

PRESS INFORMATION

- FOR IMMEDIATE RELEASE -

SILICA AND MICROCHIP TECHNOLOGY CONCLUDE ON PAN-EUROPEAN DISTRIBUTION AGREEMENT

**Leading provider of 8-bit microcontroller expands distribution agreement
and appoints SILICA as new pan-European distributor**

August 31, 2005 - As part of its global distribution agreement with Avnet, Microchip, a leading provider of microcontroller and analog semiconductors, has selected SILICA as the sole source for its products within Avnet Electronics Marketing EMEA. The new franchise agreement will come into effect immediately.

SILICA's large customer base allows Microchip to significantly extend its reach to potential new customers. Existing and prospect customers likewise will benefit from SILICA's in-depth technical support. SILICA has been known for its successful product design support in solutions and applications where time to market is essential.

"Like other leading microcontroller vendors, Microchip has chosen to rely on SILICA to provide their solutions and support to end-customers. Their broad range of world-class MCU and analog components is a valuable addition to our existing portfolio and marks a major development in SILICA's product offering," said Miguel Fernandez, SILICA President.

"In particular, the 16-bit dsPIC[®] family of digital Signal Controllers and Microchip's broad range of small 8-bit PIC[®] MCU products significantly enhances our microcontroller portfolio and will further strengthen our position as MCU specialist," Fernandez added.

"With its product expertise, engineering capabilities and excellent logistics & service backbone, we consider SILICA as the perfect partner to create additional growth for our distribution channel in Europe. We look forward to working with the SILICA team and successfully drive Microchip's leading breakthrough products across their customer base and into new customers throughout Europe," commented Gary Marsh, Vice President of Europe at Microchip.

About Microchip Technology

Microchip Technology Inc. (NASDAQ: MCHP) is a leading provider of microcontroller and analog semiconductors, providing low-risk product development, lower total system cost and faster time to market for thousands of diverse customer applications worldwide. Headquartered in Chandler, Arizona, Microchip offers outstanding technical support along with dependable delivery and quality. For more information, visit the Microchip website at www.microchip.com.

About SILICA

SILICA, a division of Avnet Electronics Marketing EMEA (Europe, Middle-East, Africa), is a highly specialised semiconductor distributor. Silica has 36 sales & marketing offices throughout Europe and provides a broad portfolio of semiconductor products and solutions from world leading suppliers to all market segments in the electronics industry. The company's Web site is located at www.silica.com.

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High-resolution press photos are available for download at:

<http://www.silica.com/en/press/pressreleases/microchip.html>



Left: Gary Marsh, Microchip, Right: Miguel Fernandez, Silica



Microchip and Silica Executives during the Kick-off reception