2,173,334</td> <td style="text-align: right;">\$ 2,147,036</td> <td style="text-align: right;">\$ 1,931,217</td> </tr> <tr> <td>Cost of sales</td> <td style="text-align: right;">967,870</td> <td style="text-align: right;">917,472</td> <td style="text-align: right;">802,474</td> </tr> <tr> <td>Research and development</td> <td style="text-align: right;">372,596</td> <td style="text-align: right;">349,543</td> <td style="text-align: right;">305,043</td> </tr> <tr> <td>Selling, general and administrative</td> <td style="text-align: right;">301,670</td> <td style="text-align: right;">274,815</td> <td style="text-align: right;">267,278</td> </tr> <tr> <td>Amortization of acquired intangible assets</td> <td style="text-align: right;">174,896</td> <td style="text-align: right;">176,746</td> <td style="text-align: right;">94,534</td> </tr> <tr> <td>Special charges, net <sup>(2)</sup></td> <td style="text-align: right;">3,957</td> <td style="text-align: right;">2,840</td> <td style="text-align: right;">3,024</td> </tr> <tr> <td>Operating income</td> <td style="text-align: right;">352,345</td> <td style="text-align: right;">425,620</td> <td style="text-align: right;">458,864</td> </tr> <tr> <td>Losses on equity method investments</td> <td style="text-align: right;">(345)</td> <td style="text-align: right;">(317)</td> <td style="text-align: right;">(177)</td> </tr> <tr> <td>Interest income</td> <td style="text-align: right;">24,447</td> <td style="text-align: right;">19,527</td> <td style="text-align: right;">16,485</td> </tr> <tr> <td>Interest expense</td> <td style="text-align: right;">(104,018)</td> <td style="text-align: right;">(62,034)</td> <td style="text-align: right;">(48,716)</td> </tr> <tr> <td>Loss on retirement of convertible debentures <sup>(3)</sup></td> <td style="text-align: right;">—</td> <td style="text-align: right;">(50,631)</td> <td style="text-align: right;">—</td> </tr> <tr> <td>Other income (expense), net</td> <td style="text-align: right;">8,864</td> <td style="text-align: right;">13,742</td> <td style="text-align: right;">5,898</td> </tr> <tr> <td>Income from continuing operations before income taxes</td> <td style="text-align: right;">281,293</td> <td style="text-align: right;">345,907</td> <td style="text-align: right;">432,354</td> </tr> <tr> <td>Income tax (benefit) provision</td> <td style="text-align: right;">(42,632)</td> <td style="text-align: right;">(19,418)</td> <td style="text-align: right;">37,073</td> </tr> <tr> <td>Net income from continuing operations</td> <td style="text-align: right;">323,925</td> <td style="text-align: right;">365,325</td> <td style="text-align: right;">395,281</td> </tr> <tr> <td>Less: Net loss attributable to noncontrolling interests</td> <td style="text-align: right;">207</td> <td style="text-align: right;">3,684</td> <td style="text-align: right;">—</td> </tr> <tr> <td>Net income from continuing operations attributable to Microchip Technology</td> <td style="text-align: right;"><u>\$ 324,132</u></td> <td style="text-align: right;"><u>\$ 369,009</u></td> <td style="text-align: right;"><u>\$ 395,281</u></td> </tr> <tr> <td>Basic net income per common share from continuing operations attributable to Microchip Technology stockholders</td> <td style="text-align: right;"><u>\$ 1.59</u></td> <td style="text-align: right;"><u>\$ 1.84</u></td> <td style="text-align: right;"><u>\$ 1.99</u></td> </tr> <tr> <td>Diluted net income per common share from continuing operations attributable to Microchip Technology stockholders</td> <td style="text-align: right;"><u>\$ 1.49</u></td> <td style="text-align: right;"><u>\$ 1.65</u></td> <td style="text-align: right;"><u>\$ 1.82</u></td> </tr> <tr> <td>Dividends declared per common share</td> <td style="text-align: right;"><u>\$ 1.433</u></td> <td style="text-align: right;"><u>\$ 1.425</u></td> <td style="text-align: right;"><u>\$ 1.417</u></td> </tr> <tr> <td>Basic common shares outstanding</td> <td style="text-align: right;">203,384</td> <td style="text-align: right;">200,937</td> <td style="text-align: right;">198,291</td> </tr> <tr> <td>Diluted common shares outstanding</td> <td style="text-align: right;">217,388</td> <td style="text-align: right;">223,561</td> <td style="text-align: right;">217,630</td> </tr> </tbody> </table> <p>(1) Refer to B.3 above, "Description of the Nature of Microchip's Current Operations and its Principal Activities and Identification of the Principal Markets in which the Issuer Competes", for a discussion of our material business combinations</p> |                   | <b>Year ended March 31,</b> |  |  | <b>2016 <sup>(1)</sup></b> | <b>2015 <sup>(1)</sup></b> | <b>2014</b> | Net sales | \$ 2,173,334 | \$ 2,147,036 | \$ 1,931,217 | Cost of sales | 967,870 | 917,472 | 802,474 | Research and development | 372,596 | 349,543 | 305,043 | Selling, general and administrative | 301,670 | 274,815 | 267,278 | Amortization of acquired intangible assets | 174,896 | 176,746 | 94,534 | Special charges, net <sup>(2)</sup> | 3,957 | 2,840 | 3,024 | Operating income | 352,345 | 425,620 | 458,864 | Losses on equity method investments | (345) | (317) | (177) | Interest income | 24,447 | 19,527 | 16,485 | Interest expense | (104,018) | (62,034) | (48,716) | Loss on retirement of convertible debentures <sup>(3)</sup> | — | (50,631) | — | Other income (expense), net | 8,864 | 13,742 | 5,898 | Income from continuing operations before income taxes | 281,293 | 345,907 | 432,354 | Income tax (benefit) provision | (42,632) | (19,418) | 37,073 | Net income from continuing operations | 323,925 | 365,325 | 395,281 | Less: Net loss attributable to noncontrolling interests | 207 | 3,684 | — | Net income from continuing operations attributable to Microchip Technology | <u>\$ 324,132</u> | <u>\$ 369,009</u> | <u>\$ 395,281</u> | Basic net income per common share from continuing operations attributable to Microchip Technology stockholders | <u>\$ 1.59</u> | <u>\$ 1.84</u> | <u>\$ 1.99</u> | Diluted net income per common share from continuing operations attributable to Microchip Technology stockholders | <u>\$ 1.49</u> | <u>\$ 1.65</u> | <u>\$ 1.82</u> | Dividends declared per common share | <u>\$ 1.433</u> | <u>\$ 1.425</u> | <u>\$ 1.417</u> | Basic common shares outstanding | 203,384 | 200,937 | 198,291 | Diluted common shares outstanding | 217,388 | 223,561 | 217,630 |
|  | <b>Year ended March 31,</b>   |  |                   |                             |  |  |                            |                            |             |           |              |              |              |               |         |         |         |                          |         |         |         |                                     |         |         |         |  |         |         |        |                                     |       |       |       |                  |         |         |         |                                     |       |       |       |                 |        |        |        |                  |           |          |          |   |   |          |   |                             |       |        |       |   |         |         |         |                                |          |          |        |                                       |         |         |         |   |     |       |   |  |                   |                   |                   |  |                |                |                |  |                |                |                |                                     |                 |                 |                 |                                 |         |         |         |                                   |         |         |         |
|  | <b>2016 <sup>(1)</sup></b>  | <b>2015 <sup>(1)</sup></b>   | <b>2014</b>       |                             |  |  |                            |                            |             |           |              |              |              |               |         |         |         |                          |         |         |         |                                     |         |         |         |  |         |         |        |                                     |       |       |       |                  |         |         |         |                                     |       |       |       |                 |        |        |        |                  |           |          |          |   |   |          |   |                             |       |        |       |   |         |         |         |                                |          |          |        |                                       |         |         |         |   |     |       |   |  |                   |                   |                   |  |                |                |                |  |                |                |                |                                     |                 |                 |                 |                                 |         |         |         |                                   |         |         |         |
| Net sales  | \$ 2,173,334  | \$ 2,147,036   | \$ 1,931,217      |                             |  |  |                            |                            |             |           |              |              |              |               |         |         |         |                          |         |         |         |                                     |         |         |         |  |         |         |        |                                     |       |       |       |                  |         |         |         |                                     |       |       |       |                 |        |        |        |                  |           |          |          |   |   |          |   |                             |       |        |       |   |         |         |         |                                |          |          |        |                                       |         |         |         |   |     |       |   |  |                   |                   |                   |  |                |                |                |  |                |                |                |                                     |                 |                 |                 |                                 |         |         |         |                                   |         |         |         |
| Cost of sales  | 967,870   | 917,472  | 802,474           |                             |  |  |                            |                            |             |           |              |              |              |               |         |         |         |                          |         |         |         |                                     |         |         |         |  |         |         |        |                                     |       |       |       |                  |         |         |         |                                     |       |       |       |                 |        |        |        |                  |           |          |          |   |   |          |   |                             |       |        |       |   |         |         |         |                                |          |          |        |                                       |         |         |         |   |     |       |   |  |                   |                   |                   |  |                |                |                |  |                |                |                |                                     |                 |                 |                 |                                 |         |         |         |                                   |         |         |         |
| Research and development   | 372,596   | 349,543  | 305,043           |                             |  |  |                            |                            |             |           |              |              |              |               |         |         |         |                          |         |         |         |                                     |         |         |         |  |         |         |        |                                     |       |       |       |                  |         |         |         |                                     |       |       |       |                 |        |        |        |                  |           |          |          |   |   |          |   |                             |       |        |       |   |         |         |         |                                |          |          |        |                                       |         |         |         |   |     |       |   |  |                   |                   |                   |  |                |                |                |  |                |                |                |                                     |                 |                 |                 |                                 |         |         |         |                                   |         |         |         |
| Selling, general and administrative  | 301,670   | 274,815  | 267,278           |                             |  |  |                            |                            |             |           |              |              |              |               |         |         |         |                          |         |         |         |                                     |         |         |         |  |         |         |        |                                     |       |       |       |                  |         |         |         |                                     |       |       |       |                 |        |        |        |                  |           |          |          |   |   |          |   |                             |       |        |       |   |         |         |         |                                |          |          |        |                                       |         |         |         |   |     |       |   |  |                   |                   |                   |  |                |                |                |  |                |                |                |                                     |                 |                 |                 |                                 |         |         |         |                                   |         |         |         |
| Amortization of acquired intangible assets   | 174,896   | 176,746  | 94,534            |                             |  |  |                            |                            |             |           |              |              |              |               |         |         |         |                          |         |         |         |                                     |         |         |         |  |         |         |        |                                     |       |       |       |                  |         |         |         |                                     |       |       |       |                 |        |        |        |                  |           |          |          |   |   |          |   |                             |       |        |       |   |         |         |         |                                |          |          |        |                                       |         |         |         |   |     |       |   |  |                   |                   |                   |  |                |                |                |  |                |                |                |                                     |                 |                 |                 |                                 |         |         |         |                                   |         |         |         |
| Special charges, net <sup>(2)</sup>  | 3,957   | 2,840  | 3,024             |                             |  |  |                            |                            |             |           |              |              |              |               |         |         |         |                          |         |         |         |                                     |         |         |         |  |         |         |        |                                     |       |       |       |                  |         |         |         |                                     |       |       |       |                 |        |        |        |                  |           |          |          |   |   |          |   |                             |       |        |       |   |         |         |         |                                |          |          |        |                                       |         |         |         |   |     |       |   |  |                   |                   |                   |  |                |                |                |  |                |                |                |                                     |                 |                 |                 |                                 |         |         |         |                                   |         |         |         |
| Operating income   | 352,345   | 425,620  | 458,864           |                             |  |  |                            |                            |             |           |              |              |              |               |         |         |         |                          |         |         |         |                                     |         |         |         |  |         |         |        |                                     |       |       |       |                  |         |         |         |                                     |       |       |       |                 |        |        |        |                  |           |          |          |   |   |          |   |                             |       |        |       |   |         |         |         |                                |          |          |        |                                       |         |         |         |   |     |       |   |  |                   |                   |                   |  |                |                |                |  |                |                |                |                                     |                 |                 |                 |                                 |         |         |         |                                   |         |         |         |
| Losses on equity method investments  | (345)   | (317)  | (177)             |                             |  |  |                            |                            |             |           |              |              |              |               |         |         |         |                          |         |         |         |                                     |         |         |         |  |         |         |        |                                     |       |       |       |                  |         |         |         |                                     |       |       |       |                 |        |        |        |                  |           |          |          |   |   |          |   |                             |       |        |       |   |         |         |         |                                |          |          |        |                                       |         |         |         |   |     |       |   |  |                   |                   |                   |  |                |                |                |  |                |                |                |                                     |                 |                 |                 |                                 |         |         |         |                                   |         |         |         |
| Interest income  | 24,447  | 19,527   | 16,485            |                             |  |  |                            |                            |             |           |              |              |              |               |         |         |         |                          |         |         |         |                                     |         |         |         |  |         |         |        |                                     |       |       |       |                  |         |         |         |                                     |       |       |       |                 |        |        |        |                  |           |          |          |   |   |          |   |                             |       |        |       |   |         |         |         |                                |          |          |        |                                       |         |         |         |   |     |       |   |  |                   |                   |                   |  |                |                |                |  |                |                |                |                                     |                 |                 |                 |                                 |         |         |         |                                   |         |         |         |
| Interest expense   | (104,018)   | (62,034)   | (48,716)          |                             |  |  |                            |                            |             |           |              |              |              |               |         |         |         |                          |         |         |         |                                     |         |         |         |  |         |         |        |                                     |       |       |       |                  |         |         |         |                                     |       |       |       |                 |        |        |        |                  |           |          |          |   |   |          |   |                             |       |        |       |   |         |         |         |                                |          |          |        |                                       |         |         |         |   |     |       |   |  |                   |                   |                   |  |                |                |                |  |                |                |                |                                     |                 |                 |                 |                                 |         |         |         |                                   |         |         |         |
| Loss on retirement of convertible debentures <sup>(3)</sup>  | —   | (50,631)   | —                 |                             |  |  |                            |                            |             |           |              |              |              |               |         |         |         |                          |         |         |         |                                     |         |         |         |  |         |         |        |                                     |       |       |       |                  |         |         |         |                                     |       |       |       |                 |        |        |        |                  |           |          |          |   |   |          |   |                             |       |        |       |   |         |         |         |                                |          |          |        |                                       |         |         |         |   |     |       |   |  |                   |                   |                   |  |                |                |                |  |                |                |                |                                     |                 |                 |                 |                                 |         |         |         |                                   |         |         |         |
| Other income (expense), net  | 8,864   | 13,742   | 5,898             |                             |  |  |                            |                            |             |           |              |              |              |               |         |         |         |                          |         |         |         |                                     |         |         |         |  |         |         |        |                                     |       |       |       |                  |         |         |         |                                     |       |       |       |                 |        |        |        |                  |           |          |          |   |   |          |   |                             |       |        |       |   |         |         |         |                                |          |          |        |                                       |         |         |         |   |     |       |   |  |                   |                   |                   |  |                |                |                |  |                |                |                |                                     |                 |                 |                 |                                 |         |         |         |                                   |         |         |         |
| Income from continuing operations before income taxes  | 281,293   | 345,907  | 432,354           |                             |  |  |                            |                            |             |           |              |              |              |               |         |         |         |                          |         |         |         |                                     |         |         |         |  |         |         |        |                                     |       |       |       |                  |         |         |         |                                     |       |       |       |                 |        |        |        |                  |           |          |          |   |   |          |   |                             |       |        |       |   |         |         |         |                                |          |          |        |                                       |         |         |         |   |     |       |   |  |                   |                   |                   |  |                |                |                |  |                |                |                |                                     |                 |                 |                 |                                 |         |         |         |                                   |         |         |         |
| Income tax (benefit) provision   | (42,632)  | (19,418)   | 37,073            |                             |  |  |                            |                            |             |           |              |              |              |               |         |         |         |                          |         |         |         |                                     |         |         |         |  |         |         |        |                                     |       |       |       |                  |         |         |         |                                     |       |       |       |                 |        |        |        |                  |           |          |          |   |   |          |   |                             |       |        |       |   |         |         |         |                                |          |          |        |                                       |         |         |         |   |     |       |   |  |                   |                   |                   |  |                |                |                |  |                |                |                |                                     |                 |                 |                 |                                 |         |         |         |                                   |         |         |         |
| Net income from continuing operations  | 323,925   | 365,325  | 395,281           |                             |  |  |                            |                            |             |           |              |              |              |               |         |         |         |                          |         |         |         |                                     |         |         |         |  |         |         |        |                                     |       |       |       |                  |         |         |         |                                     |       |       |       |                 |        |        |        |                  |           |          |          |   |   |          |   |                             |       |        |       |   |         |         |         |                                |          |          |        |                                       |         |         |         |   |     |       |   |  |                   |                   |                   |  |                |                |                |  |                |                |                |                                     |                 |                 |                 |                                 |         |         |         |                                   |         |         |         |
| Less: Net loss attributable to noncontrolling interests  | 207   | 3,684  | —                 |                             |  |  |                            |                            |             |           |              |              |              |               |         |         |         |                          |         |         |         |                                     |         |         |         |  |         |         |        |                                     |       |       |       |                  |         |         |         |                                     |       |       |       |                 |        |        |        |                  |           |          |          |   |   |          |   |                             |       |        |       |   |         |         |         |                                |          |          |        |                                       |         |         |         |   |     |       |   |  |                   |                   |                   |  |                |                |                |  |                |                |                |                                     |                 |                 |                 |                                 |         |         |         |                                   |         |         |         |
| Net income from continuing operations attributable to Microchip Technology                                       | <u>\$ 324,132</u>   | <u>\$ 369,009</u>  | <u>\$ 395,281</u> |                             |  |  |                            |                            |             |           |              |              |              |               |         |         |         |                          |         |         |         |                                     |         |         |         |  |         |         |        |                                     |       |       |       |                  |         |         |         |                                     |       |       |       |                 |        |        |        |                  |           |          |          |   |   |          |   |                             |       |        |       |   |         |         |         |                                |          |          |        |                                       |         |         |         |   |     |       |   |  |                   |                   |                   |  |                |                |                |  |                |                |                |                                     |                 |                 |                 |                                 |         |         |         |                                   |         |         |         |
| Basic net income per common share from continuing operations attributable to Microchip Technology stockholders   | <u>\$ 1.59</u>  | <u>\$ 1.84</u>   | <u>\$ 1.99</u>    |                             |  |  |                            |                            |             |           |              |              |              |               |         |         |         |                          |         |         |         |                                     |         |         |         |  |         |         |        |                                     |       |       |       |                  |         |         |         |                                     |       |       |       |                 |        |        |        |                  |           |          |          |   |   |          |   |                             |       |        |       |   |         |         |         |                                |          |          |        |                                       |         |         |         |   |     |       |   |  |                   |                   |                   |  |                |                |                |  |                |                |                |                                     |                 |                 |                 |                                 |         |         |         |                                   |         |         |         |
| Diluted net income per common share from continuing operations attributable to Microchip Technology stockholders | <u>\$ 1.49</u>  | <u>\$ 1.65</u>   | <u>\$ 1.82</u>    |                             |  |  |                            |                            |             |           |              |              |              |               |         |         |         |                          |         |         |         |                                     |         |         |         |  |         |         |        |                                     |       |       |       |                  |         |         |         |                                     |       |       |       |                 |        |        |        |                  |           |          |          |   |   |          |   |                             |       |        |       |   |         |         |         |                                |          |          |        |                                       |         |         |         |   |     |       |   |  |                   |                   |                   |  |                |                |                |  |                |                |                |                                     |                 |                 |                 |                                 |         |         |         |                                   |         |         |         |
| Dividends declared per common share  | <u>\$ 1.433</u>   | <u>\$ 1.425</u>  | <u>\$ 1.417</u>   |                             |  |  |                            |                            |             |           |              |              |              |               |         |         |         |                          |         |         |         |                                     |         |         |         |  |         |         |        |                                     |       |       |       |                  |         |         |         |                                     |       |       |       |                 |        |        |        |                  |           |          |          |   |   |          |   |                             |       |        |       |   |         |         |         |                                |          |          |        |                                       |         |         |         |   |     |       |   |  |                   |                   |                   |  |                |                |                |  |                |                |                |                                     |                 |                 |                 |                                 |         |         |         |                                   |         |         |         |
| Basic common shares outstanding  | 203,384   | 200,937  | 198,291           |                             |  |  |                            |                            |             |           |              |              |              |               |         |         |         |                          |         |         |         |                                     |         |         |         |  |         |         |        |                                     |       |       |       |                  |         |         |         |                                     |       |       |       |                 |        |        |        |                  |           |          |          |   |   |          |   |                             |       |        |       |   |         |         |         |                                |          |          |        |                                       |         |         |         |   |     |       |   |  |                   |                   |                   |  |                |                |                |  |                |                |                |                                     |                 |                 |                 |                                 |         |         |         |                                   |         |         |         |
| Diluted common shares outstanding  | 217,388   | 223,561  | 217,630           |                             |  |  |                            |                            |             |           |              |              |              |               |         |         |         |                          |         |         |         |                                     |         |         |         |  |         |         |        |                                     |       |       |       |                  |         |         |         |                                     |       |       |       |                 |        |        |        |                  |           |          |          |   |   |          |   |                             |       |        |       |   |         |         |         |                                |          |          |        |                                       |         |         |         |   |     |       |   |  |                   |                   |                   |  |                |                |                |  |                |                |                |                                     |                 |                 |                 |                                 |         |         |         |                                   |         |         |         |

|   |   | <p>during fiscal 2016 and fiscal 2015.</p> <p>(2) The following table presents a summary of special charges for the three-year period ended March 31, 2016:</p> <table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="3" style="text-align: center;">March 31,</th> </tr> <tr> <th style="text-align: center;">2016</th> <th style="text-align: center;">2015</th> <th style="text-align: center;">2014</th> </tr> </thead> <tbody> <tr> <td>Acquisition related expenses</td> <td style="text-align: right;">\$ 11,163</td> <td style="text-align: right;">\$ 2,840</td> <td style="text-align: right;">\$ 1,654</td> </tr> <tr> <td>Legal settlement</td> <td style="text-align: right;">(7,206)</td> <td style="text-align: center;">—</td> <td style="text-align: center;">—</td> </tr> <tr> <td>Adjustment to contingent consideration</td> <td style="text-align: center;">—</td> <td style="text-align: center;">—</td> <td style="text-align: right;">1,370</td> </tr> <tr> <td>Patent licenses</td> <td style="text-align: center;">—</td> <td style="text-align: center;">—</td> <td style="text-align: center;">—</td> </tr> <tr> <td>Totals</td> <td style="text-align: right;"><u>\$ 3,957</u></td> <td style="text-align: right;"><u>\$ 2,840</u></td> <td style="text-align: right;"><u>\$ 3,024</u></td> </tr> </tbody> </table> <p><b>Balance Sheet Data:</b></p> <table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="3" style="text-align: center;">March 31,</th> </tr> <tr> <th style="text-align: center;">2016</th> <th style="text-align: center;">2015</th> <th style="text-align: center;">2014</th> </tr> </thead> <tbody> <tr> <td>Working capital</td> <td style="text-align: right;">\$ 2,714,704</td> <td style="text-align: right;">\$ 2,310,645</td> <td style="text-align: right;">\$ 1,633,320</td> </tr> <tr> <td>Total assets</td> <td style="text-align: right;">5,567,515</td> <td style="text-align: right;">4,780,713</td> <td style="text-align: right;">4,067,630</td> </tr> <tr> <td>Long-term obligations, less current portion</td> <td style="text-align: right;">2,483,037</td> <td style="text-align: right;">1,826,858</td> <td style="text-align: right;">1,003,258</td> </tr> <tr> <td>Microchip Technology Stockholders' equity</td> <td style="text-align: right;">2,150,919</td> <td style="text-align: right;">2,044,654</td> <td style="text-align: right;">2,135,461</td> </tr> </tbody> </table> <p>See B.3 above, "Description of the Nature of Microchip's Current Operations and its Principal Activities and Identification of the Principal Markets in which the Issuer Competes", for a discussion of our April 2016 acquisition of Atmel Corporation. Except as described in that discussion, there has been no significant change in the Company's financial or trading position that has occurred since March 31, 2016.</p> |                 | March 31, |  |  | 2016 | 2015 | 2014 | Acquisition related expenses | \$ 11,163 | \$ 2,840 | \$ 1,654 | Legal settlement | (7,206) | — | — | Adjustment to contingent consideration | — | — | 1,370 | Patent licenses | — | — | — | Totals | <u>\$ 3,957</u> | <u>\$ 2,840</u> | <u>\$ 3,024</u> |  | March 31, |  |  | 2016 | 2015 | 2014 | Working capital | \$ 2,714,704 | \$ 2,310,645 | \$ 1,633,320 | Total assets | 5,567,515 | 4,780,713 | 4,067,630 | Long-term obligations, less current portion | 2,483,037 | 1,826,858 | 1,003,258 | Microchip Technology Stockholders' equity | 2,150,919 | 2,044,654 | 2,135,461 |
|---|---|--|-----------------|-----------|--|--|------|------|------|------------------------------|-----------|----------|----------|------------------|---------|---|---|--|---|---|-------|-----------------|---|---|---|--------|-----------------|-----------------|-----------------|--|-----------|--|--|------|------|------|-----------------|--------------|--------------|--------------|--------------|-----------|-----------|-----------|---|-----------|-----------|-----------|---|-----------|-----------|-----------|
|   | March 31,   |  |                 |           |  |  |      |      |      |                              |           |          |          |                  |         |   |   |  |   |   |       |                 |   |   |   |        |                 |                 |                 |  |           |  |  |      |      |      |                 |              |              |              |              |           |           |           |   |           |           |           |   |           |           |           |
|   | 2016  | 2015   | 2014            |           |  |  |      |      |      |                              |           |          |          |                  |         |   |   |  |   |   |       |                 |   |   |   |        |                 |                 |                 |  |           |  |  |      |      |      |                 |              |              |              |              |           |           |           |   |           |           |           |   |           |           |           |
| Acquisition related expenses                | \$ 11,163   | \$ 2,840   | \$ 1,654        |           |  |  |      |      |      |                              |           |          |          |                  |         |   |   |  |   |   |       |                 |   |   |   |        |                 |                 |                 |  |           |  |  |      |      |      |                 |              |              |              |              |           |           |           |   |           |           |           |   |           |           |           |
| Legal settlement                            | (7,206)   | —  | —               |           |  |  |      |      |      |                              |           |          |          |                  |         |   |   |  |   |   |       |                 |   |   |   |        |                 |                 |                 |  |           |  |  |      |      |      |                 |              |              |              |              |           |           |           |   |           |           |           |   |           |           |           |
| Adjustment to contingent consideration      | —   | —  | 1,370           |           |  |  |      |      |      |                              |           |          |          |                  |         |   |   |  |   |   |       |                 |   |   |   |        |                 |                 |                 |  |           |  |  |      |      |      |                 |              |              |              |              |           |           |           |   |           |           |           |   |           |           |           |
| Patent licenses                             | —   | —  | —               |           |  |  |      |      |      |                              |           |          |          |                  |         |   |   |  |   |   |       |                 |   |   |   |        |                 |                 |                 |  |           |  |  |      |      |      |                 |              |              |              |              |           |           |           |   |           |           |           |   |           |           |           |
| Totals                                      | <u>\$ 3,957</u>   | <u>\$ 2,840</u>  | <u>\$ 3,024</u> |           |  |  |      |      |      |                              |           |          |          |                  |         |   |   |  |   |   |       |                 |   |   |   |        |                 |                 |                 |  |           |  |  |      |      |      |                 |              |              |              |              |           |           |           |   |           |           |           |   |           |           |           |
|   | March 31,   |  |                 |           |  |  |      |      |      |                              |           |          |          |                  |         |   |   |  |   |   |       |                 |   |   |   |        |                 |                 |                 |  |           |  |  |      |      |      |                 |              |              |              |              |           |           |           |   |           |           |           |   |           |           |           |
|   | 2016  | 2015   | 2014            |           |  |  |      |      |      |                              |           |          |          |                  |         |   |   |  |   |   |       |                 |   |   |   |        |                 |                 |                 |  |           |  |  |      |      |      |                 |              |              |              |              |           |           |           |   |           |           |           |   |           |           |           |
| Working capital                             | \$ 2,714,704  | \$ 2,310,645   | \$ 1,633,320    |           |  |  |      |      |      |                              |           |          |          |                  |         |   |   |  |   |   |       |                 |   |   |   |        |                 |                 |                 |  |           |  |  |      |      |      |                 |              |              |              |              |           |           |           |   |           |           |           |   |           |           |           |
| Total assets                                | 5,567,515   | 4,780,713  | 4,067,630       |           |  |  |      |      |      |                              |           |          |          |                  |         |   |   |  |   |   |       |                 |   |   |   |        |                 |                 |                 |  |           |  |  |      |      |      |                 |              |              |              |              |           |           |           |   |           |           |           |   |           |           |           |
| Long-term obligations, less current portion | 2,483,037   | 1,826,858  | 1,003,258       |           |  |  |      |      |      |                              |           |          |          |                  |         |   |   |  |   |   |       |                 |   |   |   |        |                 |                 |                 |  |           |  |  |      |      |      |                 |              |              |              |              |           |           |           |   |           |           |           |   |           |           |           |
| Microchip Technology Stockholders' equity   | 2,150,919   | 2,044,654  | 2,135,461       |           |  |  |      |      |      |                              |           |          |          |                  |         |   |   |  |   |   |       |                 |   |   |   |        |                 |                 |                 |  |           |  |  |      |      |      |                 |              |              |              |              |           |           |           |   |           |           |           |   |           |           |           |
| <b>B.8</b>                                  | <b>Pro forma financial information</b>  | Not applicable, because no selected key pro forma financial information is required to be provided in the prospectus.  |                 |           |  |  |      |      |      |                              |           |          |          |                  |         |   |   |  |   |   |       |                 |   |   |   |        |                 |                 |                 |  |           |  |  |      |      |      |                 |              |              |              |              |           |           |           |   |           |           |           |   |           |           |           |
| <b>B.9</b>                                  | <b>Profit Forecast</b>  | Not applicable. This prospectus does not contain any profit forecast.  |                 |           |  |  |      |      |      |                              |           |          |          |                  |         |   |   |  |   |   |       |                 |   |   |   |        |                 |                 |                 |  |           |  |  |      |      |      |                 |              |              |              |              |           |           |           |   |           |           |           |   |           |           |           |
| <b>B.10</b>                                 | <b>Qualifications in the Audit Report on the historical Financial Information</b> | Not applicable. There are no such qualifications in the auditors' report.  |                 |           |  |  |      |      |      |                              |           |          |          |                  |         |   |   |  |   |   |       |                 |   |   |   |        |                 |                 |                 |  |           |  |  |      |      |      |                 |              |              |              |              |           |           |           |   |           |           |           |   |           |           |           |
| <b>B.11</b>                                 | <b>Working Capital Statement</b>  | Microchip believes that its working capital (i.e., its ability to access cash and other available liquid resources) is sufficient to meet its present requirements for at least the next 12 months from the date of this prospectus.   |                 |           |  |  |      |      |      |                              |           |          |          |                  |         |   |   |  |   |   |       |                 |   |   |   |        |                 |                 |                 |  |           |  |  |      |      |      |                 |              |              |              |              |           |           |           |   |           |           |           |   |           |           |           |



| <b>Section C — Securities</b> |   |   |
|-------------------------------|---|---|
| <b>C.1</b>                    | <b>Type and Class of the Securities being offered, including the Security Identification Code</b> | The securities offered are Microchip's common stock with a par value of \$0.001 per share. The Company's common stock is listed on the NASDAQ® Global Market ("NASDAQ") under the symbol "MCHP". The U.S. security identification (CUSIP) number of the shares is 595017104. The International Securities Identification Number (ISIN) for the Company's common stock is US5950171042. The German Securities Code (Wertpapier-Kenn-Nummer) is 886105.   |
| <b>C.2</b>                    | <b>Currency of the Securities Issue</b>   | The United States Dollar is the currency of the securities issue.   |
| <b>C.3</b>                    | <b>Number of Shares Issued</b>  | Microchip is authorized to issue up to 450,000,000 shares of common stock. As of May 31, 2016, the Company had had 237,497,913 shares issued and 214,885,521 shares of common stock outstanding. Microchip's common stock has a par value of \$0.001 per share. The issued shares are fully paid.   |
| <b>C.4</b>                    | <b>Rights attached to the Securities</b>  | <p>No participating employee shall have any voting, dividend, or other shareholder rights with respect to any offering under the Microchip Technology International Employee Stock Purchase Plan (the "IESPP") until the purchase rights have been exercised and the shares have been purchased by the participating employee. Following such purchase, the participating employee shall be entitled to the rights attached to the shares, as further described below:</p> <p><b>Dividend Rights.</b></p> <p>The board of directors (the "Board") may declare a dividend at any regular or special meeting or by written consent out of funds legally available for dividends. The Board sets the record date and the payment date for dividend payments. Such dividends may be paid in cash, property or shares of stock.</p> <p>There are no dividend restrictions and no special dividend procedures for shareholders resident in the EU ("European Union") and the EEA.</p> <p>The holders of common stock are entitled to such dividends as the Board may declare from time to time at any regular or special meeting out of funds legally available for dividends in its absolute discretion. In general, dividends that are unclaimed for three years escheat to the State of Delaware.</p> <p><b>Voting Rights.</b></p> <p>The holders of common stock are entitled to one vote for each share held on all matters as to which shareholders are entitled to vote. Any action required or permitted to be taken by the shareholders for the Company may be effected by a duly called annual or special meeting of such holders or may be effected by consent in writing by such shareholders. Special meetings of the shareholders of the Company may be held upon call of the Chairman of the Board, by the Board of the Company or by stockholders holding not less than 50% of the outstanding voting stock.</p> <p><b>Rights to Receive Liquidation Distributions.</b></p> <p>In the event of liquidation, dissolution or winding up of the Company, the holders of common stock are entitled to share ratably in all assets remaining after payment of or provisions for the Company's liabilities, subject to prior rights or preferred stock, if any, then outstanding.</p> <p><b>No Preemptive, Redemptive or Conversions Provisions.</b></p> <p>The holders of the Company's common stock do not have preemptive rights to acquire shares of the Company's stock or securities convertible into the Company's stock. The Company's common stock is not subject to redemption and does not have any conversion rights.</p> |
| <b>C.5</b>                    | <b>Transferability</b>  | No purchase right granted under the IESPP shall be assignable or transferable by a participant. The Board or a committee appointed by the Board may grant transferable options pursuant to conditions and limitations that it may impose. The shares issued upon exercise of the purchase right or exercise of the options are freely transferable so long as the shares so issued are registered pursuant to an effective registration statement under the U.S. Securities Act of 1933.  |

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| <b>C.6</b> | <b>Admission to Trading on a Regulated Market</b> | Not applicable. As noted in Section C.1 above, the shares are listed on NASDAQ. They will not be admitted for trading on any regulated market.  |
| <b>C.7</b> | <b>Dividend Policy</b>                            | <p>The Company has been declaring and paying quarterly cash dividends on its common stock since the third quarter of fiscal 2003. Its total dividends per share were \$1.433, \$1.425 and \$1.417 in fiscal 2016, fiscal 2015 and fiscal 2014, respectively. Its total cash dividends paid were \$291.1 million, \$286.5 million and \$281.2 million in fiscal 2016, fiscal 2015 and fiscal 2014, respectively. On May 4, 2016, Microchip announced that its Board of Directors had declared a quarterly cash dividend on its common stock of \$0.3595 cents per share. The quarterly dividend is payable on June 6, 2016 to stockholders of record on May 23, 2016. The total amount of this dividend is expected to be approximately \$77 million.</p> <p>Microchip's Board is free to change its dividend practices at any time and to increase or decrease the dividend paid, or not to pay a dividend, on its common stock on the basis of its results of operations, financial condition, cash requirements and future prospects, and other factors deemed relevant by its Board. Microchip's current intent is to provide for ongoing quarterly cash dividends depending upon market conditions and its results of operations.</p> |

## Section D — Risks

Employees should carefully consider the risks described below, which are described in more detail under the caption "Risk Factors", and other information contained in this prospectus, and take these factors into account in making their investment decision. The occurrence of one or more of these risks alone or in combination with other circumstances may have a material adverse effect on the business and financial condition of the Company and cause the market price of the Company's shares to decline. In such case, employees could lose all or part of their investment. The prospectus contains all risks which the Company deems material. However, the risks described below may turn out to be incomplete and therefore may not be the only risks to which the Company is exposed. Additional risks and uncertainties could have a material adverse effect on the business and financial condition of the Company. The order of presentation of the risk factors below does not indicate the likelihood of their occurrence or the extent or the significance of the individual risks.

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| <b>D.1</b> | <b>Risks related to Microchip or its Industry</b> | <ul style="list-style-type: none"><li>• Our operating results are impacted by global economic conditions and may fluctuate in the future due to a number of factors that could reduce our net sales and profitability.</li><li>• Our operating results will suffer if we ineffectively utilize our manufacturing capacity or fail to maintain manufacturing yields.</li><li>• We may not fully realize the anticipated benefits of our completed or future acquisitions or divestitures including our recently completed acquisition of Atmel.</li><li>• Our financial condition and results of operations could be adversely affected if we do not effectively manage our current or future debt.</li><li>• We are dependent on orders that are received and shipped in the same quarter and therefore have limited visibility to future product shipments.</li><li>• Intense competition in the markets we serve may lead to pricing pressures, reduced sales of our products or reduced market share.</li><li>• We are dependent on wafer foundries and other contractors to perform key manufacturing functions for us, and our licensees of our SuperFlash and other technologies also rely on foundries and other contractors.</li><li>• Our operating results are impacted by both seasonality and the wide fluctuations of supply and demand in the semiconductor industry.</li><li>• Our business is dependent on selling through distributors.</li><li>• Our success depends on our ability to introduce new products on a timely basis.</li><li>• Our technology licensing business exposes us to various risks, including: failure to achieve or maintain market acceptance; disruptions in licensees' production or lower than expected production levels that adversely affect the revenue we receive from licensees; and claims or damages related to intellectual property matters or indemnification claims.</li><li>• We may lose sales if our suppliers of raw materials and equipment fail to meet our needs.</li><li>• We are exposed to various risks related to legal proceedings or claims, including unfavorable rulings that could have a material adverse effect on our financial position, cash flows or results of operations.</li><li>• Failure to adequately protect our intellectual property could result in lost revenue or market opportunities.</li><li>• Our operating results may be adversely impacted if economic conditions impact the financial viability of our licensees, customers, distributors, or suppliers.</li><li>• We are highly dependent on foreign sales and operations, which exposes us to foreign political and economic risks.</li><li>• We do not typically have long-term contracts with our customers, but where we do, certain terms of such contracts expose us to risks and liabilities.</li><li>• We must attract and retain qualified personnel to be successful, and competition for qualified personnel can be intense.</li></ul> |
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|     |  | <ul style="list-style-type: none"> <li>• Business interruptions to our operations or the operations of our key vendors, subcontractors, licensees or customers, whether due to natural disasters or other events, could harm our business.</li> <li>• Fluctuations in foreign currency exchange rates could adversely impact our operating results.</li> <li>• Interruptions in our information technology systems, or improper handling of data, could adversely affect our business.</li> <li>• The occurrence of events for which we are self-insured, or which exceed our insurance limits, may adversely affect our profitability and liquidity.</li> <li>• We are subject to stringent environmental and other regulations, which may force us to incur significant expenses.</li> <li>• Customer demands for us to implement business practices that are more stringent than existing legal requirements may reduce our revenue opportunities or cause us to incur higher costs.</li> <li>• Potential U.S. tax legislation regarding our foreign earnings could materially and adversely impact our business and financial results.</li> <li>• Customer demands and new regulations related to conflict-free minerals may force us to incur additional expenses.</li> <li>• Regulatory authorities in jurisdictions into which we ship our products could levy fines or restrict our ability to export products.</li> <li>• The outcome of currently ongoing and future examinations of our income tax returns by the IRS could have an adverse effect on our results of operations.</li> <li>• As a result of our acquisition activity, our goodwill and intangible assets have increased significantly in recent years and we may in the future incur impairments to goodwill or long-lived assets.</li> <li>• Our reported financial results may be adversely affected by new accounting pronouncements or changes in existing accounting standards and practices.</li> <li>• Climate change regulations and sustained adverse climate change pose regulatory and physical risks that could harm our results of operations or affect the way we conduct business.</li> </ul> |
| D.3 | <b>Key Risks related to the Shares</b> | <ul style="list-style-type: none"> <li>• The future trading price of Microchip’s common stock could be subject to wide fluctuations in response to a variety of factors.</li> <li>• Conversion of Microchip’s debentures will dilute the ownership interest of existing stockholders, including holders who had previously converted their debentures.</li> </ul>  |

| <b>Section E — Offer</b> |   |   |
|--------------------------|---|---|
| <b>E.1</b>               | <b>Net Proceeds and Estimate of total Expenses</b>          | <p>As of June 23, 2016, shares under the IESPP are offered to approximately 2,152 eligible employees located in jurisdictions outside the United States. The maximum value of shares which employees may purchase under the IESPP may not exceed \$50,000 (\$25,000 per six-month offering period). Assuming that each of the approximately 2,152 eligible employees purchased the maximum amount of shares under the IESPP offered pursuant to this prospectus, that is, a total of 946 shares each year, the maximum number of shares to be issued would be 2,035,792 shares, which exceeds the number of 582,551 shares available under the IESPP as of June 23, 2016. Assuming that the eligible employees would purchase all 582,551 shares at a purchase price of \$44.914, which is eighty-five percent of the stock's fair market value (\$52.84) as of June 23, 2016, then the gross proceeds of Microchip in connection with the offer under the IESPP pursuant to this prospectus would be \$26,164,696.</p> <p>Please note that there are other limits on contributions including a prohibition on employees from contributing more than 10% of their compensation in any 6-month offering period and a 5% shareholding cap. This calculation assumes that none of these other limitations are triggered.</p> <p>Net Proceeds</p> <p>Based on the calculations above, the total gross proceeds to Microchip in connection with the offer under the IESPP would be 26,164,696.</p> <p>The costs of this offering consist of legal expenses in an amount approximately \$40,000. After deduction of such costs the net proceeds, based on the above assumptions, would be approximately \$26,124,696.</p> <p>Effect of the Atmel Acquisition</p> <p>In April 2016 we completed our acquisition of Atmel Corporation; see B.3 above, "Description of the Nature of Microchip's Current Operations and its Principal Activities and Identification of the Principal Markets in which the Issuer Competes".</p> <p>As of the date of this Prospectus, there are 1,373 employees of Atmel Corporation and its subsidiaries. It is anticipated that these employees will become eligible to participate in the Offering at various times in 2016. However, we do not expect to increase the total number of shares available under the IESPP above the number of 582,551 shares available as of June 23, 2016 during the period covered by this Prospectus. Accordingly, the increase in number of eligible participants will affect neither the total gross proceeds nor the total net proceeds calculated above.</p> |
| <b>E.2a</b>              | <b>Reasons for the Offer and Use of Proceeds</b>            | <p>The IESPP is intended to provide a method by which eligible employees of Microchip's designated foreign subsidiaries may purchase shares of Microchip's common stock and therefore acquire an interest in the future of the Company.</p> <p>The proceeds from the sale of shares are not reserved for any particular purpose and will be booked to the general account of the Company. On that account, they are pooled with other company monies which will be used for general corporate purposes.</p>   |
| <b>E.3</b>               | <b>Description of the Terms and Conditions of the Offer</b> | <p>Microchip has decided to offer eligible employees of its designated foreign subsidiaries the opportunity to buy shares of Microchip common stock ("purchase rights") under the IESPP.</p> <p>Administration of the IESPP</p> <p>Each foreign subsidiary is responsible for the administration of the IESPP with respect to its eligible employees. Accordingly, the IESPP shall, as to each foreign subsidiary, be separately administered by a plan administrator comprised of two or more members of Microchip's Board, the Employee Committee of the Board (as defined in the IESPP), or a designee as may be appointed by either of them from time to time (the "Administrator").</p> <p>Microchip has engaged E*TRADE Financial Corporate Services, Inc. ("E*TRADE") as the service provider for the IESPP. E*TRADE assists Microchip with administration of the IESPP. Individual participants will be notified if Microchip selects a different service provider to help administer the participant's account. Shares of common stock to be delivered to a participant under the IESPP will be registered in the street name in the participant's account at E*TRADE.</p> <p>Offered Shares</p> <p>The shares offered are shares of Microchip's common stock of, par value US\$0.001. The total number of shares reserved for purchase under the IESPP is 1,703,783. As of June 23, 2016, 582,551 shares were available for purchase under the IESPP.</p>   |

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|     |  | <p><b>Offering Periods</b></p> <p>Shares are purchased at the end of each offering period using employee contributions made by way of payroll deductions during the offering period. New offering periods generally begin on June 1 and December 1 each year. The offering period which started on June 1, 2015 is covered by the prospectus dated June 24, 2015 and approved on June 26, 2015. The June 24, 2015 prospectus is valid until June 27, 2016. After its expiry, the current offering period as well as the offering periods beginning on December 1, 2016 and June 1, 2017 will be covered by this prospectus. Each of these offering periods will last for six months. The participant's right to purchase shares under the IESPP will be exercised automatically on the last trading day of the offering period (i.e. on December 1, 2016 and June 1, 2017, or the next open trading day after such dates), with respect to these amounts deducted from the participant's payroll.</p> <p><b>Payroll Deductions</b></p> <p>Participants contribute a percentage of their compensation towards the purchase of shares by way of payroll deductions. At the time a participant files his or her payroll deduction authorization, the participant indicates the percentage of compensation to be contributed to the IESPP which must be between one percent (1%) and ten percent (10%) of the employee's eligible compensation. All payroll deductions authorized by a participant shall be used to purchase whole shares under the IESPP. A participant may discontinue participation in the IESPP at any time provided notice is received prior to the withdrawal deadline. A participant may decrease the rate of payroll deductions once during an offering period by filing the appropriate form with the Administrator (or its designate). The change in rate shall become effective as soon as practicable thereafter. In addition, a participant may, prior to the start date of any subsequent offering period, increase or decrease the rate of payroll deductions by filing the appropriate form with the Administrator (or its designate). The new rate shall become effective as of the start date of the new offering period.</p> <p><b>Eligibility to Participate</b></p> <p>Only employees of Microchip's designated foreign subsidiaries who are employed on the first day of the applicable offering period are eligible to participate in the IESPP. Employees elect to participate in the IESPP by completing the prescribed enrollment documents (including a purchase agreement and a payroll deduction authorization) with the Administrator.</p> <p><b>Termination of Participation</b></p> <p>Participation is voluntary and employees may withdraw from participation in the IESPP at any time but no later than by five (5) business days before the last day of the offering period by submitting a prescribed form to the Administrator (or such other date as specified by the Administrator). Absent an election to the contrary, all of the participant's funds credited to his or her IESPP account will be returned as soon as administratively possible upon receipt of the prescribed form and no shares will be purchased.</p> <p><b>Purchase Price</b></p> <p>The purchase price of each share is eighty-five percent (85%) of the common stock's fair market value on either the first or last trading day of the offering period (i.e., the purchase date), whichever price is lower. The fair market value shall generally be the closing price per share on the NASDAQ for the applicable date or if there is no such sale on the relevant date, then on the next preceding day on which a sale was reported. The employee will receive an account statement from the Company, which shows the purchase price and number of purchased shares of common stock and can log into the E*TRADE system to view the same information.</p> <p><b>Amendment and Termination of the IESPP</b></p> <p>The Board may alter, amend, suspend or discontinue the IESPP with respect to one or more foreign subsidiaries following the end of any offering period. The Board may also terminate the IESPP in its entirety immediately following the end of any offering period. In such event, no further purchase rights shall thereafter be granted or exercised, and no further payroll deductions shall thereafter be collected, under the IESPP.</p> <p><b>Commission</b></p> <p>Upon selling any shares, participants are charged a fee equal to \$17.95-\$24.95 per sale order transaction. In addition, the SEC currently charges a transaction fee of \$21.80 for every \$1,000,000.00 of gross proceeds. The fees are subject to modification by the designated parties.</p> |
| E.4 | <b>Description of material Interest to the Offer</b> | Not applicable, because information regarding such interests is not required to be provided anywhere else in this prospectus.  |

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|     | <b>including Conflict of Interests</b>                          |  |
| E.5 | <b>Name of the Entity offering to sell the Security</b>         | Microchip Technology Incorporated.   |
| E.6 | <b>Maximum Dilution</b>   | <p>The book value of the stockholders' equity of the Company (defined as total assets less total liabilities) as reflected in the consolidated financial statements in accordance with U.S. GAAP amounted to approximately \$2,150,919,000 as of March 31, 2016. This is equivalent to approximately \$10.01 per share (calculated on the basis of 214,885,521 outstanding shares as of May 31, 2016).</p> <p>If the Company had obtained net proceeds in the amount of \$26,124,696, the book value of the shareholders' equity at that time would have been approximately 2,177,043,696 or \$10.10 per share (based on the increased number of shares after the purchase of 582,551 shares and assuming a purchase price of \$44.914, which is eighty-five per cent of the stock's fair market value (\$52.84) as of June 23, 2016. Consequently, under the above-mentioned assumptions, the implementation of the offering would lead to a direct increase in the book value of shareholders' equity of \$26,124,696, or approximately \$0.09 (approximately 0.94%) per share, for the existing shareholders and an average dilution of approximately \$34.81 per share for the eligible employee who purchased the shares and, thus, investors who acquire shares at the purchase price of \$44.914 are diluted by approximately 77.5%.</p> <p>Effect of the Atmel Acquisition</p> <p>In April 2016 we completed our acquisition of Atmel Corporation; see B.3 above, "Description of the Nature of Microchip's Current Operations and its Principal Activities and Identification of the Principal Markets in which the Issuer Competes".</p> <p>As of the date of this Prospectus, there are 1,373 employees of Atmel Corporation and its subsidiaries. It is anticipated that these employees will become eligible to participate in the Offering at various times in 2016. However, we do not expect to increase the total number of shares available under the IESPP above the number of 582,551 shares available as of June 23, 2016 during the period covered by this Prospectus. Accordingly, the increase in number of eligible participants will affect neither the total net proceeds to the Company nor the dilution calculated above.</p> |
| E.7 | <b>Estimated Expenses charged to the Investor by the Issuer</b> | Not applicable. There are no such expenses.  |

## RISK FACTORS

Employees should carefully consider the risks described below and other information contained in this prospectus, and take these factors into account in making their investment decision. The occurrence of one or more of these risks alone or in combination with other circumstances may have a material adverse effect on the business and financial condition of the Company and cause the market price of the *Company's shares to decline. In such case, employees could lose all or part of their investment.* The prospectus contains all risks which the Company deems material. However, the risks described below may turn out to be incomplete and therefore may not be the only risks to which the Company is exposed. Additional risks and uncertainties could have a material adverse effect on the business and financial condition of the Company. The order of presentation of the risk factors below does not indicate the likelihood of their occurrence or the extent or the significance of the individual risks.

References in this section to "Microchip" or the "Company", as well as to "we," "us," and "our," each refer to Microchip Technology Incorporated and its subsidiaries, unless the context indicates otherwise.

### Key Risks related to Microchip or its Industry

**Our operating results are impacted by global economic conditions and may fluctuate in the future due to a number of factors that could reduce our net sales and profitability.**

Our operating results are affected by a wide variety of factors that could reduce our net sales and profitability, many of which are beyond our control. Some of the factors that may affect our operating results include:

- general economic, industry or political conditions in the U.S. or internationally;
- changes in demand or market acceptance of our products and products of our customers, and market fluctuations in the industries into which such products are sold;
- changes in utilization of our manufacturing capacity and fluctuations in manufacturing yields;
- our ability to realize the expected benefits of our acquisitions including our recent acquisition of Atmel;
- changes or fluctuations in customer order patterns and seasonality;
- our ability to secure sufficient wafer foundry, assembly and testing capacity;
- the mix of inventory we hold and our ability to satisfy orders from our inventory;
- levels of inventories held by our customers;
- risk of excess and obsolete inventories;
- changes in tax regulations and policies in the U.S. and other countries in which we do business;
- our ability to ramp our factory capacity to meet customer demand;
- competitive developments including pricing pressures;
- unauthorized copying of our products resulting in pricing pressure and loss of sales;
- availability of raw materials and equipment;
- our ability to successfully transition products to more advanced process technologies to reduce manufacturing costs;
- the level of orders that are received and can be shipped in a quarter;
- the level of sell-through of our products through distribution;
- fluctuations in our mix of product sales;
- announcements of significant acquisitions by us or our competitors;
- disruptions in our business or our customers' businesses due to terrorist activity, armed conflict, war, worldwide oil prices and supply, public health concerns, natural disasters or disruptions in the transportation system;
- constrained availability from other electronic suppliers impacting our customers' ability to ship their products, which in turn may adversely impact our sales to those customers;
- costs and outcomes of any current or future tax audits or any litigation involving intellectual property, customers or other issues;
- fluctuations in commodity prices; and
- property damage or other losses, whether or not covered by insurance.



We believe that period-to-period comparisons of our operating results are not necessarily meaningful and that you should not rely upon any such comparisons as indications of our future performance. In future periods, our operating results may fall below our public guidance or the expectations of public market analysts and investors, which would likely have a negative effect on the price of our common stock. Adverse global economic conditions, the subsequent economic recovery and uncertainty surrounding the strength and duration of such recovery have caused our operating results to fluctuate significantly and make comparability between periods less meaningful.

**Our operating results will suffer if we ineffectively utilize our manufacturing capacity or fail to maintain manufacturing yields.**

The manufacture and assembly of integrated circuits, particularly non-volatile, erasable CMOS memory and logic devices such as those that we produce, are complex processes. These processes are sensitive to a wide variety of factors, including the level of contaminants in the manufacturing environment, impurities in the materials used, the performance of our wafer fabrication and assembly and test personnel and equipment, and other quality issues. As is typical in the semiconductor industry, we have from time to time experienced lower than anticipated manufacturing yields. Our operating results will suffer if we are unable to maintain yields at approximately the current levels. This could include delays in the recognition of revenue, loss of revenue or future orders, and customer-imposed penalties for our failure to meet contractual shipment deadlines. Our operating results are also adversely affected when we operate at less than optimal capacity. For example, in fiscal 2012 and fiscal 2013 we reduced wafer starts in both Fab 2 and Fab 4, which negatively impacted our gross profit through the March 2013 quarter. We increased wafer starts modestly throughout fiscal 2014 and fiscal 2015. Although we operated at normal capacity levels during the last three quarters of fiscal 2015, the first two quarters of fiscal 2016 and the fourth quarter of fiscal 2016, there can be no assurance that such production levels will be maintained in future periods.

**We may not fully realize the anticipated benefits of our completed or future acquisitions or divestitures including our recently completed acquisition of Atmel.**

We have acquired, and expect in the future to acquire, additional businesses that we believe will complement or augment our existing businesses. On April 4, 2016, we acquired Atmel which is our largest and most complex acquisition ever. In addition, in August 2015, we completed our acquisition of Mircel; in July 2014, we completed our acquisition of a controlling interest in ISSC Technologies Corp. (ISSC); in April 2014, we completed our acquisition of Supertex, Inc. (Supertex); and in August 2012, we completed our acquisition of Standard Microsystems Corporation (SMSC). The integration process for our acquisitions may be complex, costly and time consuming and include unanticipated issues, expenses and liabilities. We may not be able to successfully or profitably integrate, operate, maintain and manage any newly acquired operations or employees. We may not be able to maintain uniform standards, procedures and policies and we may be unable to realize the expected synergies and cost savings from the integration. There may be increased risk due to integrating financial reporting and internal control systems. We may have difficulty in developing, manufacturing and marketing the products of a newly acquired company, or in growing the business at the rate we anticipate. Following an acquisition, we may not achieve the revenue or net income levels that justify the acquisition. We may suffer loss of key employees, customers and strategic partners of acquired companies and it may be difficult to implement our corporate culture at acquired companies. We may be subject to claims from terminated employees, shareholders of acquired companies and other third parties related to the transaction. time.

In particular, as a result of our Atmel acquisition, we became involved with certain third-party claims related to the Atmel business. See "Legal and Arbitration Proceedings" for information regarding such claims. Acquisitions may also result in charges (such as acquisition-related expenses, write-offs, restructuring charges, or future impairment of goodwill), contingent liabilities, adverse tax consequences, additional stock-based compensation expense and other charges that adversely affect our operating results. Additionally, we may fund acquisitions of new businesses or strategic alliances by utilizing cash, borrowings under our credit agreement, raising debt, issuing shares of our common stock, or other mechanisms.

Further, if we decide to divest assets or a business, we may encounter difficulty in finding or completing divestiture opportunities or alternative exit strategies on acceptable terms or in a timely manner. These circumstances could delay the achievement of our strategic objectives or cause us to incur additional expenses with respect to assets or a business that we want to dispose of, or we may dispose of

assets or a business at a price or on terms that are less favorable than we had anticipated. Even following a divestiture, we may be contractually obligated with respect to certain continuing obligations to customers, vendors, landlords or other third parties. We may also have continuing obligations for pre-existing liabilities related to the assets or businesses. Such obligations may have a material adverse impact on our results of operations and financial condition.

In addition to acquisitions, we have in the past, and expect in the future, to enter into joint development agreements or other business or strategic relationships with other companies. These transactions are subject to a number of risks similar to those we face with our acquisitions including our ability to realize the expected benefits of any such transaction, to successfully market and sell any products resulting from such transactions or to successfully integrate any technology developed through such transactions.

**Our financial condition and results of operations could be adversely affected if we do not effectively manage our current or future debt.**

In February 2015, we amended our credit agreement to increase the revolving credit facility to \$2.555 billion and we sold \$1.725 billion of principal value of our 1.625% senior subordinated convertible debentures. As a result of such transactions, we have a substantially greater amount of debt than we had maintained in the past. In August 2015, we increased our borrowings under our credit agreement to finance the approximately \$430 million cash portion of the purchase price of our Micrel acquisition which closed on August 3, 2015. In December 2015, we exercised our increase option in our credit agreement to obtain additional revolving commitments of \$219 million, bringing our total revolving credit facility to \$2.774 billion. At March 31, 2016, we had \$1,052.0 million in outstanding borrowings under such credit agreement. In connection with the closing of our acquisition of Atmel on April 4, 2016, we increased our borrowings under our credit agreement by approximately \$0.94 billion to finance a portion of the purchase price of such acquisition. Our maintenance of substantial levels of debt could adversely affect our ability to take advantage of corporate opportunities and could adversely affect our financial condition and results of operations. We may need or desire to refinance all or a portion of our loans under our credit agreement, our debentures or any other future indebtedness and there can be no assurance that we will be able to refinance any of our indebtedness on commercially reasonable terms, if at all.

**We are dependent on orders that are received and shipped in the same quarter and therefore have limited visibility to future product shipments.**

Our net sales in any given quarter depend upon a combination of shipments from backlog, and customer orders that are both received and shipped in that same quarter, which we refer to as turns orders. We measure turns orders at the beginning of a quarter based on the orders needed to meet the shipment targets that we set entering the quarter. Historically, we have relied on our ability to respond quickly to customer orders as part of our competitive strategy, resulting in customers placing orders with relatively short delivery schedules. Shorter lead times generally mean that turns orders as a percentage of our business are relatively high in any particular quarter and reduce our backlog visibility on future product shipments. Turns orders correlate to overall semiconductor industry conditions and product lead times. Because turns orders are difficult to predict, varying levels of turns orders make it more difficult to forecast net sales. As a significant portion of our products are manufactured at foundries, foundry lead times may affect our ability to satisfy certain turns orders. If we do not achieve a sufficient level of turns orders in a particular quarter relative to our revenue targets, our revenue and operating results will likely suffer.

**Intense competition in the markets we serve may lead to pricing pressures, reduced sales of our products or reduced market share.**

The semiconductor industry is intensely competitive and has been characterized by price erosion and rapid technological change. We compete with major domestic and international semiconductor companies, many of which have greater market recognition and substantially greater financial, technical, marketing, distribution and other resources than we do. We may be unable to compete successfully in the future, which could harm our business. Our ability to compete successfully depends on a number of factors both within and outside our control, including, but not limited to:

- the quality, performance, reliability, features, ease of use, pricing and diversity of our products;

- our success in designing and manufacturing new products including those implementing new technologies;
- the rate at which customers incorporate our products into their own applications and the success of such applications;
- the rate at which the markets that we serve redesign and change their own products;
- changes in demand in the markets that we serve and the overall rate of growth or contraction of such markets, including but not limited to the automotive, personal computing and consumer electronics markets;
- product introductions by our competitors;
- the number, nature and success of our competitors in a given market;
- our ability to obtain adequate foundry and assembly and test capacity and supplies of raw materials and other supplies at acceptable prices;
- our ability to protect our products and processes by effective utilization of intellectual property rights;
- our ability to remain price competitive against companies that have copied our proprietary product lines, especially in countries where intellectual property rights protection is difficult to achieve and maintain;
- our ability to address the needs of our customers; and
- general market and economic conditions.

Historically, average selling prices in the semiconductor industry decrease over the life of any particular product. The overall average selling prices of our microcontroller and proprietary analog, interface, mixed signal and timing products have remained relatively constant, while average selling prices of our memory and non-proprietary analog, interface, mixed signal and timing products have declined over time.

We have experienced, and expect to continue to experience, modest pricing declines in certain of our more mature proprietary product lines, primarily due to competitive conditions. We have been able to moderate average selling price declines in many of our proprietary product lines by continuing to introduce new products with more features and higher prices. However, there can be no assurance that we will be able to do so in the future. We have experienced in the past, and expect to continue to experience in the future, varying degrees of competitive pricing pressures in our memory and non-proprietary analog, interface, mixed signal and timing products. We may be unable to maintain average selling prices for our products as a result of increased pricing pressure in the future, which could adversely impact our operating results.

**We are dependent on wafer foundries and other contractors to perform key manufacturing functions for us, and our licensees of our SuperFlash and other technologies also rely on foundries and other contractors.**

We rely on outside wafer foundries for a significant portion of our wafer fabrication needs. Specifically, during each of fiscal 2016 and fiscal 2015, approximately 39% of our net sales came from products that were produced at outside wafer foundries. We also use several contractors located in Asia for a portion of the assembly and testing of our products. Our reliance on third party contractors and foundries increased as a result of our acquisitions of SMSC in August 2012, Supertex in April 2014 and ISSC in July 2014. The disruption or termination of any of our contractors could harm our business and operating results.

Our use of third parties somewhat reduces our control over the subcontracted portions of our business. Our future operating results could suffer if any contractor were to experience financial, operational or production difficulties or situations when demand exceeds capacity, or if they were unable to maintain manufacturing yields, assembly and test yields and costs at approximately their current levels, or if the countries in which such contractors are located were to experience political upheaval or infrastructure disruption. If these third parties are unable or unwilling to timely deliver products or services conforming to our quality standards, we may not be able to qualify additional manufacturing sources for our products in a timely manner on terms favorable to us, or at all. Additionally, these subcontractors could abandon fabrication processes that are important to us, or fail to adopt advanced manufacturing technologies that we desire to control costs. In any such event, we could experience an interruption in production, an increase in manufacturing and production costs or a decline in product reliability, and our business and operating results could be adversely affected. Further, our use of subcontractors increases the risks of potential misappropriation of our intellectual property.

Certain of our SuperFlash and other technology licensees also rely on outside wafer foundries for wafer fabrication services. If our licensees were to experience any disruption in supply from outside wafer foundries, this would reduce the revenue we receive in our technology licensing business and would harm our operating results.

**Our operating results are impacted by both seasonality and the wide fluctuations of supply and demand in the semiconductor industry.**

The semiconductor industry is characterized by seasonality and wide fluctuations of supply and demand. Since a significant portion of our revenue is from consumer markets and international sales, our business is subject to seasonally lower revenues in the third and fourth quarters of our fiscal year. However, broad fluctuations in our overall business, changes in semiconductor industry and global economic conditions and our acquisition activity can have a more significant impact on our results than seasonality. As a result, in periods when these broad fluctuations, changes in business conditions or acquisitions occur, it is difficult to assess the impact of seasonal factors on our business. The semiconductor industry has also experienced significant economic downturns, characterized by diminished product demand and production over-capacity. We have sought to reduce our exposure to this industry cyclically by selling proprietary products, that cannot be easily or quickly replaced, to a geographically diverse customer base across a broad range of market segments. However, we have experienced substantial period-to-period fluctuations in operating results and expect, in the future, to experience period-to-period fluctuations in operating results due to general industry or economic conditions.

**Our business is dependent on selling through distributors.**

Sales through distributors accounted for approximately 53% of our net sales in fiscal 2016 and approximately 51% of our net sales in fiscal 2015. We do not have long-term agreements with our distributors, and we and our distributors may each terminate our relationship with little or no advance notice.

Any future adverse conditions in the U.S. or global economies or in the U.S. or global credit markets could materially impact the operations of our distributors. Any deterioration in the financial condition of our distributors or any disruption in the operations of our distributors could adversely impact the flow of our products to our end customers and adversely impact our results of operation. In addition, during an industry or economic downturn, it is possible there will be an oversupply of products and a decrease in sell-through of our products by our distributors which could reduce our net sales in a given period and result in an increase in inventory returns. Violations of the Foreign Corrupt Practices Act, or similar laws, by our distributors or other channel partners could have a material adverse impact on our business.

**Our success depends on our ability to introduce new products on a timely basis.**

Our future operating results depend on our ability to develop and timely introduce new products that compete effectively on the basis of price and performance and which address customer requirements. The success of our new product introductions depends on various factors, including, but not limited to:

- proper new product selection;
- timely completion and introduction of new product designs;
- procurement of licenses for intellectual property rights from third parties under commercially reasonable terms;
- timely filing and protection of intellectual property rights for new product designs;
- availability of development and support tools and collateral literature that make complex new products easy for engineers to understand and use; and
- market acceptance of our customers' end products.

Because our products are complex, we have experienced delays from time to time in completing new product development. In addition, our new products may not receive or maintain substantial market acceptance. We may be unable to timely design, develop and introduce competitive products, which could adversely impact our future operating results.

Our success also depends upon our ability to develop and implement new design and process technologies. Semiconductor design and process technologies are subject to rapid technological change and require significant R&D expenditures. We and other companies in the industry have, from time to time, experienced difficulties in effecting transitions to advanced process technologies and, consequently,

have suffered reduced manufacturing yields or delays in product deliveries. Our future operating results could be adversely affected if any transition to future process technologies is substantially delayed or inefficiently implemented.

**Our technology licensing business exposes us to various risks.**

Our technology licensing business is based on our SuperFlash and other technologies. The success of our licensing business depends on the continued market acceptance of these technologies and on our ability to further develop and enhance such technologies and to introduce new technologies in the future. To be successful, any such technology must be able to be repeatably implemented by licensees, provide satisfactory yield rates, address licensee and customer requirements, and perform competitively. The success of our technology licensing business depends on various other factors, including, but not limited to:

- proper identification of licensee requirements;
- timely development and introduction of new or enhanced technology;
- our ability to protect and enforce our intellectual property rights for our licensed technology;
- our ability to limit our liability and indemnification obligations to licensees;
- availability of sufficient development and support services to assist licensees in their design and manufacture of products integrating our technology;
- availability of foundry licensees with sufficient capacity to support OEM production; and
- market acceptance of our customers' end products.

Because our licensed technologies are complex, there may be delays from time to time in developing and enhancing such technologies. There can be no assurance that our existing or any enhanced or new technology will achieve or maintain substantial market acceptance. Our licensees may experience disruptions in production or lower than expected production levels which would adversely affect the revenue that we receive from them. Our technology license agreements generally include an indemnification clause that indemnifies the licensee against liability and damages (including legal defense costs) arising from intellectual property matters. We could be exposed to substantial liability for claims or damages related to intellectual property matters or indemnification claims. Any claim, with or without merit, could result in significant legal fees and require significant attention from our management. Any of the foregoing issues may adversely impact the success of our licensing business and adversely affect our future operating results.

**We may lose sales if our suppliers of raw materials and equipment fail to meet our needs.**

Our semiconductor manufacturing operations require raw and processed materials and equipment that must meet exacting standards. We generally have more than one source for these supplies, but there are only a limited number of suppliers capable of delivering various materials and equipment that meet our standards. The materials and equipment necessary for our business could become more difficult to obtain as worldwide use of semiconductors in product applications increases. Additionally, consolidation in our supply chain due to mergers and acquisitions may reduce the number of suppliers or change the relationships that we have with our suppliers. This could impair sourcing flexibility or increase costs. We have experienced supply shortages from time to time in the past, and on occasion our suppliers have told us they need more time than expected to fill our orders or that they will no longer support certain equipment with updates or spare and replacement parts. An interruption of any materials or equipment sources, or the lack of supplier support for a particular piece of equipment, could harm our business.

**We are exposed to various risks related to legal proceedings or claims.**

We are currently, and in the future may be, involved in legal proceedings or claims regarding patent infringement, other intellectual property rights, product failures, contracts and other matters. As is typical in the semiconductor industry, we receive notifications from third parties from time to time who believe that we owe them indemnification or other obligations related to claims made against us, our direct or indirect customers or our licensees. These legal proceedings and claims, even if meritless, could result in substantial costs to us and divert our resources. If we are not able to resolve a claim, settle a matter, obtain necessary licenses on commercially reasonable terms, reengineer our products or processes to avoid infringement, provide a cost-effective remedy, or successfully prosecute or defend

our position, we could incur uninsured liability in any of them, be required to take an appropriate charge to operations, be enjoined from selling a material portion of our products or using certain processes, suffer a reduction or elimination in the value of our inventories, and our business, financial condition or results of operations could be harmed.

It is also possible that from time to time we may be subject to claims related to the manufacture, performance or use of our products. These claims may be due to injuries, economic damage or environmental exposures related to manufacturing, a product's nonconformance to our specifications or specifications agreed upon with the customer, changes in our manufacturing processes, or unexpected customer system issues due to the integration of our products or insufficient design or testing by our customers. We could incur significant expenses related to such matters, including, but not limited to:

- costs related to writing off the value of our inventory of nonconforming products;
- recalling nonconforming products;
- providing support services, product replacements, or modifications to products and the defense of such claims;
- diversion of resources from other projects;
- lost revenue or a delay in the recognition of revenue due to cancellation of orders or unpaid receivables;
- customer imposed fines or penalties for failure to meet contractual requirements; and
- a requirement to pay damages or penalties.

Because the systems into which our products are integrated have a higher cost of goods than the products we sell, the expenses and damages we are asked to pay may be significantly higher than the sales and profits we received from the products involved. While we specifically exclude consequential damages in our standard terms and conditions, certain of our contracts may not exclude such liabilities. Further, our ability to avoid such liabilities may be limited by applicable law. We do have liability insurance which covers certain damages arising out of product defects, but we do not expect that insurance will cover all claims or be of a sufficient amount to fully protect against such claims. Costs or payments we may make in connection with these customer claims may adversely affect the results of our operations.

Further, we sell to customers in industries such as automotive, aerospace, defense, safety, security and medical, where failure of the systems in which our products are integrated could cause damage to property or persons. We may be subject to claims if our products, or the integration of our products, cause system failures. We will face increased exposure to claims if there are substantial increases in either the volume of our sales into these applications or the frequency of system failures integrating our products.

**Failure to adequately protect our intellectual property could result in lost revenue or market opportunities.**

Our ability to obtain patents, licenses and other intellectual property rights covering our products and manufacturing processes is important for our success. To that end, we have acquired certain patents and patent licenses and intend to continue to seek patents on our technology and manufacturing processes. The process of seeking patent protection can be long and expensive, and patents may not be issued from currently pending or future applications. In addition, our existing and new patents, trademarks and copyrights that issue may not have sufficient scope or strength to provide meaningful protection or commercial advantage to us. We may be subject to, or may ourselves initiate, interference proceedings in the U.S. Patent and Trademark Office, patent offices of a foreign country or U.S. or foreign courts, which can require significant financial and management resources. In addition, the laws of certain foreign countries do not protect our intellectual property rights to the same extent as the laws of the U.S. Infringement of our intellectual property rights by a third party could result in uncompensated lost market and revenue opportunities for us. Although we continue to vigorously and aggressively defend and protect our intellectual property on a worldwide basis, there can be no assurance that we will be successful in our endeavors.

**Our operating results may be adversely impacted if economic conditions impact the financial viability of our licensees, customers, distributors, or suppliers.**

We regularly review the financial performance of our licensees, customers, distributors and suppliers. However, any downturn in global economic conditions may adversely impact the financial viability of

our licensees, customers, distributors or suppliers. The financial failure of a large licensee, customer or distributor, an important supplier, or a group thereof, could have an adverse impact on our operating results and could result in our not being able to collect our accounts receivable balances, higher reserves for doubtful accounts, write-offs for accounts receivable, and higher operating costs as a percentage of net sales.

**We are highly dependent on foreign sales and operations, which exposes us to foreign political and economic risks.**

Sales to foreign customers account for a substantial portion of our net sales. During fiscal 2016, approximately 84% of our net sales were made to foreign customers, including 30% in China. During fiscal 2015, approximately 84% of our net sales were made to foreign customers, including 28% in China.

A strong position in the Chinese market is a key component of our global growth strategy. The market for integrated circuit products in China is highly competitive, and both international and domestic competitors are aggressively seeking to increase their market share. Increased competition or economic weakness in the China market may make it difficult for us to achieve our desired sales volumes in China. In particular, economic conditions in China remain uncertain and we are unable to predict whether such uncertainty will continue or worsen in future periods.

We deliver products to our European customers through our facilities in England. The UK's EU referendum on June 23, 2016 (called "Brexit" in the press) is to determine whether the UK will leave the EU. If the UK does leave the EU, we may lose our ability to import and export products tax-free throughout Europe. As a result, it may increase the costs to Microchip for the import and sale of our products to our customers, which may result in a decrease in sales to certain of our customers. In order to avoid these costs, we may have to consider alternate methods for delivering product into Europe. In implementing these changes, we may experience a disruption in operations or product shipments.

We purchase a substantial portion of our raw materials and equipment from foreign suppliers. In addition, we own product assembly and testing facilities near Bangkok, Thailand, which has experienced periods of political instability in the past. Substantially all of our finished goods inventory is maintained in Thailand. From time to time, Thailand has also experienced periods of severe flooding. There can be no assurance that any future flooding or political instability in Thailand would not have a material adverse impact on our operations. We use various foundries and other foreign contractors for a significant portion of our assembly and testing and wafer fabrication requirements.

Our reliance on foreign operations, foreign suppliers, maintenance of substantially all of our finished goods inventory at foreign locations and significant foreign sales exposes us to foreign political and economic risks, including, but not limited to:

- political, social and economic instability;
- economic uncertainty in the worldwide markets served by us;
- trade restrictions and changes in tariffs;
- import and export license requirements and restrictions;
- changes in rules and laws related to taxes, environmental, health and safety, technical standards and consumer protection in various jurisdictions;
- currency fluctuations and foreign exchange regulations;
- difficulties in staffing and managing international operations;
- employment regulations;
- disruptions in international transport or delivery;
- public health conditions;
- difficulties in collecting receivables and longer payment cycles; and
- potentially adverse tax consequences.

If any of these risks materialize, or are worse than we anticipate, our sales could decrease and our operating results could suffer.

**We do not typically have long-term contracts with our customers, but where we do, certain terms of such contracts expose us to risks and liabilities.**

We do not typically enter into long-term contracts with our customers and we cannot be certain about future order levels from our customers. When we do enter into customer contracts, the contract is generally cancelable at the convenience of the customer. Even though we had approximately 93,000 customers and our ten largest direct customers made up approximately 10% of our total revenue for fiscal 2016, cancellation of customer contracts could have an adverse impact on our revenue and profits.

We have entered into contracts with certain customers that differ from our standard terms of sale. Further, as a result of our acquisitions, we may inherit certain customer contracts that differ from our standard terms of sale. For several of the significant markets that we sell into, such as the automotive and personal computer markets, our current or potential customers may possess significant leverage over us in negotiating the terms and conditions of supply as a result of their market size and position. For example, under certain contracts we may commit to supply specific quantities of products on scheduled delivery dates, or agree to extend our obligations for certain liabilities such as warranties or indemnification for quality issues or claims of intellectual property infringement. If we are unable to supply the customer as required under the contract, the customer may incur additional production costs, lost revenues due to subsequent delays in their own manufacturing schedule, or quality-related issues. We may be liable for the customer's costs, expenses and damages associated with their claims and we may be obligated to defend the customer against claims of intellectual property infringement and pay the associated legal fees. While we try to minimize the number of contracts which contain such provisions, manage the risks underlying such liabilities, and set caps on our liability exposure, sometimes we are not able to do so. In order to win important designs, avoid losing business to competitors, maintain existing business, or be permitted to bid on new business, we have been, and may in the future be, forced to agree to uncapped liability for such items as intellectual property infringement, product failure, or confidentiality. Such provisions expose us to risk of liability far exceeding the purchase price of the products we sell under such contracts, the lifetime revenues we receive from such products, or various forms of potential consequential damages. These significant additional risks could result in a material adverse impact on our results of operations and financial condition.

**We must attract and retain qualified personnel to be successful, and competition for qualified personnel can be intense.**

Our success depends upon the efforts and abilities of our senior management, engineering, manufacturing and other personnel. The competition for qualified engineering and management personnel can be intense. We may be unsuccessful in retaining our existing key personnel or in attracting and retaining additional key personnel that we require. The loss of the services of one or more of our key personnel or the inability to add key personnel could harm our business. The loss of, or any inability to attract personnel, even if not key personnel, if experienced in sufficient numbers could harm our business. We have no employment agreements with any member of our senior management team.

**Business interruptions to our operations or the operations of our key vendors, subcontractors, licensees or customers, whether due to natural disasters or other events, could harm our business.**

Operations at any of our facilities, at the facilities of any of our wafer fabrication or assembly and test subcontractors, or at any of our significant vendors or customers may be disrupted for reasons beyond our control. These reasons may include work stoppages, power loss, incidents of terrorism or security risk, political instability, public health issues, telecommunications, transportation or other infrastructure failure, radioactive contamination, fire, earthquake, floods, volcanic eruptions or other natural disasters. We have taken steps to mitigate the impact of some of these events should they occur; however, we cannot be certain that our actions will be effective to avoid a significant impact on our business in the event of a disaster or other business interruption.

In particular, Thailand has experienced periods of severe flooding in recent years. While our facilities in Thailand have continued to operate normally, there can be no assurance that any future flooding in Thailand would not have a material adverse impact on our operations. If operations at any of our facilities, or our subcontractors' facilities are interrupted, we may not be able to shift production to other facilities on a timely basis, and we may need to spend significant amounts to repair or replace our facilities and equipment. If we experienced business interruptions, we would likely experience delays in shipments of products to our customers and alternate sources for production may be unavailable on



acceptable terms. This could result in reduced revenues and profits and the cancellation of orders or loss of customers. Although we maintain business interruption insurance, such insurance will likely not be enough to compensate us for any losses that may occur and any losses or damages incurred by us as a result of business interruptions could significantly harm our business.

Additionally, operations at our customers and licensees may be disrupted for a number of reasons. In the event of customer disruptions, sales of our products may decline and our revenue, profitability and financial condition could suffer. Likewise, if our licensees are unable to manufacture and ship products incorporating our technology, or if there is a decrease in product demand due to a business disruption, our royalty revenue may decline as our licenses are based on per unit royalties.

**Fluctuations in foreign currency exchange rates could adversely impact our operating results.**

We use forward currency exchange contracts in an attempt to reduce the adverse earnings impact from the effect of exchange rate fluctuations on our non-U.S. dollar net balance sheet exposures. Nevertheless, in periods when the U.S. dollar significantly fluctuates in relation to the non-U.S. currencies in which we transact business, the value of our non-U.S. dollar transactions can have an adverse effect on our results of operations and financial condition. In particular, in periods when a foreign currency significantly declines in value in relation to the U.S. dollar, customers transacting in that foreign currency may find it more difficult to fulfill their previously committed contractual obligations or to undertake new obligations to make payments or purchase products. In periods when the U.S. dollar is significantly declining in relation to the British pound, Euro and Thai baht, the operational costs in our European and Thailand subsidiaries are adversely affected. Over the past several months, the U.S. dollar has declined slightly against the Euro and other major currencies. Although our business has not been materially adversely impacted by such change in the value of the U.S. dollar, there can be no assurance as to the future impact that the strength of the dollar will have on our business or results of operations.

**Interruptions in our information technology systems, or improper handling of data, could adversely affect our business.**

We rely on the efficient and uninterrupted operation of complex information technology systems and networks to operate our business. Any significant disruption to our systems or networks, including, but not limited to, new system implementations, computer viruses, security breaches, facility issues, natural disasters, terrorism, war, telecommunication failures or energy blackouts could have a material adverse impact on our operations, sales and operating results. Such disruption could result in a loss of our intellectual property or the release of sensitive competitive information or supplier, customer or employee personal data. Any loss of such information could harm our competitive position, result in a loss of customer confidence, and cause us to incur significant costs to remedy the damages caused by any such disruptions or security breaches. Additionally, any failure to properly manage the collection, handling, transfer or disposal of personal data of employees and customers may result in regulatory penalties, enforcement actions, remediation obligations, litigation, fines and other sanctions.

From time to time, we have experienced verifiable attacks on our data, attempts to breach our security and attempts to introduce malicious software into our IT systems; however, such attacks have not previously resulted in any material damage to us. Were future attacks successful, we may be unaware of the incident, its magnitude, or its effects until significant harm is done. In recent years, we have implemented improvements to our protective measures which are not limited to the following: firewalls, antivirus measures, patches, log monitors, routine backups with offsite retention of storage media, system audits, data partitioning and routine password modifications. There can be no assurance that such system improvements will be sufficient to prevent or limit the damage from any future cyber attacks or disruptions. Any such attack or disruption could result in additional costs related to rebuilding of our internal systems, defending litigation, responding to regulatory actions, or paying damages. Such attacks or disruptions could have a material adverse impact on our business, operations and financial results.

Third-party service providers, such as wafer foundries, assembly and test contractors, distributors, credit card processors and other vendors have access to certain portions of our and our customers' sensitive data. In the event that these service providers do not properly safeguard the data that they hold, security breaches and loss of data could result. Any such loss of data by our third-party service providers could negatively impact our business, operations and financial results, as well as our relationship with our customers.

**The occurrence of events for which we are self-insured, or which exceed our insurance limits, may adversely affect our profitability and liquidity.**

We have insurance contracts with independent insurance companies related to many different types of risk; however, we self-insure for some potentially significant risks and obligations. In these circumstances, we believe that it is more cost effective for us to self-insure certain risks than to pay the high premium costs. The risks and exposures that we self-insure include, but are not limited to certain property, product defects, employment risks, environmental matters, political risks, and intellectual property matters. Should there be a loss or adverse judgment or other decision in an area for which we are self-insured, then our financial condition, results of operations and liquidity may be adversely affected.

**We are subject to stringent environmental and other regulations, which may force us to incur significant expenses.**

We must comply with many federal, state, local and foreign governmental regulations related to the use, storage, discharge and disposal of toxic, volatile or otherwise hazardous substances used in our products and manufacturing processes. Our failure to comply with applicable regulations could result in fines, suspension of production, cessation of operations or future liabilities. Such environmental regulations have required us in the past, and could require us in the future to buy costly equipment or to incur significant expenses to comply with such regulations. Our failure to control the use of, or adequately restrict the discharge of, hazardous substances could impact the health of our employees and others and could impact our ability to operate. Such failure could also restrict our ability to ship certain products to certain countries, require us to modify our operations logistics, or require us to incur other significant costs and expenses. There is a continuing expansion in environmental laws with a focus on reducing or eliminating hazardous substances and substances of high concern in electronic products and shipping materials. These and other future environmental regulations could require us to reengineer certain of our existing products and may make it more expensive for us to manufacture, sell and ship our products. In addition, the number and complexity of laws focused on the energy efficiency of electronic products and accessories, the recycling of electronic products, and the reduction in the quantity and the recycling of packing materials have expanded significantly. It may be difficult for us to timely comply with these laws and we may not have sufficient quantities of compliant products to meet customers' needs, thereby adversely impacting our sales and profitability. We may also have to write off inventory in the event that we hold unsaleable inventory as a result of changes to regulations or customer requirements. We expect these risks and trends to continue. In addition, we anticipate increased customer requirements to meet voluntary criteria related to the reduction or elimination of substances of high concern in our products, energy efficiency measures, and supplier practices associated with sourcing and manufacturing. These requirements may increase our own costs, as well as those passed on to us by our supply chain.

**Customer demands for us to implement business practices that are more stringent than existing legal requirements may reduce our revenue opportunities or cause us to incur higher costs.**

Some of our customers and potential customers are requiring that we implement operating practices that are more stringent than what is required by applicable laws with respect to workplace and labor requirements, the type of materials we use in our products, environmental matters or other items. To comply with such requirements, we may have to pass these same operating practices on to our suppliers. Our suppliers may refuse to implement these operating practices, or may charge us more for complying with them. The cost to implement such practices may cause us to incur higher costs and reduce our profitability, and if we choose not to implement such practices, such customers may disqualify us as a supplier, resulting in decreased revenue opportunities. Developing, administering, monitoring and auditing these customer-requested practices at our own sites and those in our supply chain will increase our costs and may require that we hire more personnel.

**Potential U.S. tax legislation regarding our foreign earnings could materially and adversely impact our business and financial results.**

Currently, a majority of our revenue is generated from customers located outside the U.S., and a substantial portion of our assets, including employees, are located outside of the U.S. Present U.S. income taxes and foreign withholding taxes have not been provided on undistributed earnings for certain of our non-U.S. subsidiaries, because such earnings are intended to be indefinitely reinvested in the operations of those subsidiaries. In recent years, there have been a number of initiatives proposed by the Obama

administration and members of Congress regarding the tax treatment of such undistributed earnings. If adopted, certain of these initiatives would substantially reduce our ability to defer U.S. taxes including repealing the deferral of U.S. taxation of foreign earnings, eliminating utilization of or substantially reducing our ability to claim foreign tax credits, and eliminating various tax deductions until foreign earnings are repatriated to the U.S. Changes in tax law such as these proposals could have a material adverse impact on our financial position and results of operations.

**Customer demands and new regulations related to conflict-free minerals may force us to incur additional expenses.**

As required by the Dodd-Frank Wall Street Reform and Consumer Protection Act, in August 2012, the SEC released investigation, disclosure and reporting requirements regarding the use of "conflict" minerals mined from the Democratic Republic of Congo and adjoining countries and which are necessary to the functionality or production of products. We filed a report on Form SD with the SEC regarding such matters on June 1, 2015. Other countries are considering similar regulations. If we cannot certify that we are using conflict-free minerals, customers may demand that we change the sourcing of minerals and other materials used in the manufacture of our products, even if the costs for compliant minerals and materials significantly increases and availability is limited. If we make changes to materials or suppliers, there will likely be costs associated with qualifying new suppliers and production capacity and quality could be negatively impacted. Our relationships with customers and suppliers may be adversely affected if we are unable to certify that our products are "conflict-free." We have incurred, and expect in the future to incur, additional costs associated with complying with these new disclosure requirements, such as costs related to determining the source of any conflict minerals used in our products. We may also encounter challenges to satisfy those customers who require that all of the components of our products be certified as conflict free in a materially different manner than advocated by the Conflict Free Smelter Initiative or the Dodd-Frank Wall Street Reform and Consumer Protection Act. If we are not able to meet customer requirements, customers may choose to disqualify us as a supplier and we may have to write off inventory in the event that it cannot be sold.

**Regulatory authorities in jurisdictions into which we ship our products could levy fines or restrict our ability to export products.**

A significant portion of our sales are made outside of the U.S. through the exporting and re-exporting of products. In addition to local jurisdictions' export regulations, our U.S.-manufactured products or products based on U.S. technology are subject to U.S. laws and regulations governing international trade and exports, including, but not limited to the Foreign Corrupt Practices Act, Export Administration Regulations (EAR), International Traffic in Arms Regulations (ITAR) and trade sanctions against embargoed countries and destinations administered by the U.S. Department of the Treasury, Office of Foreign Assets Control (OFAC). Licenses or proper license exceptions are required for the shipment of our products to certain countries. A determination by the U.S. or foreign government that we have failed to comply with these or other export regulations or anti-bribery regulations can result in penalties which may include denial of export privileges, fines, civil or criminal penalties, and seizure of products. Such penalties could have a material adverse effect on our business, sales and earnings. Further, a change in these laws and regulations could restrict our ability to export to previously permitted countries, customers, distributors or other third parties. Any one or more of these sanctions or a change in laws or regulations could have a material adverse effect on our business, financial condition and results of operations.

**The outcome of currently ongoing and future examinations of our income tax returns by the IRS could have an adverse effect on our results of operations.**

We are subject to examination of our income tax returns by the IRS and other tax authorities for fiscal 2011 and later. We are currently under IRS audit for fiscal 2011 and fiscal 2012. We are subject to certain income tax examinations in foreign jurisdictions for fiscal 2008 and later. We regularly assess the likelihood of adverse outcomes resulting from these examinations to determine the adequacy of our provision for income taxes. There can be no assurance that the outcomes from these continuing examinations will not have an adverse effect on our future operating results.

**As a result of our acquisition activity, our goodwill and intangible assets have increased significantly in recent years and we may in the future incur impairments to goodwill or long-lived assets.**

When we acquire a business, a substantial portion of the purchase price of the acquisition is allocated to goodwill and other identifiable intangible assets. The amount of the purchase price which is allocated to goodwill and other intangible assets is determined by the excess of the purchase price over the net identifiable assets acquired. As of March 31, 2016, we had goodwill of \$1,012.7 million and net intangible assets of \$606.3 million. We review our long-lived assets, including goodwill and other intangible assets, for impairment annually in the fourth fiscal quarter or whenever events or changes in circumstances indicate that the carrying amount of those assets may not be recoverable. Factors that may be considered in assessing whether goodwill or intangible assets may not be recoverable include a decline in our stock price or market capitalization, reduced estimates of future cash flows and slower growth rates in our industry. Our valuation methodology for assessing impairment requires management to make judgments and assumptions based on historical experience and to rely heavily on projections of future operating performance. Because we operate in highly competitive environments, projections of our future operating results and cash flows may vary significantly from our actual results. No goodwill or material long-lived asset impairment charges were recorded in fiscal 2016 or fiscal 2015. However, if in future periods, we determine that our long-lived assets, including goodwill or intangible assets, are impaired, we will be required to write down these assets which would have a negative effect on our consolidated financial statements.

**Our reported financial results may be adversely affected by new accounting pronouncements or changes in existing accounting standards and practices.**

We prepare our financial statements in conformity with accounting principles generally accepted in the U.S. These accounting principles are subject to interpretation or changes by the FASB and the SEC. New accounting pronouncements and varying interpretations of accounting standards and practices have occurred in the past and are expected to occur in the future. New accounting pronouncements or a change in the interpretation of existing accounting standards or practices may have a significant effect on our reported financial results and may even affect our reporting of transactions completed before the change is announced or effective.

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09 - Revenue from Contracts with Customers (Topic 606), which will supersede nearly all existing revenue guidance under US GAAP. The standard's core principle is that a company will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. We are currently evaluating the impact that the adoption of the standard may have on our consolidated financial statements and have not elected a transition method.

**Climate change regulations and sustained adverse climate change pose regulatory and physical risks that could harm our results of operations or affect the way we conduct business.**

Climate change regulations could require us to limit emissions, change our manufacturing processes, obtain substitute materials which may cost more or be less available, increase our investment in control technology for greenhouse gas emissions, fund offset projects or undertake other costly activities. These regulations could significantly increase our costs and restrict our manufacturing operations by virtue of requirements for new equipment. New permits may be required for our current operations, or expansions thereof. Failure to timely receive permits could result in fines, suspension of production, or cessation of operations at one or more facilities. In addition, restrictions on carbon dioxide or other greenhouse gas emissions could result in significant costs such as higher energy costs, and utility companies passing down carbon taxes, emission cap and trade programs and renewable portfolio standards. The cost of complying, or of failing to comply, with these and other climate change and emissions regulations could have an adverse effect on our operating results.

Further, any sustained adverse change in climate could have a direct adverse economic impact on us, such as water and power shortages, and higher costs of water or energy to control the temperature of our facilities. Certain of our operations are located in arid or tropical regions, such as Arizona and Thailand. Some environmental experts predict that these regions may become vulnerable to storms, severe floods and droughts due to climate change. While we maintain business recovery plans that are

intended to allow us to recover from natural disasters or other events that can interrupt business, we cannot be certain that our plans will protect us from all such disasters or events.

### **Key Risks related to the Shares**

#### ***The future trading price of Microchip's common stock could be subject to wide fluctuations in response to a variety of factors.***

The market price of our common stock has fluctuated significantly in the past and is likely to fluctuate in the future. The future trading price of our common stock could be subject to wide fluctuations in response to a variety of factors, many of which are beyond our control, including, but not limited to:

- quarterly variations in our operating results or the operating results of other technology companies;
- general conditions in the semiconductor industry;
- global economic and financial conditions;
- changes in our financial guidance or our failure to meet such guidance;
- changes in analysts' estimates of our financial performance or buy/sell recommendations;
- any acquisitions we pursue or complete (including our recent acquisition of Atmel); and
- actual or anticipated announcements of technical innovations or new products by us or our competitors.

In addition, the stock market has from time to time experienced significant price and volume fluctuations that have affected the market prices for many companies and that often have been unrelated to the operating performance of such companies. These broad market fluctuations and other factors have harmed and may harm the market price of our common stock. Some or all of the foregoing factors could also cause the market price of our convertible debentures to decline or fluctuate substantially.

#### ***Conversion of Microchip's debentures will dilute the ownership interest of existing stockholders, including holders who had previously converted their debentures.***

The conversion of some or all of our outstanding debentures will dilute the ownership interest of existing stockholders to the extent we deliver common stock upon conversion of the debentures. Upon conversion, we may satisfy our conversion obligation by delivering cash, shares of common stock or any combination, at our option. If upon conversion we elect to deliver cash for the lesser of the conversion value and principal amount of the debentures, we would pay the holder the cash value of the applicable number of shares of our common stock. Upon conversion, we intend to satisfy the lesser of the principal amount or the conversion value of the debentures in cash. If the conversion value of a debenture exceeds the principal amount of the debenture, we may also elect to deliver cash in lieu of common stock for the conversion value in excess of the one thousand dollars principal amount (i.e., the conversion spread). There would be no adjustment to the numerator in the net income per common share computation for the cash settled portion of the debentures as that portion of the debt instrument will always be settled in cash. The conversion spread will be included in the denominator for the computation of diluted net income per common share. Any sales in the public market of any common stock issuable upon conversion of our debentures could adversely affect prevailing market prices of our common stock. In addition, the existence of the debentures may encourage short selling by market participants because the conversion of the debentures could be used to satisfy short positions, or anticipated conversion of the debentures into shares of our common stock could depress the price of our common stock.

## GENERAL INFORMATION

### Responsibility for Contents of the Prospectus

Microchip Technology Incorporated, whose principal executive offices are located at 2355 West Chandler Boulevard, Chandler, Arizona 85224-6199, U.S.A., assumes responsibility for the contents of this prospectus pursuant to section 5 paragraph 4 of the German Securities Prospectus Act (Wertpapierprospektgesetz – "WpPG") and declares the information contained in this prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import, and that Microchip Technology Incorporated has taken all reasonable care to ensure that the information contained in this prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

References in this prospectus to "Microchip" or the "Company", as well as "we," "us," and "our," each refer to Microchip Technology Incorporated and its subsidiaries, unless the context indicates otherwise.

### Subject Matter of the Offering

This prospectus relates to the offering of shares of Microchip's common stock each with a par value of \$0.001 under the Microchip Technology Incorporated International Employee Stock Purchase Plan (the "IESPP"). The total number of shares made available for purchase under the IESPP is 582,551.

### Forward-Looking Statements

This prospectus contains forward-looking statements that are based on the Company's current beliefs and expectations. These forward-looking statements may be accompanied by such words as "anticipate," "believe," "estimate," "expect," "forecast," "intend," "may," "plan," "project," "target," "will" and other words and terms of similar meaning. Reference is made in particular to forward-looking statements regarding: future financial performance and results of operations; the incidence, timing, outcome and impact of litigation, proceedings related to patents and other intellectual property rights, tax assessments and other legal proceedings; and the development and commercialization of the Company's pipeline products. These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those reflected in such statements, including those risks and uncertainties that are described in the "Risk Factors" section of this prospectus and elsewhere in this prospectus. Forward-looking statements speak only as of the date of this prospectus. Investors should not place undue reliance on these statements. The Company does not undertake any obligation to publicly update any forward-looking statements.

### Currency References

In this prospectus and any documents included herein, unless otherwise indicated, all dollar amounts and references to "USD", "U.S. \$" or "\$" are to U.S. Dollars.

### Documents Available for Inspection

The Company's internet address is [www.microchip.com](http://www.microchip.com). The following documents, along with other reports and amendments filed with or furnished to the SEC, are publicly available free of charge during the entire validity period of this prospectus at the Investor Relations subsection of the "About Us" section of Microchip's website:

- the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2016 including its audited consolidated financial statements;
- the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2015 including its audited consolidated financial statements; and
- the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2014 including its audited consolidated financial statements.

These documents are also available on the SEC website at [www.sec.gov](http://www.sec.gov). This prospectus can be downloaded at <http://www.microchip.com/fradms>.

The Company's certificate of incorporation and bylaws are on file at the Company's headquarters in Chandler, Arizona, U.S.A. Copies of the Company's certificate of incorporation and bylaws will be furnished to investors without charge upon written request to: Investor Relations, Microchip Technology Incorporated, 2355 West Chandler Boulevard, Chandler, Arizona 85224-6199, U.S.A. or via oral request to: Investor Relations, Microchip Technology Incorporated at (+1) 480 792-7200.

## THE OFFERING

### Information Concerning the Shares to be Offered

The shares offered under the IESPP are shares of Microchip's common stock, which is registered under the U.S. Securities Exchange Act of 1934, as amended (the "U.S. Exchange Act"). The Company's common stock is listed on the NASDAQ® Global Market ("NASDAQ"), under the symbol "MCHP." The stock is quoted on NASDAQ in U.S. dollars. The International Securities Identification Number (ISIN) for the Company's common stock is US5950171042. The U.S. security identification (CUSIP) number for the Company's common stock is 595017104. The German Securities Code (Wertpapier-Kenn-Nummer) is 886105. In Germany, the stock is traded on the unofficial market segment ("Freiverkehr") on the exchange in Düsseldorf, Frankfurt, Hamburg, Stuttgart, Munich and Berlin as well as on Tradegate under the symbol "MCP".

The par value of each share of the Company's common stock is \$0.001. All issued and outstanding shares of Microchip's common stock are fully paid and non-assessable. Substantially all of the outstanding shares of common stock are registered or can be sold in the public market pursuant to an exemption from registration such as Rule 144. Each issued and outstanding share of common stock entitles the holder to one vote on all matters presented to the shareholders in annual or special meetings of the Company.

Microchip is authorized to issue up to 450,000,000 shares of common stock. As of May 31, 2016, the Company had had 237,497,913 shares issued and 214,885,521 shares of common stock outstanding.

A participant shall have no interest or voting right in the shares covered by his or her purchase right until the shares are purchased on the participant's behalf and the participant has become a holder of record of the purchased shares.

### Administration of the IESPP

Each foreign subsidiary is responsible for the administration of the IESPP with respect to its eligible employees. Accordingly, the IESPP shall, as to each foreign subsidiary, be separately administered by a plan administrator comprised of two or more members of Microchip's Board of Directors (the "Board"), the Employee Committee of the Board (as defined in the IESPP), or a designee as may be appointed by either of them from time to time (the "Administrator").

The Administrator has full authority to administer the IESPP, including authority to interpret and construe any provision of the IESPP and to adopt such rules and regulations for administering the IESPP as it may deem necessary. Decisions of the Administrator shall be subject to ratification by the Board and, when so ratified, shall be final and binding on all parties who have an interest in the IESPP.

The IESPP's service provider assists the Company with administration of the IESPP. The Company has engaged E\*TRADE Financial Corporate Services, Inc., 4005 Windward Plaza, Alpharetta, Georgia, 30005, USA, ("E\*TRADE") as the service provider for the IESPP. Individual participants will be notified if Microchip selects a different service provider to help administer the participant's account.

### The Offering under the IESPP

#### General Information

On June 4, 1994, the Company's Board adopted the IESPP. The IESPP was subsequently amended on the following dates: April 25, 1997; March 3, 2003; August 20, 2004; October 19, 2004; May 1, 2006; August 15, 2008; February 22, 2010; August 20, 2010; October 1, 2010; August 19, 2011; May 19, 2014; and May 1, 2015.

The IESPP is intended to provide eligible employees of Microchip's designated foreign subsidiaries with the opportunity to acquire a proprietary interest in Microchip through the purchase of shares of Microchip common stock at periodic intervals with their accumulated payroll deductions.

Currently, 1,703,783 shares of the Company's common stock are authorized to be issued to the Company's employees under the IESPP.



As of June 23, 2016, 582,551 shares of common stock remained available for issuance under the IESPP.

#### Eligibility to Participate and Subscription

Only employees of Microchip's designated foreign subsidiaries who are employed on the first day of the applicable offering period (referred to as "purchase period" in the IESPP) are eligible to participate in the IESPP. Employees elect to participate in the IESPP by completing the prescribed enrollment documents (including a purchase agreement and a payroll deduction authorization) with the Administrator. The enrollment documents must be submitted no later than five (5) business days before the offering period begins.

#### Payroll Deductions

Participants contribute a percentage of their compensation towards the purchase of shares by way of payroll deductions. At the time a participant files his or her payroll deduction authorization, the participant indicates the percentage of compensation to be contributed to the IESPP which must be between one percent (1%) and ten percent (10%) of the employee's eligible compensation. All payroll deductions authorized by a participant shall be used to purchase whole shares under the IESPP. A participant may discontinue participation in the IESPP at any time provided notice is received prior to the withdrawal deadline. A participant may decrease the rate of payroll deductions once during an offering period by filing the appropriate form with the Administrator (or its designate). The change in rate shall become effective as soon as practicable thereafter. In addition, a participant may, prior to the start date of any subsequent offering period, increase or decrease the rate of payroll deductions by filing the appropriate form with the Administrator (or its designate). The new rate shall become effective as of the start date of the new offering period.

#### Offering Periods

Shares are purchased at the end of each offering period using employee contributions made by way of payroll deductions during the offering period. New offering periods generally begin on June 1 and December 1 each year. The offering period which started on June 1, 2015 is covered by the prospectus dated June 24, 2015 and approved on June 26, 2015. The June 24, 2015 prospectus is valid until June 27, 2016. After its expiry, the current offering period as well as the offering periods beginning on December 1, 2016 and June 1, 2017 will be covered by this prospectus. Each of these offering periods will last for six months. The participant's right to purchase shares under the IESPP will be exercised automatically on the last trading day of the offering period (i.e. on December 1, 2016 and June 1, 2017 or the next open trading day after such dates), with respect to these amounts deducted from the participant's payroll. Foreign currency is converted into US dollars on the purchase date by referring to the New York closing exchange rates listed in the Wall Street Journal. No fractional shares shall be issued. Therefore, if any amount deducted from participant's payroll is not used to purchase shares these funds are converted back to the employee's local currency using that same exchange rate used for the purchase and is carried forward to the next offering period.

#### Purchase Price

The purchase price of each share is eighty-five percent (85%) of the common stock's fair market value on either the first or last trading day of the offering period, whichever price is lower. The fair market value shall generally be the closing price per share on the NASDAQ for the applicable date or, if there is no such sale on the relevant date, then on the next preceding day on which a sale was reported.

#### Purchase Limitations

Participants may contribute no more than ten percent (10%) of their eligible compensation toward the purchase of stock under the IESPP. In addition, participants may purchase no more than US\$50,000 (\$25,000 per six-month offering period) worth of stock (determined at the time the purchase rights are granted) per calendar year and any purchase right granted to an employee shall be limited so that immediately after the grant, such employee would not own stock possessing five percent (5%) or more of the total combined voting power or value of all classes of stock of the Company or of any participating subsidiary of the Company (including shares which the employee may purchase under outstanding options and shares, the ownership of which is attributed to the employee under Section 424(d) of the U.S. Internal Revenue Code of 1986, as amended).

In no event shall the number of shares that a participant may purchase during any six-month offering period exceed 1,899 shares of common stock.

If the number of shares available under the IESPP is not sufficient to satisfy the participation in any offering period, the Company will make a pro rata allocation of the shares remaining.

#### Delivery

At the end of each offering period, the purchase of shares of common stock will be exercised automatically for the number of whole shares which the accumulated payroll deductions in each participant's account could purchase at the applicable purchase price. The first purchase date under this prospectus will be as soon as practicable following the last day of the offering period ending on December 1, 2016. As promptly as practicable, after the last day of each offering period the purchased shares will be delivered to and will be registered in the street name in the participant's account at E\*TRADE. Shares of common stock are generally available to the employees on the first (1st) or second (2nd) business day following the end of the offering period, although the timing may vary.

The account information is given to each employee via an email from E\*TRADE after the account is established. Once the shares of common stock are purchased and posted to the participant's E\*TRADE account, the employee will receive an account statement from the Company, which shows the purchase price and number of purchased shares of common stock and can log into the E\*TRADE system to view the same information.

#### Termination of Participation

Participation is voluntary and employees may withdraw from participation in the IESPP at any time but no later than by five (5) business days before the last day of the offering period by submitting a prescribed form to the Administrator (or such other date as specified by the Administrator). Absent an election to the contrary, all of the participant's funds credited to his or her IESPP account will be returned as soon as administratively possible upon receipt of the prescribed form and no shares will be purchased. No further payroll deductions will be made until such employee re-enrolls in the IESPP by submitting new enrollment documents for a subsequent offering period. Withdrawal from an offering period will not affect an employee's ability to participate in future offering periods under the IESPP.

#### Termination of Eligibility

If a participant terminates employment for any reason, his or her participation in the IESPP will be immediately terminated and any accumulated contributions to the IESPP will be returned to the terminated employee.

#### Amendment and Termination of the IESPP

The Board may alter, amend, suspend or discontinue the IESPP with respect to one or more foreign subsidiaries following the end of any offering period. The Board may also terminate the IESPP in its entirety immediately following the end of any offering period. In such event, no further purchase rights shall thereafter be granted or exercised, and no further payroll deductions shall thereafter be collected, under the IESPP. Stockholder approval may be required for certain amendments. Whether stockholder approval is required shall be determined by the Board and consistent with the rules and laws in effect at the time the IESPP amendment becomes effective. The IESPP has no set termination date, but will terminate automatically upon termination by the Board or upon purchase of all the shares authorized for purchase under the IESPP.

## REASONS FOR THE OFFERING AND USE OF PROCEEDS

### Purpose of the IESPP

The IESPP is intended to provide a method by which eligible employees of Microchip's designated foreign subsidiaries may purchase shares of Microchip's common stock and therefore acquire an interest in the future of the Company.

### Proceeds and Use of Proceeds

As of June 23, 2016, shares under the IESPP are offered to approximately 2,152 eligible employees located in jurisdictions outside the United States. The maximum value of shares which employees may purchase under the IESPP may not exceed \$50,000 (\$25,000 per six-month offering period). Assuming that each of the approximately 2,152 eligible employees purchased the maximum amount of shares under the IESPP offered pursuant to this prospectus, that is, a total of 946 shares each year, the maximum number of shares to be issued would be 2,035,792 shares, which exceeds the number of 582,551 shares available under the IESPP as of June 23, 2016. Assuming that the eligible employees would purchase all 582,551 shares at a purchase price of \$44.914, which is eighty-five percent of the stock's fair market value (\$52.84) as of June 23, 2016, then the gross proceeds of Microchip in connection with the offer under the IESPP pursuant to this prospectus would be \$26,164,696.

Please note that there are other limits on contributions including a prohibition on employees from contributing more than 10% of their compensation in any 6-month offering period and a 5% shareholding cap. This calculation assumes that none of these other limitations are triggered.

### Net Proceeds

Based on the calculations above, the total gross proceeds to Microchip in connection with the offer under the IESPP would be 26,164,696.

The costs of this offering consist of legal expenses in an amount approximately \$40,000. After deduction of such costs the net proceeds, based on the above assumptions, would be approximately \$26,124,696.

The proceeds from the sale of shares are not reserved for any particular purpose and will be booked to the general account of the Company. On that account, they are pooled with other company monies which will be used for general corporate purposes.

### Effect of the Atmel Acquisition

In April 2016 we completed our acquisition of Atmel Corporation; see "General Information on Microchip Technology Incorporated—Recent Acquisitions—Atmel Acquisition".

As of the date of this Prospectus, there are 1,373 employees of Atmel Corporation and its subsidiaries. It is anticipated that these employees will become eligible to participate in the Offering at various times in 2016. However, we do not expect to increase the total number of shares available under the IESPP above the number of 582,551 shares available as of June 23, 2016 during the period covered by this Prospectus. Accordingly, the increase in number of eligible participants will affect neither the total gross proceeds nor the total net proceeds calculated above.

## DILUTION

The book value of the stockholders' equity of the Company (defined as total assets less total liabilities) as reflected in the consolidated financial statements in accordance with U.S. GAAP (Generally Accepted Accounting Principles – "U.S. GAAP") amounted to approximately \$2,150,919,000 as of March 31, 2016. This is equivalent to approximately \$10.01 per share (calculated on the basis of 214,885,521 outstanding shares as of May 31, 2016).

If the Company had obtained net proceeds in the amount of \$26,124,696, the book value of the shareholders' equity at that time would have been approximately 2,177,043,696 or \$10.10 per share (based on the increased number of shares after the purchase of 582,551 shares and assuming a purchase price of \$44.914, which is eighty-five per cent of the stock's fair market value (\$52.84) as of June 23, 2016. Consequently, under the above-mentioned assumptions, the implementation of the offering would lead to a direct increase in the book value of shareholders' equity of \$26,124,696, or approximately \$0.09 (approximately 0.94%) per share, for the existing share-holders and an average dilution of approximately \$34.81 per share for the eligible employee who purchased the shares and, thus, investors who acquire shares at the purchase price of \$44.914 are diluted by approximately 77.5%.

### **Effect of the Atmel Acquisition**

In April 2016 we completed our acquisition of Atmel Corporation; see "General Information on Microchip Technology Incorporated—Recent Acquisitions—Atmel Acquisition".

As of the date of this Prospectus, there are 1,373 employees of Atmel Corporation and its subsidiaries. It is anticipated that these employees will become eligible to participate in the Offering at various times in 2016. However, we do not expect to increase the total number of shares available under the IESPP above the number of 582,551 shares available as of June 23, 2016 during the period covered by this Prospectus. Accordingly, the increase in number of eligible participants will affect neither the total net proceeds to the Company nor the dilution calculated above.

## DIVIDEND POLICY

The Company has been declaring and paying quarterly cash dividends on its common stock since the third quarter of fiscal 2003. Our total cash dividends paid were \$291.1 million, \$286.5 million and \$281.2 million in fiscal 2016, fiscal 2015 and fiscal 2014, respectively.

The following table sets forth our quarterly cash dividends per common share and the total amount of the dividend payment for each quarter in fiscal 2016 and fiscal 2015 (amounts in thousands, except per share amounts):

|                    | <u>Dividend Payment</u> |                  |                    | <u>Dividend Payment</u> |                  |
|--------------------|-------------------------|------------------|--------------------|-------------------------|------------------|
|                    | <u>Per</u>              | <u>Aggregate</u> |                    | <u>Per</u>              | <u>Aggregate</u> |
| <b>Fiscal 2016</b> | <b>Common Share</b>     | <b>Amount</b>    | <b>Fiscal 2015</b> | <b>Common Share</b>     | <b>Amount</b>    |
| First Quarter      | \$0.3575                | \$72,331         | First Quarter      | \$0.3555                | \$71,202         |
| Second Quarter     | 0.3580                  | 72,686           | Second Quarter     | 0.3560                  | 71,442           |
| Third Quarter      | 0.3585                  | 72,923           | Third Quarter      | 0.3565                  | 71,787           |
| Fourth Quarter     | 0.3590                  | 73,147           | Fourth Quarter     | 0.3570                  | 72,047           |

On May 4, 2016, we declared a quarterly cash dividend of \$0.3595 per share, which will be paid on June 6, 2016 to stockholders of record on May 23, 2016 and the total amount of such dividend is expected to be approximately \$77 million.

Microchip's Board is free to change its dividend practices at any time and to increase or decrease the dividend paid, or not to pay a dividend, on its common stock on the basis of its results of operations, financial condition, cash requirements and future prospects, and other factors deemed relevant by its Board. Microchip's current intent is to provide for ongoing quarterly cash dividends depending upon market conditions and its results of operations.

## CAPITALIZATION

### Capitalization and Indebtedness

Unless marked with an asterix (\*), the figures in the following tables have been derived from the Company's audited consolidated financial statements for the fiscal year ended March 31, 2016 as published in the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2016, which can be accessed as described in the section "Documents Available for Inspection" of this prospectus. The Company's consolidated financial statements were prepared in accordance with U.S. GAAP. In the tables below, amounts shown are in U.S.\$ thousands, except per-share amounts.

#### LIABILITIES AND SHAREHOLDERS' EQUITY

|  | <u>March 31, 2016</u> |
|--|-----------------------|
| Total current debt   |                       |
| Guaranteed:  | --                    |
| Secured:   | --                    |
| Unguaranteed/Unsecured:  | --                    |
| <br>Total Non-Current debt (excluding current portion of long-term debt) |                       |
| Guaranteed <sup>(1)</sup>  | 1,052,000             |
| Secured:   | --                    |
| Unguaranteed/Unsecured:  | 1,431,037*            |
| <br>Shareholder's equity:  |                       |
| a. Share capital (common stock)  | 204                   |
| b. Additional paid-in capital  | 1,391,553             |
| c. Retained earnings   | 1,582,585             |
| d. Accumulated other comprehensive loss                                  | (3,357)               |
| e. Common stock held in treasury:  | <u>(820,066)</u>      |
| <u>Total shareholders' equity</u>  | <u>2,150,919</u>      |

\* Unaudited. Derived from audited figures and calculated by internal accounting.

(1) The guarantees are provided by certain of the Company's subsidiaries meeting materiality thresholds set forth in the amended credit facility dated February 4, 2015 (the "Credit Agreement"). To secure the Company's obligations under the Credit Agreement, the Company and its domestic subsidiaries will be required to pledge the equity securities of certain of their respective material subsidiaries, subject to certain exceptions and limitations.

The following table shows the Company's net financial indebtedness. Consequently, the table does not include non-financial debt from normal operations such as accounts payable, taxes payable, deferred tax liability, accrued expenses and long term liabilities other than bank debt or notes payable.

#### NET FINANCIAL INDEBTEDNESS

|  | <u>March 31, 2016</u> |
|--|-----------------------|
| A.+ B Cash and cash equivalents <sup>(1)</sup>           | 2,092,751             |
| C. Short term investments                                | 353,284               |
| <b>D. Liquidity (A)+(B)+(C)</b>                          | <b>2,446,035*</b>     |
| <b>E. Accounts receivable, net</b>                       | <b>290,183</b>        |
| F. Current bank debt                                     | --                    |
| G. Current portion of non current debt                   | --                    |
| H. Other current financial debt                          | --                    |
| <b>I. Current Financial Debt (F)+(G)+(H)</b>             | <b>--</b>             |
| <b>J. Net Current Financial Indebtedness (I)-(E)-(D)</b> | <b>(2,736,218)*</b>   |
| K. Non current Bank loans                                | 1,052,000             |
| L. Bonds Issued  | 1,431,037*            |
| M. Other non current loans                               | --                    |
| <b>N. Non current Financial Indebtedness (K)+(L)+(M)</b> | <b>2,483,037*</b>     |
| <b>O. Net Financial Indebtedness (J)+(N)</b>             | <b>(253,181)*</b>     |

\* Unaudited. Derived from audited figures and calculated by internal accounting.

(1) The Company does not separately report cash and cash equivalents in its financial statements.

## Commitments and Contingencies

The Company leases office space, a manufacturing facility, and transportation and other equipment under operating leases which expire at various dates through March 31, 2022. The future minimum lease commitments under these operating leases at March 31, 2016 were as follows (amounts in thousands):

| <b>Year Ending March 31,</b>  | <b>Amount</b>        |
|-------------------------------|----------------------|
| 2017                          | \$ 16,370            |
| 2018                          | 12,350               |
| 2019                          | 7,677                |
| 2020                          | 3,098                |
| 2021                          | 1,000                |
| Thereafter                    | <u>667</u>           |
| <b>Total minimum payments</b> | <b><u>41,162</u></b> |

Rental expense under operating leases totaled \$23.3 million, \$23.8 million and \$21.5 million for fiscal 2016, 2015 and 2014, respectively.

Commitments for construction or purchase of property, plant and equipment totaled \$30.2 million as of March 31, 2016, all of which will be due within the next year. Other purchase obligations and commitments totaled approximately \$57.6 million as of March 31, 2016. Other purchase obligations and commitments include payments due under various types of licenses and approximately \$52.4 million of outstanding purchase commitments with the Company's wafer foundries for delivery in fiscal 2017.

The Company's technology license agreements generally include an indemnification clause that indemnifies the licensee against liability and damages (including legal defense costs) arising from any claims of patent, copyright, trademark or trade secret infringement by the Company's proprietary technology. The terms of these indemnification provisions approximate the terms of the outgoing technology license agreements, which are typically perpetual unless terminated by either party for breach. The possible amount of future payments the Company could be required to make based on agreements that specify indemnification limits, if such indemnifications were required on all of these agreements, is approximately \$142.7 million. There are some licensing agreements in place that do not specify indemnification limits. The Company had not recorded any liabilities related to these indemnification obligations as of March 31, 2016. Regarding commitments and contingencies in relation to legal and arbitration proceedings please refer to "Legal and Arbitration Proceedings".

## Working Capital Statement

Microchip believes that its working capital (i.e., its ability to access cash and other available liquid resources) is sufficient to meet its present requirements for at least the next 12 months from the date of this prospectus.

## SELECTED CONSOLIDATED FINANCIAL DATA

The following selected financial data are derived from the Company's audited consolidated financial statements for the fiscal years ended March 31, 2016, 2015 and 2014 as published in the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2016, which can be accessed as described in the section "Documents Available for Inspection" of this prospectus. The Company's consolidated financial statements were prepared in accordance with U.S. GAAP (all amounts are \$ in thousands, except per share data).

As at June 23, 2016, the exchange rate between the U.S. dollar and the euro, expressed as euros per dollar, was \$1.000 = €0.8750. We have provided this exchange rate information solely for illustrative purposes. We make no representation that any amount of U.S. dollars specified in the tables below has been, or could be, converted into euro at the rate indicated or any other rate.

### Statement of Income Data:

|  | Year ended March 31, |                     |              |
|--|----------------------|---------------------|--------------|
|  | 2016 <sup>(1)</sup>  | 2015 <sup>(1)</sup> | 2014         |
| Net sales  | \$ 2,173,334         | \$ 2,147,036        | \$ 1,931,217 |
| Cost of sales  | 967,870              | 917,472             | 802,474      |
| Research and development   | 372,596              | 349,543             | 305,043      |
| Selling, general and administrative  | 301,670              | 274,815             | 267,278      |
| Amortization of acquired intangible assets   | 174,896              | 176,746             | 94,534       |
| Special charges, net <sup>(2)</sup>  | 3,957                | 2,840               | 3,024        |
| Operating income   | 352,345              | 425,620             | 458,864      |
| Losses on equity method investments  | (345)                | (317)               | (177)        |
| Interest income  | 24,447               | 19,527              | 16,485       |
| Interest expense   | (104,018)            | (62,034)            | (48,716)     |
| Loss on retirement of convertible debentures <sup>(3)</sup>  | —                    | (50,631)            | —            |
| Other income (expense), net  | 8,864                | 13,742              | 5,898        |
| Income from continuing operations before income taxes  | 281,293              | 345,907             | 432,354      |
| Income tax (benefit) provision   | (42,632)             | (19,418)            | 37,073       |
| Net income from continuing operations  | 323,925              | 365,325             | 395,281      |
| Less: Net loss attributable to noncontrolling interests  | 207                  | 3,684               | —            |
| Net income from continuing operations attributable to Microchip Technology                                       | \$ 324,132           | \$ 369,009          | \$ 395,281   |
| Basic net income per common share from continuing operations attributable to Microchip Technology stockholders   | \$ 1.59              | \$ 1.84             | \$ 1.99      |
| Diluted net income per common share from continuing operations attributable to Microchip Technology stockholders | \$ 1.49              | \$ 1.65             | \$ 1.82      |
| Dividends declared per common share  | \$ 1.433             | \$ 1.425            | \$ 1.417     |
| Basic common shares outstanding  | 203,384              | 200,937             | 198,291      |
| Diluted common shares outstanding  | 217,388              | 223,561             | 217,630      |

(1) Refer to "General Information on Microchip Technology Incorporated—Recent Acquisitions" for an explanation of our material business combinations during fiscal 2016 and fiscal 2015.

(2) The following table presents a summary of special charges for the three-year period ended March 31, 2016:

|  | March 31, |          |          |
|--|-----------|----------|----------|
|  | 2016      | 2015     | 2014     |
| Acquisition related expenses           | \$ 11,163 | \$ 2,840 | \$ 1,654 |
| Legal settlement                       | (7,206)   | —        | —        |
| Adjustment to contingent consideration | —         | —        | 1,370    |
| Patent licenses                        | —         | —        | —        |
| Totals                                 | \$ 3,957  | \$ 2,840 | \$ 3,024 |



**Balance Sheet Data:**

|   | <b>March 31,</b> |              |              |
|---|------------------|--------------|--------------|
|   | <b>2016</b>      | <b>2015</b>  | <b>2014</b>  |
| Working capital                             | \$ 2,714,704     | \$ 2,310,645 | \$ 1,633,320 |
| Total assets                                | 5,567,515        | 4,780,713    | 4,067,630    |
| Long-term obligations, less current portion | 2,483,037        | 1,826,858    | 1,003,258    |
| Microchip Technology Stockholders' equity   | 2,150,919        | 2,044,654    | 2,135,461    |

## LEGAL AND ARBITRATION PROCEEDINGS

In the ordinary course of our business, we are involved in a limited number of legal actions, both as plaintiff and defendant. Consequently, we could incur uninsured liability in any of those actions. We also periodically receive notifications from various third parties alleging infringement of patents or other intellectual property rights. Litigation relating to the semiconductor industry is not uncommon, and we are, from time to time, subject to such litigation. As a result, no assurances can be given with respect to the extent or outcome of any such litigation in the future.

During the previous 12 months, there have not been any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) which in the past 12 months have resulted in significant effects on the Company's financial position or profitability.

With respect to pending legal actions to which we are a party, although the outcomes of these actions are generally not determinable, we believe that the ultimate resolution of these matters will not harm our business and will not have a material adverse effect on our financial position, cash flows or results of operations. However, if an unfavorable ruling were to occur in any of the legal proceedings described below or in other legal proceedings that were not deemed material to us as of the date hereof, then such legal proceedings could have a material adverse effect on our financial position, cash flows or results of operations.

As a result of our acquisition of Atmel, which closed April 4, 2016, we became involved with the following lawsuits.

**In re: Continental Airbag Products Liability Litigation.** On May 11, 2016, an Amended and Consolidated Class Action Complaint ("Complaint") was filed in the United States District Court for the Southern District of Florida (Miami Division) against Atmel, Continental Automotive Systems, Inc., Honda Motor Co., Ltd. and an affiliate, and Daimler AG and an affiliate. The Complaint which includes claims arising under federal law and Florida, California, New Jersey, Michigan and Louisiana state law-alleges that class members unknowingly purchased or leased vehicles containing defective airbag control units (allegedly incorporating defective application specific integrated circuits manufactured by Atmel between 2006 and 2010), and thereby suffered financial harm, including a loss in the value of their purchased or leased vehicles. The plaintiffs are seeking unspecified compensatory and exemplary damages, statutory penalties, pre- and post-judgment interest, attorneys' fees, and injunctive and other relief. Atmel intends to contest plaintiffs' claims vigorously.

**Southern District of New York Action by LFoundry Rousset ("LFR") and LFR Employees.** On March 4, 2014, LFR and Jean-Yves Guerrini, individually and on behalf of a putative class of LFR employees, filed an action in the United States District Court for the Southern District of New York (the "District Court") against Atmel, its French subsidiary, Atmel Rousset S.A.S. ("Atmel Rousset"), and LFoundry GmbH ("LF"), LFR's German parent. The case purports to relate to Atmel Rousset's June 2010 sale of its wafer manufacturing facility in Rousset, France to LF, and LFR's subsequent insolvency, and later liquidation, more than three years later. The District Court dismissed the case on August 21, 2015, and plaintiffs are appealing the dismissal.

**Individual Labor Actions by former LFR Employees.** In the wake of LFR's insolvency and liquidation, over 500 former employees of LFR have filed individual labor actions against Atmel Rousset in a French labor court. Atmel Rousset believes that each of these actions is entirely devoid of merit, and, further, that any assertion by any of the Claimants of a co-employment relationship with Atmel Rousset is based substantially on the same specious arguments that the Paris Commercial Court summarily rejected in 2014 in related proceedings. Atmel Rousset therefore intends to defend vigorously against each of these claims.

**SHAREHOLDINGS AND STOCK OPTIONS OF MEMBERS OF THE ADMINISTRATIVE,  
MANAGEMENT AND SUPERVISORY BODIES**

**Ownership Table**

The following table sets forth information concerning the beneficial ownership of the Company's common stock as of May 20, 2016 for: (a) each director, (b) each executive officer, and (c) all directors and executive officers as a group. Except as otherwise indicated in the footnotes to this table, and subject to applicable community property laws and joint tenancies, the persons named in this table have sole voting and investment power with respect to all shares of common stock held by such person:

| Name and Address of Beneficial Owner                                       | Number of Shares Beneficially Owned | Percent of Common Stock |
|--|-------------------------------------|-------------------------|
| Steve Sanghi <sup>(1)</sup>  | 4,864,064                           | 2.3%                    |
| Ganesh Moorthy <sup>(2)</sup>  | 188,012                             | *                       |
| Matthew W. Chapman <sup>(3)</sup>  | 39,809                              | *                       |
| L.B. Day <sup>(4)</sup>  | 18,307                              | *                       |
| Esther L. Johnson  | 2,864                               | *                       |
| Wade F. Meyercord <sup>(5)</sup>   | 35,243                              | *                       |
| J. Eric Bjornholt <sup>(6)</sup>   | 16,319                              | *                       |
| Stephen V. Dreihobl  | 17,539                              | *                       |
| Mitchell R. Little   | 13,245                              | *                       |
| Richard J. Simoncic <sup>(7)</sup>   | 71,475                              | *                       |
| All directors and executive officers as a group (10 people) <sup>(8)</sup> | 5,266,877                           | 2.5%                    |

\* Less than 1% of the outstanding shares of common stock as of May 20, 2016. Common Stock shares outstanding at May 20, 2016 were 214,841,694.

- <sup>(1)</sup> Includes 1,911,128 shares held of record by The Sanghi Trust (the "Sanghi Trust") and 2,952,936 shares held of record by The Sanghi Family Limited Partnership (the "Family Limited Partnership"). Steve Sanghi and Maria T. Sanghi are the sole trustees of the Sanghi Trust. The Sanghi Trust is the sole member of the Sanghi LLC which is the sole general partner of the Family Limited Partnership.
- <sup>(2)</sup> Includes 188,012 shares held of record by Ganesh Moorthy and Hema Moorthy as trustees.
- <sup>(3)</sup> Includes 12,000 shares issuable upon exercise of options that are exercisable within 60 days of May 20, 2016.
- <sup>(4)</sup> Includes 12,000 shares issuable upon exercise of options that are exercisable within 60 days of May 20, 2016.
- <sup>(5)</sup> Includes 20,243 shares held of record by Wade F. Meyercord and Phyllis Meyercord as trustees, and 15,000 shares issuable upon exercise of options that are exercisable within 60 days of May 20, 2016.
- <sup>(6)</sup> Includes 16,319 shares held of record by J. Eric Bjornholt and Lynn Bjornholt as trustees.
- <sup>(7)</sup> Includes 63,823 shares held of record by Richard J. Simoncic and Melody Simoncic as Trustees.
- <sup>(8)</sup> Includes an aggregate of 39,000 shares issuable upon exercise of options that are exercisable within 60 days of May 20, 2016.

## GENERAL INFORMATION ON MICROCHIP TECHNOLOGY INCORPORATED

### Company Name

The Company's legal and commercial name is Microchip Technology Incorporated.

### General Information on Microchip and its Business

The Company develops, manufactures and sells specialized semiconductor products used by its customers for a wide variety of embedded control applications. The Company's product portfolio comprises general purpose and specialized 8-bit, 16-bit, and 32-bit microcontrollers, a broad spectrum of high-performance linear, mixed-signal, power management, thermal management, RF (radio frequency), safety, security, wired connectivity and wireless connectivity devices, as well as serial EEPROMs ("electrically erasable programmable read-only memory"), Serial Flash memories, Parallel Flash memories and serial SRAM ("static random-access memory") memories. The Company also licenses Flash-IP solutions that are incorporated in a broad range of products. Its synergistic product portfolio targets thousands of applications worldwide and a growing demand for high-performance designs in the automotive, communications, computing, consumer and industrial control markets. Microchip's quality systems are ISO/TS16949 (2009 version) certified.

Microchip was incorporated in Delaware in 1989. Its executive offices are located at 2355 West Chandler Boulevard, Chandler, Arizona 85224-6199 and its telephone number is (+1) 480 792-7200.

The Company's strategic focus is on embedded control solutions, including:

- general purpose and specialized microcontrollers
- development tools and related software
- analog, interface and mixed signal products
- wired and wireless connectivity products
- memory products
- technology licensing

Microchip provides highly cost-effective embedded control solutions that also offer the advantages of small size, high performance, extreme low power usage, wide voltage range operation, mixed signal integration, and ease of development, thus enabling timely and cost-effective integration of its solutions by its customers in their end products.

The Company's manufacturing operations include wafer fabrication, wafer probe, assembly and test. The ownership of a substantial portion of its manufacturing resources is an important component of its business strategy, enabling it to maintain a high level of manufacturing control, resulting in it being one of the lowest cost producers in the embedded control industry. By owning wafer fabrication facilities and its assembly and test operations, and by employing statistical techniques (statistical process control, designed experiments and wafer level monitoring), the Company has been able to achieve and maintain high production yields. Direct control over manufacturing resources allows Microchip to shorten its design and production cycles. This control also allows the Company to capture the wafer manufacturing and a portion of the assembly and testing profit margin. Microchip does outsource a significant portion of its manufacturing requirements to third parties and the amount of its outsourced manufacturing has increased in recent years due to its acquisitions of companies that outsource all or substantial portions of their manufacturing.

The Company's manufacturing facilities are located in:

- Tempe, Arizona (Fab 2)
- Gresham, Oregon (Fab 4)
- Chandler, Arizona (wafer probe)
- Bangkok, Thailand (wafer probe, assembly and test)

Microchip is committed to continuing its investment in new and enhanced products, including development systems, and in its design and manufacturing process technologies. The Company believes these investments are significant factors in maintaining its competitive position. Its current research and development activities focus on the development of general purpose and specialized microcontrollers, Serial EEPROM memory, NOR FLASH memory, Embedded FLASH technologies, connectivity prod-

ucts, analog, interface and mixed signal products, development systems, user interface products, software and application-specific software libraries. The Company is also developing new design, assembly, test and process technologies to enable new products and innovative features as well as achieve further cost reductions and performance improvements in existing products.

The Company markets and sells its products worldwide primarily through a network of direct sales personnel and distributors. Its licensing division has dedicated sales, technology, design, product, test and reliability personnel that support the requirements of the Company's licensees.

Sales by geography for fiscal 2016, fiscal 2015 and fiscal 2014 were as follows (dollars in thousands):

|             | Year Ended March 31 <sup>(1)</sup> |       |              |       |              |       |
|-------------|------------------------------------|-------|--------------|-------|--------------|-------|
|             | 2016                               | %     | 2015         | %     | 2014         | %     |
| Americas    | \$ 417,579                         | 19.2  | \$ 421,947   | 19.7  | \$ 365,609   | 18.9  |
| Europe      | 474,629                            | 21.8  | 452,165      | 21.0  | 411,531      | 21.3  |
| Asia        | 1,281,126                          | 59.0  | 1,272,924    | 59.3  | 1,154,077    | 59.8  |
| Total Sales | \$ 2,173,334                       | 100.0 | \$ 2,147,036 | 100.0 | \$ 1,931,217 | 100.0 |

(1) The financial data are derived from the Company's audited consolidated financial statements for the fiscal years ended March 31, 2016, March 31, 2015 and March 31, 2014 as published in the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2016.

The semiconductor industry is intensely competitive and has been characterized by price erosion and rapid technological change. The Company competes with major domestic and international semiconductor companies, many of which have greater market recognition and greater financial, technical, marketing, distribution and other resources than the Company has with which to pursue engineering, manufacturing, marketing and distribution of their products. The Company also competes with a number of companies that it believes have copied, cloned, pirated or reverse engineered its proprietary product lines in such countries as China and Taiwan. The Company is continuing to take actions to vigorously and aggressively defend and protect its intellectual property on a worldwide basis.

As of the date of this Prospectus, the Company had approximately 13,746 employees. None of its employees is represented by a labor organization. Microchip has never had a work stoppage and believes that its employee relations are good.

## Recent Acquisitions

### Micrel Acquisition

On August 3, 2015, we acquired Micrel, Incorporated, a publicly traded company based in San Jose, California. As a result of the acquisition, Micrel became a wholly owned subsidiary of the Company.

The Company paid an aggregate of approximately \$430.0 million in cash and issued an aggregate of 8,626,795 shares of its common stock to Micrel shareholders. The number of shares issued in the transaction was subsequently repurchased in the open market during the year ended March 31, 2016. The total consideration transferred in the acquisition, including approximately \$4.1 million of non cash consideration for the exchange of certain share-based payment awards of Micrel for stock awards of the Company, and approximately \$13.1 million of cash consideration for the payout of vested employee stock awards, was approximately \$816.2 million. The Company financed the cash portion of the purchase price using borrowings under its existing credit agreement.

Micrel's business is to design, develop, manufacture and market a range of high-performance analog, power and mixed-signal integrated circuits. Micrel's products address a wide range of end markets including industrial and automotive, wireline communications, enterprise and cloud infrastructure and mobility. Micrel also manufactures custom analog and mixed-signal circuits and provides wafer foundry services for customers which produce electronic systems utilizing semiconductor manufacturing processes as well as micro-electrical mechanical system technologies.

Our primary reason for this acquisition was to expand the Company's range of solutions, products and capabilities by extending its served available market.

## Atmel Acquisition

On April 4, 2016, we completed our acquisition of Atmel Corporation ("Atmel").

Under the terms of the merger agreement executed on January 19, 2016, Atmel stockholders received \$8.15 per share in a combination of \$7.00 per share in cash and \$1.15 per share in shares of Microchip common stock. We financed the purchase price of our Atmel acquisition using approximately \$2.04 billion of cash, cash equivalents, short-term investments and long-term investments held by certain of our foreign subsidiaries, approximately \$0.94 billion from additional borrowings under our existing line of credit agreement and approximately \$489 million by issuing an aggregate of 10.1 million shares of our common stock. The acquisition price represents a total equity value of approximately \$3.47 billion, and a total enterprise value of approximately \$3.43 billion, after excluding Atmel's cash and investments net of debt of approximately \$39.3 million.

Atmel is a worldwide leader in the design and manufacture of microcontrollers, capacitive touch solutions, advanced logic, mixed-signal, nonvolatile memory and RF components. Atmel is headquartered in San Jose, California and has offices, manufacturing and research facilities in North America, Europe and Asia.

### **Auditors**

The Company's independent registered public accounting firm is Ernst & Young LLP, One Renaissance Sq Ste 2300, Two North Central, Phoenix, Arizona 85004, U.S.A.

Ernst & Young LLP is an independent registered public accounting firm with the U.S. Public Company Accounting Oversight Board (PCAOB). Ernst & Young LLP has been the Company's independent auditor since fiscal year 2001. Ernst & Young LLP audited the Company's consolidated financial statements for the fiscal years ended March 31, 2016, March 31, 2015 and March 31, 2014. The audits were performed by auditors licensed with the Arizona Board of Public Accountancy who qualify as certified public accountants.

## DESCRIPTION OF THE SECURITIES

### **Type and the Class of the Securities being offered, including the Security Identification Code**

The securities offered are Microchip's common stock with a par value of \$0.001 per share.

Microchip is authorized to issue up to 450,000,000 shares of common stock with a par value of \$0.001 per share. As of May 31, 2016, the Company had had 237,497,913 shares issued and 214,885,521 shares of common stock outstanding.

The Company's common stock is listed on the NASDAQ under the symbol "MCHP". The CUSIP number of the shares is 595017104. The International Securities Identification Number (ISIN) for the Company's common stock is US5950171042. The German Securities Code (Wertpapier-Kenn-Nummer) is 886105.

### **Legislation under which the Securities have been Created / Regulation of the Shares**

The Shares were created under the General Corporation Law of the State of Delaware (US) (the "DGCL"). Except as otherwise expressly required under the laws of a country, the IESPP and all rights thereunder shall be governed by and construed in accordance with the laws of the state of Delaware, United States.

Microchip's common stock is regulated by the U.S. Exchange Act.

### **Form of Securities, Name and Address of the Entity in Charge of Keeping the Records**

The Company's common stock is in registered form. In general, shareholders may hold shares of the Company's common stock, at their choosing, either in certificated form or in book-entry form. The records are kept by the Company's transfer agent, Wells Fargo, who serves as the depository agent for the purpose of this offer if the shareholders decide to register as record holder and hold physical certificates. The address and telephone number of the depository agent is Wells Fargo Shareowner Services, 1110 Centre Pointe Curve, Suite 101, Mendota Heights, MN 55120-4100, USA, 651-450-4101.

The Company's designated service provider is E\*TRADE. The shares issuable to eligible employees are deposited into a designated brokerage account at E\*TRADE. Participants may obtain information about their accounts online at [www.etrade.com](http://www.etrade.com) or by calling a representative at 00-800-3338-7233 or 001-650-599-0125.

Microchip serves as the paying agent for the purpose of this offer.

### **Commission**

Upon selling any shares, participants are charged a commission by E\*TRADE for each sale order transaction of IESPP shares as follows:

- \$17.95 per trade applies to the sale of 1 – 1,000 IESPP shares
- \$24.95 per trade applies to the sale of 1,001 – 5,000 IESPP shares
- \$19.95 per trade plus a penny per share is charged in excess of 5,000 IESPP shares.

In addition, the SEC currently charges a transaction fee of \$21.80 for every \$1,000,000.00 of gross proceeds. The fees are subject to modification by the designated parties.

### **Currency of the Securities Issue**

The United States Dollar is the currency of the security issue.

### **Rights attached to the Securities**

No participating employee shall have any voting, dividend, or other shareholder rights with respect to any offering under the IESPP until the purchase rights have been exercised and the shares have been

purchased by the participating employee. Following such purchase, the participating employee shall be entitled to the rights attached to the shares, as further described below:

**Dividend Rights.** The Board may declare a dividend at any regular or special meeting or by written consent out of funds legally available for dividends. The Board sets the record date and the payment date for dividend payments. Such dividends may be paid in cash, property or shares of stock.

There are no dividend restrictions and no special dividend procedures for shareholders resident in the EU ("European Union") and the EEA.

The holders of common stock are entitled to such dividends as the Board may declare from time to time at any regular or special meeting out of funds legally available for dividends in its absolute discretion. The Board sets the record date and the payment date for dividend payments. Such dividends may be paid in cash, property or shares of stock. Dividends that are unclaimed are reported to the state of the lost owner's last known address as shown on the Company's books and records. If there is no record of the lost owner's last known address or the owner's last known address is in a state that does not provide for the escheat of the property, the unclaimed property is reported to the Company's state of incorporation (which is Delaware). The time period after which the unclaimed property must be reported depends on the law of the applicable state. If the owner's last known address is outside of the United States, the State of Delaware claims property for entities incorporated in such state. Under Delaware law, unclaimed dividends will escheat to the state after 3 years.

**Voting Rights.** The holders of common stock are entitled to one vote for each share held on all matters as to which shareholders are entitled to vote. Any action required or permitted to be taken by the shareholders for the Company may be effected by a duly called annual or special meeting of such holders or may be effected by consent in writing by such shareholders. Special meetings of the shareholders of the Company may be held upon call of the Chairman of the Board, by the Board of the Company or by stockholders holding not less than 50% of the outstanding voting stock.

**Rights to Receive Liquidation Distributions.** In the event of liquidation, dissolution or winding up of the Company, the holders of common stock are entitled to share ratably in all assets remaining after payment of or provisions for the Company's liabilities, subject to prior rights or preferred stock, if any, then outstanding.

**No Preemptive, Redemptive or Conversions Provisions.** The holders of the Company's common stock do not have preemptive rights to acquire shares of the Company's stock or securities convertible into the Company's stock. The Company's common stock is not subject to redemption and does not have any conversion rights.

### **Change of Shareholders' Rights**

The rights of holders of the Company's common stock may be changed by an amendment of the company's articles of incorporation or bylaws. The Company's Board may designate and issue preferred stock from time to time in one or more series and may fix the rights, preferences, privileges and restrictions of each series of preferred stock. Any or all of the rights and preferences determined by the Company's Board for any series of preferred stock may be greater than the rights of the common stock. Some of the rights and preferences that the Board may designate include dividend rights, conversion rights, voting rights, terms of redemption, liquidation preferences and sinking fund terms.

### **Transferability**

No purchase right granted under the IESPP shall be assignable or transferable by a participant. The Committee may grant transferable options pursuant to conditions and limitations that it may impose. The shares issued upon exercise of the purchase right are freely transferable so long as the shares so issued are registered pursuant to an effective registration statement under U.S. Securities Act of 1933.

### **Applicable Squeeze-out and Sell-out Rules**

Under Section 253 of the DGCL, a corporation owning at least 90% of the outstanding shares of each class of the stock of a subsidiary corporation may effect a "short form" merger in which the shares of the subsidiary held by minority stockholders are converted into cash, stock or other property and the subsidiary is merged with the parent corporation. A short form merger pursuant to Section 253 may be



authorized by the Board of the parent corporation without a vote of the stockholders of the subsidiary corporation. The minority stockholders of the subsidiary corporation are, however, entitled to seek judicial appraisal of their shares in connection with short form merger transactions in accordance with Section 262 of the DGCL.

## Equity Stock Based Plans

### Employee Benefit Plans

Beside the IESPP, the Company offers the following equity stock based compensation plans:

The Company's 2001 Employee Stock Purchase Plan (the 2001 Purchase Plan) became effective on March 1, 2002. Under the 2001 Purchase Plan, eligible employees of the Company may purchase shares of common stock at semi-annual intervals through periodic payroll deductions. The purchase price in general will be 85% of the lower of the fair market value of the common stock on the first day of the participant's entry date into the offering period or of the fair market value on the semi-annual purchase date. Depending upon a participant's entry date into the 2001 Purchase Plan, purchase periods under the 2001 Purchase Plan consist of overlapping periods of either 24, 18, 12 or 6 months in duration. In May 2003 and August 2003, the Company's Board and stockholders, respectively, each approved an annual automatic increase in the number of shares reserved under the 2001 Purchase Plan. The automatic increase took effect on January 1, 2005, and on each January 1 thereafter during the term of the plan, and is equal to the lesser of (i) 1,500,000, (ii) one half of one percent (0.5%) of the then outstanding shares of the Company's common stock, or (iii) such lesser amount as is approved by Board of Directors. On January 1, 2016, an additional 1,017,492 shares were reserved under the 2001 Purchase Plan based on the automatic increase. Upon the approval of the Board of Directors, there were no shares added under the 2001 Purchase Plan on January 1, 2015 or 2014 based on the automatic increase provision. Since the inception of the 2001 Purchase Plan, 12,295,354 shares of common stock have been reserved for issuance and 6,651,710 shares have been issued under this purchase plan.

Microchip's 2004 Equity Incentive Plan (the 2004 Plan) permits Microchip to issue shares of its common stock to eligible employees, consultants, and directors of Microchip or any parent or subsidiary of Microchip. Shares are issuable by means of nonstatutory stock options, restricted stock, stock appreciation rights (SARs), performance units, performance shares and deferred stock units (collectively, "Awards").

### Equity Incentive Plans – Share-Based Compensation Expense

The following table presents the details of the Company's share-based compensation expense (amounts in thousands):

|   | Year Ended March 31,    |                         |                         |
|---|-------------------------|-------------------------|-------------------------|
|   | 2016                    | 2015                    | 2014                    |
| Cost of sales                                 | \$ 8,252 <sup>(1)</sup> | \$ 9,010 <sup>(1)</sup> | \$ 7,340 <sup>(1)</sup> |
| Research and development                      | 32,022                  | 28,164                  | 24,554                  |
| Selling, general and administrative           | 31,146                  | 21,422                  | 21,893                  |
| Pre-tax effect of share-based compensation    | 71,420                  | 58,596                  | 53,787                  |
| Income tax benefit                            | 23,012                  | 10,640                  | 5,722                   |
| Net income effect of share-based compensation | \$ 48,408               | \$ 47,956               | \$ 48,065               |

<sup>(1)</sup> During the year ended March 31, 2016, \$7.9 million of share-based compensation expense was capitalized to inventory, and \$8.3 of previously capitalized share-based compensation expense in inventory was sold. During the year ended March 31, 2015, \$6.8 million of share-based compensation expense was capitalized to inventory, and \$9.0 million of previously capitalized share-based compensation expense in inventory was sold. During the year ended March 31, 2014, \$7.4 million of share-based compensation expense was capitalized to inventory, and \$7.3 million of previously capitalized share-based compensation expense in inventory was sold.

The amount of unearned share-based compensation currently estimated to be expensed in the remainder of fiscal 2017 through fiscal 2021 related to unvested share-based payment awards at March 31, 2016 is \$134.5. The weighted average period over which the unearned share-based compensation is expected to be recognized is approximately 2.30 years.

## Combined Incentive Plan Information

RSU share activity under the 2004 Plan is set forth below:

|                                    | Number of<br>Shares |
|------------------------------------|---------------------|
| Nonvested shares at March 31, 2013 | 6,009,831           |
| Granted                            | 1,616,632           |
| Forfeited/expired                  | (282,964)           |
| Vested                             | <u>(1,813,465)</u>  |
| Nonvested shares at March 31, 2014 | 5,530,034           |
| Granted                            | 1,446,968           |
| Forfeited/expired                  | (266,415)           |
| Vested                             | <u>(1,441,671)</u>  |
| Nonvested shares at March 31, 2015 | 5,268,916           |
| Granted                            | 2,479,729           |
| Assumed upon acquisition           | 525,442             |
| Forfeited/expired                  | (360,072)           |
| Vested                             | <u>(1,606,273)</u>  |
| Nonvested shares at March 31, 2016 | <u>6,307,742</u>    |

The total intrinsic value of RSUs which vested during the years ended March 31, 2016, 2015 and 2014 was \$72.1 million, \$67.6 million and \$74.6 million, respectively. The aggregate intrinsic value of RSUs outstanding at March 31, 2016 was \$304.0, calculated based on the closing price of the Company's common stock of \$48.84 per share on March 31, 2016. At March 31, 2016, the weighted average remaining expense recognition period was 2.35 years.

The weighted average fair value per share of the RSUs awarded is calculated based on the fair market value of the Company's common stock on the respective grant dates discounted for the Company's expected dividend yield. The weighted average fair value per share of RSUs awarded in fiscal 2016, 2015 and 2014 was \$38.92, \$42.02 and \$34.24, respectively.

Stock option and SAR activity under the Company's stock incentive plans in the three years ended March 31, 2016 is set forth below:

|                               | Number of<br>Shares | Weighted Average<br>Exercise Price<br>per Share |
|-------------------------------|---------------------|---|
| Outstanding at March 31, 2013 | 2,269,803           | 25.58   |
| Granted                       | —                   | —   |
| Exercised                     | (1,675,663)         | 25.91   |
| Canceled                      | (20,529)            | 22.78   |
| Outstanding at March 31, 2014 | 573,611             | 24.75   |
| Granted                       | 27,654              | 46.66   |
| Assumed upon acquisition      | 666,586             | 29.33   |
| Exercised                     | (477,618)           | 26.42   |
| Canceled                      | (105,934)           | 28.17   |
| Outstanding at March 31, 2015 | 684,299             | 28.41   |
| Granted                       | 244                 | 41.09   |
| Assumed upon acquisition      | 604,900             | 35.03   |
| Exercised                     | (221,987)           | 25.30   |
| Canceled                      | (153,948)           | 31.52   |
| Outstanding at March 31, 2016 | 913,508             | \$ 33.00  |

The total intrinsic value of options and SARs exercised during the years ended March 31, 2016, 2015 and 2014 was \$4.7 million, \$9.6 million and \$25.5 million, respectively. This intrinsic value represents the difference between the fair market value of the Company's common stock on the date of exercise and the exercise price of each equity award.

The aggregate intrinsic value of options and SARs outstanding at March 31, 2016 was \$13.9 million. The aggregate intrinsic value of options and SARS exercisable at March 31, 2016 was \$8.8 million. The aggregate intrinsic values were calculated based on the closing price of the Company's common stock of \$48.84 per share on March 31, 2016.

As of March 31, 2016 and 2015, the number of option and SARs shares exercisable was 553,844 and 283,133, respectively, and the weighted average exercise price per share was \$32.33 and \$26.90, respectively.

The weighted average fair values per share of stock options granted in the years ended March 31, 2016 and 2015 was \$8.85 and \$9.00, respectively. The fair values per share of stock options granted in the years ended March 31, 2016 and 2015 were estimated utilizing the following assumptions:

|                          | Year Ended March 31, |        |
|--------------------------|----------------------|--------|
|                          | 2016                 | 2015   |
| Expected term (in years) | 6.5                  | 6.5    |
| Volatility               | 29.50%               | 26.65% |
| Risk-free interest rate  | 1.54%                | 1.59%  |
| Dividend yield           | 3.00%                | 3.00%  |

There were no stock options granted in the year ended March 31, 2014.

## INFORMATION ON THE GOVERNING BODIES OF MICROCHIP

### The Company's Directors as of the date of this prospectus

The Company's Board currently consists of the following directors: Steve Sanghi (Chairman), Matthew W. Chapman, L.B. Day, Esther L. Johnson and Wade F. Meyercord. As described in detail below, the Company's directors have considerable professional and business expertise.

Steve Sanghi is currently Chief Executive Officer and Chairman of the Board. He served as President and as a director of Microchip Technology Incorporated since August 1990. Since October 1991, he has served as CEO of Microchip and since October 1993, as Chairman of the Board of Directors of Microchip. Mr. Sanghi holds an M.S. degree in Electrical and Computer Engineering from the University of Massachusetts and a B.S. degree in Electronics and Communication from Punjab University, India. From May 2007 until April 2016, Mr. Sanghi served as a director of FIRST Organization (For Inspiration and Recognition of Science and Technology), a not-for-profit public charity founded in 1989 to develop young people's interest in science and technology. From May 2004 through March 2014, when Xyratex Ltd. was acquired by Seagate Technology plc., he was a member of the Board of Directors of Xyratex Ltd., a publicly held U.K. company that specializes in storage and network technology. From October 2013 through July 2014 when Hittite Microwave Corporation, a publicly held semiconductor company, was acquired by Analog Devices, Mr. Sanghi was a member of the Board of Directors of Hittite Microwave Corporation.

Matthew W. Chapman has served as a director of Microchip since May 1997. Since December 2006, he has served as President and CEO of Northwest Evaluation Association, a not-for-profit education service organization providing computer adaptive testing for millions of students throughout the United States. In his career, Mr. Chapman has served as CEO and Chairman of Concentrex Incorporated, a publicly held company specializing in supplying software solutions and service to U.S. financial institutions. Mr. Chapman also serves on the Board of Directors of the Oregon Business Association, the All Hands Raised Foundation, the Knowledge Alliance and on the Board of Regents of the University of Portland.

L.B. Day has served as a director of Microchip since December 1994. Mr. Day serves as President of L.B. Day & Company, Inc., a consulting firm whose parent company he co-founded in 1977, which provides strategic planning, strategic marketing and organization design services to the elite of the technology world. He has written on strategic planning and is involved with competitive factor assessment in the semiconductor and other technology market segments, geared to helping client organizations incorporate competitive factor assessment findings into their strategic plans. He has served as a board member or as an advisor to many public and private boards.

Esther L. Johnson has served as a director of Microchip since October 2013. From April 2007 until her April 2012 retirement, Ms. Johnson served as the Vice President and General Manager of Carrier Electronics, a provider of high technology heating, air-conditioning and refrigeration solutions, and a part of United Technology Corporation, a publicly held company that provides high technology products and services to the aerospace and building systems industries. Prior to her position as Vice President and General Manager, since 1983, Ms. Johnson held a variety of other management positions with Carrier Electronics, including Director of Operations, and Global Supply Chain Manager. Ms. Johnson was instrumental in Carrier being recognized by Industry Week as one of the "Top 10 Factories in North America." She has served as a board member on multiple private company boards.

Wade F. Meyercord has served as a director of Microchip since June 1999. Since October 2002, he has served as President of Meyercord & Associates, Inc., a privately held management consulting firm specializing in executive compensation matters and stock plan consulting for technology companies, a position he previously held part time beginning in 1987. Mr. Meyercord served as a member of the Board of Directors of Endwave Corporation, a publicly held company, from March 2004 until it was acquired in 2011. Mr. Meyercord served as a member of the Board of Directors of California Micro Devices Corporation, a publicly held company, from January 1993 to October 2009 and Magma Design Automation, Inc., a publicly held company, from January 2004 to June 2005.

## The Company's Executive Officers as of the date of this prospectus

As of the date of this prospectus the executive officers of the Company and their principal positions are as follows:

| Name                | Age | Position   |
|---------------------|-----|--|
| Steve Sanghi        | 60  | Chief Executive Officer and Chairman of the Board        |
| Ganesh Moorthy      | 56  | President and Chief Operating Officer                    |
| J. Eric Bjornholt   | 45  | Vice President, Chief Financial Officer                  |
| Stephen V. Drehobl  | 54  | Vice President, MCU8 and Technology Development Division |
| Mitchell R. Little  | 64  | Vice President, Worldwide Sales and Applications         |
| Richard J. Simoncic | 52  | Vice President, Analog and Interface Products Division   |

Please see above for Mr. Sanghi's biography.

Mr. Moorthy has served as President since February 2016 and as Chief Operating Officer since June 2009. He also served as Executive Vice President from October 2006 to August 2012 and as a Vice President in various roles since he joined Microchip in 2001. Prior to this time, he served in various executive capacities with other semiconductor companies. Mr. Moorthy holds an M.B.A. in Marketing from National University, a B.S. degree in Electrical Engineering from the University of Washington and a B.S. degree in Physics from the University of Mumbai, India. Mr. Moorthy was elected to the Board of Directors of Rogers Corporation in July 2013.

Mr. Bjornholt has served as Vice President of Finance since 2008 and as Chief Financial Officer since January 2009. He has served in various financial management capacities since he joined Microchip in 1995. Mr. Bjornholt holds a Master's degree in Taxation from Arizona State University and a B.S. degree in Accounting from the University of Arizona.

Mr. Drehobl has served as Vice President of the MCU8 and Technology Development Division since July 2001. He has been employed by Microchip since August 1989 and has served as a Vice President in various roles since February 1997. Mr. Drehobl holds a Bachelor of Technology degree from the University of Dayton.

Mr. Little has served as Vice President, Worldwide Sales and Applications since July 2000. He has been employed by Microchip since 1989 and has served as a Vice President in various roles since September 1993. Mr. Little holds a B.S. degree in Engineering Technology from United Electronics Institute.

Mr. Simoncic has served as Vice President, Analog Power and Interface Division since September 1999. From October 1995 to September 1999, he served as Vice President in various roles. Since joining Microchip in 1990, Mr. Simoncic held various roles in Design, Device/Yield Engineering and Quality Systems. Mr. Simoncic holds a B.S. degree in Electrical Engineering Technology from DeVry Institute of Technology.

### Good Standing of Directors and Executive Officers

For at least the previous five years none of the directors or executive officers of Microchip has been associated with any bankruptcy, receivership or liquidation of a company when acting in their capacity as members of the administrative, management or supervisory board or senior manager of this company or has been subject to any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies). None of the directors or executive officers of the Company has ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer or has been convicted in relation to fraudulent offences.

The Company's directors and executive officers may be contacted at the Company's business address, 2355 West Chandler Boulevard, Chandler, Arizona 85224-6199, U.S.A.

**Potential conflicts between any duties to the issuer of directors or executive officers of the Company and their private interests and/or other duties**

The Company's Code of Business Conduct and Corporate Governance Principles, both of which are posted on the Company's corporate website, [www.microchip.com](http://www.microchip.com) under the "Corporate Governance" subsection of the "About Us" section of the site, together with the Company's Conflict of Interest Policy, set forth the Company's policies and procedures for the review and approval of transactions with related persons, including transactions that would be required to be disclosed in a Proxy Statement for an Annual Meeting in accordance with SEC rules. In circumstances where one of the Company's directors or officers, or a family member, has a direct or indirect material interest in a transaction involving the Company, the Finance and Audit Committee must review and approve all such proposed transactions or courses of dealing. There are no such relationships or transactions that are required to be disclosed in a Proxy Statement for an Annual Meeting under SEC rules. Further, there are no conflicts of interest between duties to the issuer and the private interests of the Company's directors and executives that require disclosure under the European Prospectus Directive, the WpPG and this prospectus. Indeed, the Company's Code of Business Conduct, which sets forth legal and ethical guidelines for all of the Company's directors and employees, states that directors, executive officers and employees must avoid relationships or activities that might impair that person's ability to make objective and fair decisions while acting in their Company roles, and the Company's Corporate Governance Principles state that the Company's Board must approve any waivers of any ethics policy for any director or officer.

There are no family relationships between any of the Company's directors and/or executive officers.

**Disposal restrictions agreed by directors and executive officers of the Company**

Directors and executive officers may sell Company stock pursuant to predetermined written plans, or at any time when the trading window is open after public announcements of quarterly or year-end earnings when the director or executive officer is not aware of any material, non-public information about the Company. Written plans may only be entered into during trading windows that open after public announcements of quarterly or year-end earnings when the director or executive officer is not aware of any material, non-public information about the Company. The Company also has a share ownership policy that requires directors and executive officers to maintain certain levels of ownership in Company stock in order to align their interests with those of the Company's shareholders. This minimum level of stock ownership is the lower of either a fixed number of shares of the Company's stock, or a certain percentage of the relevant individual annual salary. The minimum holding amounts are set based on the title of the director and executive officer, with similarly titled individuals being required to hold the same minimum amounts.

## TAXATION IN THE FEDERAL REPUBLIC OF GERMANY

The following summary is based on the income tax and social insurance laws in effect in Germany as of the date of this prospectus. Tax laws are complex and can change frequently. As a result, the information below may be out of date at the time the participant purchases shares, sells shares or receives dividends.

The following applies only to participants who are German tax residents. If the participant is a citizen or resident of another country for local law purposes, the income and social tax information below may not be applicable. Furthermore, this information is general in nature and does not discuss all of the various laws, rules and regulations that may apply. It may not apply to each participant's particular tax or financial situation, and Microchip is not in a position to assure any participant of any particular tax result.

**The participant should consult his or her personal tax advisor to address any particular questions.**

### Enrollment in the IESPP

The participant is not subject to tax when he or she enrolls in the IESPP or when a new purchase offering begins.

### Purchase of Shares

The participant will be subject to income tax, solidarity surcharge and church tax, if applicable, when the participant purchases the shares at the end of the purchase period, i.e. when the shares are transferred to the participant, at a purchase price below the fair market value of the shares.

According to the official position of German tax authorities, the taxable amount is the difference (or discount) between the fair market value of the shares on the date of purchase and the actual purchase price paid by the participant. The decisive date for the determination of the fair market value of shares for tax purposes is - according to the official position of the German tax authorities - the date on which the shares are transferred to the participant; the date on which the shares are debited from the Company's or agent's account can for simplification purposes be regarded as the date of transfer.

A tax free amount of €360 per year might be available if the IESPP meets certain requirements. The availability of the tax free amount, in principle, requires that the participation in the IESPP is offered to all employees of the German subsidiary, who have been employed for one year or more at the time when the participation in the IESPP is offered. Whether or not the tax free amount of €360 is available in the case at hand requires a more detailed analysis of the IESPP and its implementation. Under certain circumstances and provided the aforementioned tax free amount is not available, a participant might still be able to deduct the lesser of €135 per year, or 50% of the value of the shares on the date on which such shares are debited from the Company's account, from the income realized at exercise. The Company recommends that the participant confirms the availability of this deduction and tax-free amount, respectively, with the participant's tax advisor.

The participant also will be subject to social insurance contributions on the discount to the extent he or she has not already exceeded the applicable contribution ceilings. For 2016, the applicable annual contribution ceilings are as follows:

|  |                               |
|--|-------------------------------|
| <u>Old Age Insurance/Unemployment Insurance:</u> | €74,400 (Old Laender)         |
|  | €64,800 (New Laender)         |
| <u>Health Insurance/Home Care Insurance:</u>     | €50,850 (Old and New Laender) |

### Sale of Shares

As a matter of principle, any gain realized from sale of shares acquired after December 31, 2008 is subject to a flat rate withholding tax on investment income ("Abgeltungsteuer") irrespective of the holding period of the shares. The full capital gain will be taxed at a flat rate of 25% (plus solidarity surcharge and church tax, if applicable). The withholding at source, however, only applies if the shares were held

in a deposit of securities at a German bank or other German financial institution. Microchip does not assume any responsibility to withhold German income tax, etc. on the capital gain. An amount of €801 for single taxpayers or €1,602 for married taxpayers and for partners within the meaning of the registered partnership law (Gesetz über die Eingetragene Lebenspartnerschaft) filing jointly will be deducted from the entire investments income (including dividend income and capital gains from the sale of shares acquired after December 31, 2008) earned in the particular tax year. The participant may elect a personal assessment to apply the participant's personal income tax rate if the flat rate exceeds the participant's personal income tax rate. If no flat rate withholding tax has been withheld and remitted to the tax authorities from the capital gain, e.g. because the shares are not held in a deposit of securities at a German bank or other German financial institution, the participant has to declare the capital gain in his or her personal income tax return as taxable income and pay the resulting tax. The capital gain is, however, subject to the same tax rates as if the flat rate withholding taxation had applied. Moreover, the flat rate taxation does not apply to capital gains generated from the sale of shares if the participant holds or has held at least 1% of the stated capital of the Company at any time during the last five years, or holds the shares as a business asset. In such circumstances, 60% of the capital gain realized will be taxed at the participant's personal income tax rate (plus solidarity surcharge and church tax, if applicable).

### **Dividends**

Dividends may be paid with respect to shares acquired under the IESPP if Microchip, in its discretion, declares a dividend.

Dividend income is subject to a flat rate withholding tax on investment income at a rate of 25% on the full amount of the dividend payment (plus solidarity surcharge and church tax, if applicable). An amount of €801 for single taxpayers or €1,602 for married taxpayers and for partners within the meaning of the registered partnership law (Gesetz über die Eingetragene Lebenspartnerschaft) filing jointly will be deducted from the entire investments income (including dividend income and capital gains from the sale of shares acquired after December 31, 2008) earned in the particular tax year. If the flat tax rate exceeds the participant's personal income tax rate, the participant may elect a personal assessment to apply the participant's personal income tax rate. The withholding at source, however, only applies if the dividend income is paid out by a German bank or other German financial institution, e.g., because the shares are held on a deposit of securities at a German bank or other German financial institution. The participant may elect a personal assessment to apply the participant's personal income tax rate if the flat rate exceeds the participant's personal income tax rate. If no flat rate withholding tax has been withheld and remitted to the tax authorities from the dividend income, the participant has to declare the dividend income in his or her personal income tax return as taxable income and pay the resulting tax. The dividend income is, however, subject to the same tax rates as if the flat rate withholding taxation had applied. Dividends may also be subject to U.S. federal income tax withholding at source. U.S. federal withholding taxes on the dividends may be credited against the German tax liability. The Company does not assume any responsibility to withhold taxes at source.

### **Withholding and Reporting**

The participant's employer will withhold income tax, solidarity surcharge and church tax, if applicable, and social insurance contributions (to the extent that the participant has not already exceeded the applicable contribution ceiling) on the discount upon the purchase of shares. However, the participant is responsible for paying any difference between the actual tax liability and the amount withheld. It is the participant's responsibility to report and pay any taxes due when the participant sells shares acquired under the IESPP and when the participant receives dividends, unless the flat rate withholding tax has been withheld at source and remitted to the tax authorities with respect to such income.

### **Social Insurance Contributions**

The participant's employer will withhold the participant's share of social insurance contributions (to the extent that the participant has not exceeded the applicable ceiling for social insurance contributions) upon the purchase of shares under the IESPP.



## TAXATION IN THE UNITED KINGDOM

The following is a general summary description of the tax consequences of your participation in the IESPP.

This description assumes that you are resident and domiciled in the U.K. at all times. The tax implications may differ if you are not always resident or domiciled in the U.K.

This description is based on the tax and other laws concerning equity awards in effect in the U.K. as of the date of this prospectus. Such laws are often complex and change frequently. As a result, the information contained in this supplement may be out of date at the time you are granted an award, acquire shares or sell shares you acquire under the IESPP.

In addition, this description does not discuss all of the various laws, rules and regulations that may apply. It may not apply to your particular tax or financial situation, and the Company is not in a position to assure you of any particular tax result and this description does not constitute tax advice. **Accordingly, you are strongly advised to seek appropriate professional advice as to how the tax or other laws in your country apply to your specific situation. You are also advised to seek advice with respect to U.S. inheritance and/or estate taxes as you may be subject to those with respect to shares acquired under the IESPP.**

If you are a citizen or resident of a country other than the U.K., the information contained in this description may not be applicable to you.

### **Enrollment in the IESPP**

You are not subject to tax when an option is granted to you under the IESPP (i.e., when you enroll in the IESPP or are offered participation in the IESPP).

### **Purchase of Shares**

Purchases of shares under the IESPP will be from your post-tax salary. You will be subject to income tax on the amount by which the market value of the shares on the purchase date exceeds the purchase price (the "spread"). Income tax will be due on the spread at your marginal income tax rate, depending on your cumulative annual earnings. In addition, you will be subject to employee's national insurance contributions ("NICs") on the spread. For the tax year 6 April 2016 to 5 April 2017, this will be at a rate of 12% to the extent that your earnings exceed £155 per week, up to the upper earnings limit of £827 per week. To the extent you have exceeded the upper earnings limit, you will be subject to employee's NICs at a rate of 2% for the tax year 2016/2017.

You are ultimately responsible for the payment of any income tax and employee's NICs due. Your employer will calculate the income tax and employee's NICs due when shares are purchased for you under the IESPP and will account for these amounts to HM Revenue & Customs ("HMRC"). You are required to reimburse your employer for the amounts accounted by it to HMRC. Your employer may withhold these amounts from your monthly salary. If the total amount of income tax and employee's NICs due when shares are purchased exceeds your salary, you will have to make up for the difference either through the sale of shares or use of other funds. Alternatively, the Company may sell or arrange for the sale of the shares that you acquire under the IESPP to cover these amounts. To the extent that there is no or insufficient withholding, you must reimburse your employer for the income tax due within 90 days of the end of the U.K. tax year in which the share purchase occurs. If you fail to pay this amount to your employer within the time limit, you may be deemed to have received a benefit in kind equal to the amount of any income tax not recovered from you and you may have to pay further income tax and employee's NICs on this benefit in kind. The Company may refuse to deliver your shares until all such amounts have been repaid or recovered.

### **Sale of Shares**

When you subsequently sell your shares acquired under the IESPP, you will be subject to capital gains tax on any increase in the value of the shares between the date of purchase of the shares and the date of sale, subject to your personal annual exempt amount for capital gains tax purposes.

Capital gains tax is payable on gains from all sources in excess of the personal annual exempt amount in any tax year. The personal annual exempt amount for the tax year 2016/2017 is £11,100.

From 6 April 2016, a capital gains tax rate of 20% is payable on the amount of any gain (or any parts of gains) that exceeds the upper limit of the income tax basic rate band when aggregated with your cumulative taxable income and other chargeable gains in any tax year. For the 2016/2017 tax year, the upper limit of the income tax basic rate band is £32,000. Below this limit, capital gains tax is payable at a rate of 10%.

If you have acquired shares in the Company at different times, whether pursuant to the IESPP or otherwise, all of the shares of the same class you have acquired will be treated as forming a single asset (a share pool). The base cost will then be calculated on a pro rata basis. One exception to this is that any shares acquired on the same day as you sell any shares and those acquired within the following 30 days will be treated as being disposed of first. **The capital gains tax rules are complex and their impact will vary according to your individual personal circumstances. We recommend that you obtain independent tax advice before selling your shares.**

You will be responsible for reporting and paying any UK capital gains tax liability directly to HMRC through your annual self-assessment tax return.

### **Dividends**

If you hold shares of Company stock and the Company declares a dividend on the shares, you will be subject to income tax on dividend payments that you receive. (No NICs are due on dividends.) Any dividends paid will be subject to U.S. federal tax withheld at source, although you may be able to arrange for dividends to be paid to you subject to a lower rate of U.S. federal tax being withheld. The Company does not assume responsibility and will not withhold any U.K. income tax at source and you must account for U.K. income tax due through your annual U.K. self-assessment tax return. You may be entitled to a tax credit against your U.K. income tax for any U.S. federal tax withheld, which you may apply to HMRC for through your annual self-assessment tax return.

From 6 April 2016, the dividend tax credit regime was abolished in the U.K. and has been replaced with a new £5,000 tax-free dividend allowance. The effects of this change will depend on your individual circumstances as dividend income in excess of £5,000 will be subject to income tax at rates between 7.5% and 38.1%.

### **Withholding and Reporting**

As mentioned above, your employer is required to account for and report income tax and employee's NICs on the spread when shares are purchased under the IESPP. If the amount withheld is not sufficient to cover your actual liability, you will be responsible for paying the difference and should do so within 90 days of the end of the U.K. tax year in which the share purchase occurs to avoid liability to additional income tax and employee's NICs (as discussed above).

In addition, you will be responsible for reporting and paying directly to HMRC any taxes owed as a result of the sale of the shares or from the payment of dividends via your annual self-assessment tax return. You may also have any obligation to report your capital gains in other circumstances.

## TAXATION IN FRANCE

The following is a general summary description of the tax and social security consequences of your participation in IESPP.

This description is based on the tax and other laws concerning equity awards in effect in France as of the date of this prospectus. Such laws are often complex and change frequently. As a result, the information contained in this supplement may be out of date at the time you are granted an award, acquire shares or sell shares you acquire under the IESPP.

In addition, this description does not discuss all of the various laws, rules and regulations that may apply. It may not apply to your particular tax, social security contributions or financial situation, and Microchip is not in a position to assure you of any particular tax result. **Accordingly, you are strongly advised to seek appropriate professional advice as to how the tax or other laws in your country apply to your specific situation.**

If you are a citizen or resident of another country or transfer your tax residence out of France after your enrollment into the IESPP and/or if you are not subject to the French social security regime, the information contained in this description may not be applicable to you.

### Enrollment in the IESPP

You are not subject to tax or to social security contributions when a Purchase Right is granted to you under the IESPP (i.e., when you enroll in the IESPP or are offered participation in the IESPP).

### Purchase of Shares

When shares are purchased under the IESPP, you are subject to social security contributions (paid partly by the employer and partly the employee), including CSG (Contribution sociale généralisée) and CRDS (Contribution à la réduction de la dette sociale), on the difference (the "gain") between the fair market value of the shares on the date of purchase and the purchase price. This gain is also subject to personal income tax at your marginal rate (up to 45% for 2015 income<sup>1</sup>), after deduction of the tax deductible social security contributions and if applicable, a surtax on high income of 3% and/or 4% (see below).

### Dividends

You will be subject to progressive personal income tax (up to 45%), plus a surtax on high income of 3% and/or 4% (see below) on any dividends paid to you on the shares you acquire under the IESPP, after application of certain allowances. The gross amount of the dividends is also subject to the 15.5% additional social taxes.

At the time of the payment, you will be subject to a prepayment of French personal income tax at a rate of 21% on the gross amount of dividends received and to payment of the French additional social taxes at a global rate of 15.5% due by the 15<sup>th</sup> day of the month following payment of the dividend, unless you benefit from an exemption of the prepayment. Until the shares are held in the books of a non-French broker, you are personally responsible for paying and reporting any tax liabilities in that respect. In any case, you will have to directly report the dividends in your annual tax return due the year following payment of the dividends and you may pay additional income tax (or be reimbursed in case of surplus of income tax prepaid). Microchip has no obligation to withhold French taxes at source.

In addition, you will be subject to U.S. income tax withholding at source, and may be entitled to a foreign tax credit for these amounts, if the formalities required pursuant to the August 31, 1994 tax treaty to eliminate double taxation, entered into between France and the U.S., are fulfilled. Such tax credit can be offset against the personal income tax at progressive rates. Microchip does not assume any responsibility to withhold taxes at source.

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<sup>1</sup> The scale of the French progressive income applicable to income realized in 2016 could be amended until the very end of 2016. As of today, the marginal rate is 45%.

## **Sale of Shares**

When the shares you acquired pursuant to the IESPP are later sold, the positive difference between the net sale price and the fair market value of the shares on the date of purchase (the "capital gain") is subject to progressive personal income tax (up to 45% for 2015).

You may benefit from a rebate for holding period for personal income tax purposes only (but not for social taxes):

- If the shares you acquired pursuant to the IESPP are held for at least two years and less than eight years, the capital gain tax basis will be reduced by a rebate of 50%;
- If the shares you acquired pursuant to the IESPP are held at least for eight years, the capital gain tax basis will be reduced by a rebate of 65%.

You may realize a capital loss if the net sale price for the shares is lower than the fair market value on the date of purchase. This capital loss can be offset against capital gain of the same nature realized by you and your household during the same year or during the ten following years. A capital loss cannot be offset against other kind of income (such as salary or the gain you realized upon purchase of the shares under the IESPP).

On top of your personal income tax, the capital gains tax basis (before application of the above rebate for holding period) is also subject to the 15.5% additional social taxes. 5.1% of CSG (from the 15.5% additional social taxes) paid the year following the sale of the shares are tax deductible from the income realized the year of payment of the CSG.

You are invited to consult your personal tax advisor prior to selling your shares and filing the relevant personal income tax return to determine the taxable amount.

Specific surtax may apply - see below.

### **Surtax**

A surtax (at rates of 3% and/or 4%, depending on your total income) applies to your annual income in excess of certain thresholds (€250,000 for single taxpayers and €500,000 for married taxpayers for the 3% and twice the amount for the 4%), including income realized upon the purchase or sale of shares. Please contact your personal tax advisor to determine if you will be subject to surtax and whether you qualify for any available surtax reductions.

### **Wealth Tax**

Any shares you acquire under the IESPP will be included in your personal estate and must be declared to the French tax authorities if the net amount of your taxable personal estate (including you and your household) exceeds the exempt amount for the calendar year (€1.3 million for 2016), as valued on January 1 of each year. You may be able to claim a partial exemption for the value of the shares if you hold the shares for a certain number of years. Please consult your personal tax advisor to determine whether you can claim this exemption.

### **Withholding and Reporting**

Your employer is not required to withhold personal income tax when shares are purchased under the IESPP or when you subsequently sell shares purchased under the IESPP, provided that you are a French resident for tax purposes from grant to sale.

However, because the income realized upon the purchase of shares qualifies as additional salary under French tax and social security law, your employer is required to report this income on your pay slip of the month following the purchase of the shares (or the month after) and on its annual declaration of salaries which is filed with the social authorities at the latest on January 31 of the year following the purchase of the shares. Also, your employer will pay the employer's portion of social security contributions and withhold your portion of social security contributions due at purchase from your pay.

You are responsible for paying any taxes and additional social taxes resulting from the purchase, the sale of shares and the receipt of dividends under the IESPP. You are also responsible for reporting the

additional salary, any capital gains/losses and dividends realized under the IESPP on your personal income tax return to be filed with the French tax administration in the year following the year of purchase, sale or receipt of dividends, as applicable.

## TAXATION IN NORWAY

The following is a general summary description of the tax consequences of your participation in the IESPP.

This description assumes that you are resident and domiciled in Norway. The tax implications may differ if you are not resident or domiciled in Norway.

This description is based on the tax and other laws concerning equity awards intended to take effect or taking effect in Norway as of the date of this prospectus. Such laws are often complex and change frequently. As a result, the information contained in this supplement may be out of date at the time you are granted an award, acquire shares or sell shares you acquire under the IESPP.

In addition, this description does not discuss all of the various laws, rules and regulations that may apply. It may not apply to your particular tax or financial situation, and the Company is not in a position to assure you of any particular tax result and this description does not constitute tax advice. **Accordingly, you are strongly advised to seek appropriate professional advice as to how the tax or other laws in your country apply to your specific situation. You are also advised to seek advice with respect to U.S. inheritance and/or estate taxes as you may be subject to those with respect to shares acquired under the IESPP.**

If you are a citizen or resident of a country other than Norway, the information contained in this description may not be applicable to you.

### **Enrollment in the IESPP**

You not subject to tax when he or she enrolls in the IESPP or when a new purchase offering begins.

### **Purchase of Shares**

You will be subject to income tax and social insurance contributions at a rate of 8.2% when shares are purchased under the IESPP on the difference between the fair market value of the shares on the date of exercise and the purchase price, unless an exemption applies.

You may be able to exclude up to 20% of the fair market value of the shares at purchase up to a certain threshold per year from their taxable income.

Any shares that you acquire under the IESPP are considered assets and therefore, subject to wealth tax. Wealth tax is assessed at the end of each tax year and the tax is based on the value of the assets held on January 1 in the year following the relevant tax year. You are solely responsible for paying any wealth tax due for the year concerned.

### **Sale of Shares**

You are subject to tax when you subsequently sells the shares purchased under the IESPP on the difference between the sale price and the fair market value of the shares on the date of exercise. Certain adjustments may be available that will reduce the capital gain.

### **Dividends**

Dividends may be paid with respect to shares acquired under the IESPP if Microchip, in its discretion, declares a dividend. Any dividends paid will be subject to tax in Norway and to U.S. federal tax withheld at source. You may be entitled to a tax credit for the U.S. federal tax withheld.

### **Withholding and Reporting**

Your employer will withhold and report income tax and social insurance contributions on the taxable amount at purchase. You must report any taxable benefit derived from the IESPP on your personal income tax return. It is also your responsibility to report and pay any taxes resulting from the sale of the shares or receipt of any dividends.

Further, if you emigrate from Norway, you may be subject to income tax and/or capital gain tax on the purchase rights and/or shares held at the time of emigration. You should consult with your personal tax advisor regarding his/her tax obligations if you are emigrating from Norway.

## TAXATION IN ROMANIA

The following is a general summary description of the tax consequences of your participation in the IESPP.

This description assumes that you are resident and domiciled in Romania. The tax implications may differ if you are not resident or domiciled in Romania.

This description is based on the tax and other laws concerning equity awards intended to take effect or taking effect in Romania as of the date of this prospectus. Such laws are often complex and change frequently. As a result, the information contained in this supplement may be out of date at the time you are granted an award, acquire shares or sell shares you acquire under the IESPP.

In addition, this description does not discuss all of the various laws, rules and regulations that may apply. It may not apply to your particular tax or financial situation, and the Company is not in a position to assure you of any particular tax result and this description does not constitute tax advice. **Accordingly, you are strongly advised to seek appropriate professional advice as to how the tax or other laws in your country apply to your specific situation. You are also advised to seek advice with respect to U.S. inheritance and/or estate taxes as you may be subject to those with respect to shares acquired under the IESPP.**

If you are a citizen or resident of a country other than Romania, the information contained in this description may not be applicable to you.

### **Enrollment in the IESPP**

You are likely not subject to tax when you enroll in the IESPP or when a new purchase offering begins.

### **Purchase of Shares**

When shares are purchased under the IESPP, no income tax or social insurance contributions should be due upon the purchase of shares provided certain requirements are met. If tax is due, because you work for Microchip, and may be engaged in software design, you may be able to claim to an income tax exemption.

### **Sale of Shares**

You may be subject to tax when you subsequently sell the shares purchased under the IESPP. The taxable amount at sale will likely be the difference between the sale price and the purchase price.

The applicable tax rate is 16%.

### **Dividends**

Dividends may be paid with respect to shares acquired under the IESPP if Microchip, in its discretion, declares a dividend. Any dividends paid will be subject to tax in Romania at a 5% rate and to U.S. federal tax withheld at source. You may be entitled to a tax credit for the U.S. federal tax withheld.

### **Withholding and Reporting**

Your employer may withhold and/or report income tax and social insurance contributions when shares are purchased under the IESPP. In any event, it is your responsibility to report and pay any tax due resulting from the purchase of shares under the IESPP, the sale of shares or receipt of any dividends.



**TAXES ON THE INCOME FROM THE SECURITIES WITHHELD AT SOURCE UNDER US  
FEDERAL TAX LAWS**

E\*TRADE Securities requires all non-U.S. employees to certify their foreign status by completing a W8-BEN form at the time of account activation. The form expires every three years on 31 December and renewal is not mandatory. The purpose of this form is to allow E\*TRADE to waive the U.S. Internal Revenue Service (IRS)-required 30% backup tax withholding on the gross proceeds of any sale transaction. It also can lower the percent withheld on any cash dividends received to the specific tax treaty rate between the non-U.S. employee's country and the U.S.

Microchip does not have any responsibility for the withholding of taxes at source.

## RECENT DEVELOPMENTS AND OUTLOOK

### Recent Developments

See "General Information on Microchip Technology Incorporated—Recent Acquisitions—Atmel Acquisition" for a discussion of our April 2016 acquisition of Atmel Corporation. Except as described in that section, there has been no significant change in the Company's financial or trading position that has occurred since March 31, 2016.

### Trend Information

The semiconductor industry is characterized by seasonality and wide fluctuations of supply and demand. Since a significant portion of Microchip's revenue is from consumer markets and international sales, its business is subject to seasonally lower revenues in the third and fourth quarters of its fiscal year. However, in recent periods, changes in global economic and semiconductor industry conditions have had a more significant impact on the Company's results than seasonality, and has made it difficult to assess the impact of seasonal factors on its business.

Additionally, on May 4, 2016, Microchip provided revenue guidance for the three month period ending June 30, 2016. Exclusive of Atmel, we expect June quarter net sales to be up between 1% and 5%.

Due to our recent acquisition of Atmel and the related purchase accounting and revenue differences related to revenue recognition in our distribution channel, we are not able to provide GAAP revenue guidance for Microchip as a consolidated whole, including Atmel, as at the date of this Prospectus. On a non-GAAP basis, we expect Atmel to add approximately \$225 million to \$245 million in net sales from continuing operations in the June quarter. Therefore, we expect our consolidated non-GAAP revenue to be between \$799.1 million and \$841.9 million in the June quarter.

Our non-GAAP net sales outlook for the June 2016 quarter reflects accounting for revenue for both Atmel and Micrel distributors on a sell-through basis. Net sales from Atmel's sell-through distributors that the distributors owned as of the acquisition date is not recognized for GAAP purposes. We believe that our disclosure of non-GAAP net sales provides investors with useful information regarding the actual end market demand for our products. We are using non-GAAP net sales to permit additional analysis of our performance.

Management believes these non-GAAP measures are useful to investors because they enhance the understanding of our historical financial performance and comparability between periods. 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.

### Microcontrollers

Historically, average selling prices in the semiconductor industry decrease over the life of any particular product. The overall average selling prices of the Company's microcontroller products have remained relatively constant over time due to the proprietary nature of these products. Microchip has experienced, and expects to continue to experience, moderate pricing pressure in certain microcontroller product lines, primarily due to competitive conditions. It has in the past been able to, and expects in the future to be able to, moderate average selling price declines in its microcontroller product lines by introducing new products with more features and higher prices.

### Analog, Interface and Mixed Signal Products

Analog, interface and mixed signal products can be proprietary or non-proprietary in nature. Currently, Microchip considers more than 80% of its analog, interface and mixed signal product mix to be proprietary in nature, where prices are relatively stable, similar to the pricing stability experienced in its microcontroller products. The non-proprietary portion of its analog, interface and mixed signal business will experience price fluctuations, driven primarily by the current supply and demand for those products. Microchip anticipates the proprietary portion of its analog, interface and mixed signal products will increase over time.

## Memory Products

Memory product pricing has historically been cyclical in nature, with steep price declines followed by periods of relative price stability, driven by changes in industry capacity at different stages of the business cycle. Microchip has experienced, and expects to continue to experience, varying degrees of competitive pricing pressures in its memory products.

## Inventory Levels

The Company expects its inventory levels, excluding inventory acquired through our Atmel acquisition, to increase from one to nine days in the June 2016 quarter compared to the March 2016 quarter. Our actual inventory level will depend on the inventory that our distributors decide to hold to support their customers, overall demand for our products and our production levels. The Company believes its existing level of inventory will allow it to maintain competitive lead times and provide strong delivery performance to its customers. Microchip needs to complete its purchase accounting analysis for Atmel before it can provide inventory guidance that includes Atmel.

## Research and Development

The Company is committed to investing in new and enhanced products, including development systems software, and in its design and manufacturing process technologies. The Company believes these investments are significant factors in maintaining its competitive position.

## Patents

Microchip maintains a portfolio of U.S. and foreign patents, expiring on various dates between 2016 and 2035. It also has numerous additional U.S. and foreign patent applications pending. It does not expect that the expiration of any particular patent will have a material impact on its business. While the Company's intention is to continue to patent its technology and manufacturing processes, it believes that its continued success depends primarily on the technological skills and innovative capabilities of its personnel and its ability to rapidly commercialize new and enhanced products.

## Environmental and other regulations

There is a continuing expansion in environmental laws with a focus on reducing or eliminating hazardous substances and substances of high concern in electronic products and shipping materials. These and other future environmental regulations could require the Company to reengineer certain of its existing products and may make it more expensive for the Company to manufacture, sell and ship its products. In addition, the number and complexity of laws focused on the energy efficiency of electronic products and accessories, the recycling of electronic products, and the reduction in quantity and the recycling of packing materials have expanded significantly. The Company may have to write off inventory in the event that it holds unsaleable inventory as a result of changes to regulations or customer requirements. The Company expects these risks and trends to continue. In addition, the Company anticipates increased customer requirements to meet voluntary criteria related to the reduction or elimination of substances of high concern in its products and energy efficiency measures.

## Gross Margins

Microchip anticipates that its gross margins will fluctuate over time, driven primarily by capacity utilization levels, the overall product mix of microcontroller, analog, interface and mixed signal products, memory products and technology licensing revenue and the percentage of net sales of each of these products in a particular quarter, as well as manufacturing yields, fixed cost absorption, and competitive and economic conditions in the markets it serves.

## Financing

In order to remain competitive, the Company must constantly evaluate the need to make significant investments in capital equipment for both production and research and development. Microchip may increase its borrowings under its credit agreement or seek additional equity or debt financing from time to time to maintain or expand its wafer fabrication and product assembly and test facilities, for cash dividends, for share repurchases or for acquisitions or other purposes. The timing and amount of any such financing requirements will depend on a number of factors, including its level of dividend pay-

ments, changes in tax laws and regulations regarding the repatriation of offshore cash, demand for its products, changes in industry conditions, product mix, competitive factors and its ability to identify suitable acquisition candidates. There can be no assurance that such financing will be available on acceptable terms, and any additional equity financing would result in incremental ownership dilution to the Company's existing stockholders.

Chandler, Arizona, USA

June 24, 2016

Microchip Technology Incorporated  
by:

signed  
Kim van Herk  
Secretary