



23 August 2010

To our valued customers:

Microchip is closely following the development of law regarding the use of “conflict minerals” or “conflict metals” that originate from certain regions in the Democratic Republic of the Congo (DRC) and adjoining countries.

Specifically, Section 1502 of the Dodd-Frank Act requires the Securities and Exchange Commission (SEC) to enact new reporting requirements applicable to publicly traded companies for which conflict minerals are necessary to the functionality or production of their products. Conflict minerals include columbite-tantalite (coltan), cassiterite, gold, wolframite, or their derivatives, and other minerals determined by the United States Secretary of State to be financing conflict in the DRC or an adjoining country. When refined or extracted, these minerals become metals (such as tin, tantalum, and tungsten) that are commonly used in many consumer and electronic products.

Although the regulatory guidelines and rules are still in development, we are working to identify the country of origin of the minerals used in Microchip products as well as the related smelters/processors, depots, and traders that supply them. We believe this process is very important. However, it is also extremely challenging. Like other semiconductor manufacturers, Microchip uses commonly sourced materials during production and therefore there are numerous supply links between Microchip and the original point of mineral extraction. Depending on our findings, Microchip will implement internal procedures and establish a course of action in partnership with its minerals supply chain in compliance with the new SEC requirements.

If there are any questions regarding conflict minerals or other product compliance issues, please contact your Sales Representative or productenvironmetal@microchip.com

Regards,

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