MICROCHIP TECHNOLOGY INC
Form 425
May 08, 2015

Filed by Micrel, Incorporated
Pursuant to Rule 425 under the Securities Act of 1933
and deemed filed pursuant to Rule 14a-12
of the Securities Exchange Act of 1934
Subject Company:
Microchip Technology Incorporated
(Commission File No. 000-21184)

Micrel Acquisition

May 7, 2015

[GRAPHIC OMITTED]

[GRAPHIC OMITTED]

[] Cautionary Statement:
Statements about the expected timing, financial impact and effects of the proposed transaction, and other statements in this presentation that are not historical facts, are forward -looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These statements involve risks and uncertainties that could cause actual results to differ materially from such forward looking statements. Such risks and uncertainties include the actual timing of the closing of the acquisition, the satisfaction of the conditions to closing in the acquisition agreement, any termination of the acquisition agreement, the effect of the acquisition on Microchip's and Micrel's existing relationships with customers, employees and vendors and on Microchip's and Micrel's respective operating results and businesses; general economic, industry or political conditions in the U.S. or internationally; and the risks described from time to time in SEC reports including filings on Forms 10-K, 10-Q and 8-K. You can obtain copies of applicable Forms 10-K, 10-Q and 8-K and other relevant documents for free at Microchip's website (www.microchip. com), at Micrel's website (www.Micrel.com) or the SEC's website (www.sec.gov) or from commercial document retrieval services. You are cautioned not to place undue reliance on these forward -looking statements, which speak only as of the date such statements are made. We do not undertake any obligation to publicly update any forward -looking statements to reflect events, circumstances or new information after the date hereof.
[] Additional Information and Where to Find It
Microchip will file a Registration Statement on Form S-4 that will include a proxy statement of Micrel in connection with the acquisition transaction. Investors and security holders are urged to read such document when it becomes available because it will contain important information about the transaction. Investors and security holders may obtain free copies of such document (when it becomes available) and other documents filed with the SEC at the SEC's web site at www.sec.gov. Microchip, Micrel and their directors and executive officers may be deemed to be participants in the solicitation of proxies from the shareholders of Micrel in connection with the acquisition transaction. Information regarding the special interests of these directors and executive officers in the transaction will be included in the proxy statement/prospectus described above. Additional information regarding the directors and executive officers of Microchip is also included in Microchip's proxy statement for its 2014 Annual Meeting of Stockholders, which was filed with the SEC on July 18, 2014. Additional information regarding the directors and executive officers of Micrel is also included in Micrel's Annual Report on Form 10-K/A, which was filed with the SEC on April 24, 2015. These documents are available free of charge at the SEC's web site at www.sec.gov and as described above.

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Micrel Overview

[] High quality Analog franchise with attractive product portfolio

[] Linear and Power Management (52%), LAN solutions (21%), Timing and
Communications (25%) and Foundry Services (2%)

[] Diversified end markets

[] Industrial and Automotive (48%), Communications (36%) and Consumer
(16%)

[] Technology leadership and innovation

[] Over 230 core new products introduced in the last 4 years

[] Over 400 patents granted

[] CY14 revenue of $248M

[] 52.1% non-GAAP gross margin; 9.4% non-GAAP operating margin

[] Proprietary product line supports consistent profitability

[] $95M cash and investments on the balance sheet at 3/31/15

[] No debt

[] Headquartered in San Jose, CA

[] 698 employees worldwide

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[GRAPHIC OMITTED]

Diverse Customer Base Of
Industry Leaders

Industrial and Automotive

Communications

Consumer

[GRAPHIC OMITTED]

No customer } 10% of revenues

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[GRAPHIC OMITTED]

Linear and Power
Solutions

[GRAPHIC OMITTED]

[GRAPHIC OMITTED]

5

[GRAPHIC OMITTED]

LAN Solutions

[GRAPHIC OMITTED]

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Timing and Communication
Solutions

[GRAPHIC OMITTED]

Clock and Timing

Solutions

High Speed

Communications

Products

[GRAPHIC OMITTED]

Markets

Communication

s

Industrial and

Automotive

Consumer

[GRAPHIC OMITTED]

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Compelling Strategic Rationale

[] Enhances Microchip's Analog product portfolio through
the addition of a rich portfolio of Linear and Power
Management products that complement our offerings

[] Expands Microchip's portfolio of LAN and connectivity
solutions, giving us a richer product offering and
additional applications and customers we can serve

[] Adds Timing and Communication products as a new set
of products and business unit to Microchip

[] Microchip's manufacturing and sales channel strengths
can extend the reach of Micrel's solutions into new
applications and markets

[] Adds strong patent portfolio of over 400 patents to
Microchip IP portfolio

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Transaction Summary

[] Transaction value of $839M representing $14/share

[] $744M net of Micrel's cash and investments

[] Micrel shareholders can elect to receive either Microchip

shares or cash, but at least 42% of the transaction value

must be in shares

[] Transaction will initially be mildly dilutive on a non GAAP

basis

[] Microchip expects to do a share buy back to emulate a

cash transaction

[] Expect transaction to be accretive on a non-GAAP basis in

the first full quarter after the stock buy back

[] Expect transaction to close in early CQ3 2015

[] Will provide more guidance on revenue, gross margin,

synergy and EPS impact after the transaction closes

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Thank You!

www.microchip. com