

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported)

May 22, 2014 (May 22, 2014)



MICROCHIP TECHNOLOGY INCORPORATED

(Exact Name Of Registrant As Specified In Its Charter)

Delaware

(State or other Jurisdiction of Incorporation)

0-21184

(Commission File No.)

86-0629024

(IRS Employer Identification No.)

2355 West Chandler Boulevard, Chandler, Arizona 85224-6199

(Address of Principal Executive Offices, Including Zip Code)

(480) 792-7200

(Registrant's Telephone Number, Including Area Code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01. Entry into a Material Definitive Agreement.

Merger Agreement

On May 22, 2014, Microchip Technology (Barbados) II Incorporated, a Cayman Islands company (“Merger Sub”), which is a wholly owned indirect subsidiary of Microchip Technology Incorporated (“Microchip”), and ISSC Technologies Corporation, a company publicly traded on the Taiwan Stock Exchange (“ISSC”), entered into an Agreement and Plan of Merger (the “Merger Agreement”). The Merger Agreement provides, upon the terms and subject to the conditions thereof, that Merger Sub will commence a cash tender offer (the “Offer”) to purchase all of the outstanding shares of common stock of ISSC (the “Shares”), for approximately \$4.74 per share (143 New Taiwan (NT) dollars per share, based on an assumed exchange rate of NT\$30.15 per U.S. dollar).

Under the terms of the Merger Agreement, following the completion of the Offer, ISSC will be merged with and into the Merger Sub (the “Merger”), with the Merger Sub being the surviving corporation. As a result of the Merger, the resulting combined entity will remain a wholly owned indirect subsidiary of Microchip, and each share of ISSC common stock (other than those shares owned by ISSC or Merger Sub or with respect to which appraisal rights are properly executed and are not withdrawn) issued and outstanding immediately prior to the effective time of the Merger, will be converted into the right to receive a cash amount of \$approximately \$4.74 per share (NT\$143, based on an assumed exchange rate of NT\$30.15 per U.S. dollar), without interest thereon, and less any applicable withholding taxes.

The Boards of Directors of Microchip, Merger Sub and ISSC have approved the Offer and the Merger. The Offer will be subject to customary conditions, including the valid tender of not less than 27,300,429 Shares and is expected to close in the third calendar quarter of 2014. The Merger is expected to close in the fourth calendar quarter of 2014.

The Merger Agreement contains representations, warranties and covenants of ISSC and Merger Sub, including among others, (i) covenants by ISSC concerning the conduct of its business in the ordinary course consistent with past practice during the pendency of the transactions contemplated by the Merger Agreement and (ii) a covenant that ISSC will not solicit, initiate, knowingly encourage or knowingly facilitate the making, submission or announcement of, any Acquisition Proposal (as defined in the Merger Agreement). The Merger Agreement contains certain termination rights for both Merger Sub and ISSC and further provides that upon termination of the Merger Agreement under specified circumstances ISSC or Merger Sub may be required to pay the other party a termination fee.

Tender Agreement

Concurrently with entering into the Merger Agreement, certain stockholders of ISSC holding approximately 27.71% of the outstanding shares of ISSC entered into a Tender Agreement with Merger Sub, pursuant to which such shareholders have committed to tender certain Shares owned by them in the Offer representing approximately 17.23% of the outstanding ISSC shares. Because certain of such shareholders will remain on the Board of Directors of ISSC following the completion of the Offer and prior to the completion of the Merger, they are subject to statutory minimum shareholding requirements under the laws of Taiwan.

Microchip has provided guarantees of Merger Sub's performance of its obligations under the Tender Agreement and the Merger Agreement (the “Guarantee”).

The foregoing description of the Merger Agreement, the Tender Agreement, the Guarantee and the transactions contemplated thereby does not purport to be complete and is qualified in its entirety by reference to the Merger Agreement, the Tender Agreement and the Guarantee. Microchip plans to file copies of the Merger Agreement, the Tender Agreement and the Guarantee as exhibits no later than with its Form 10-K for its fiscal year ended March 31, 2014. We encourage you to read the Merger Agreement, the Tender Agreement and the Guarantee for a more complete understanding of the transaction.

On May 22, 2014, Microchip and ISSC issued a press release relating to the Merger. A copy of the press release is attached hereto as Exhibit 99.1.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

99.1 Joint Press Release issued on May 22, 2014 (Microchip Technology Announces Acquisition of ISSC Technologies)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: May 22, 2014

Microchip Technology Incorporated

By: /s/ J. Eric Bjornholt

J. Eric Bjornholt

Vice President and Chief Financial Officer

EXHIBIT INDEX

99.1 Joint Press Release issued on May 22, 2014 (Microchip Technology Announces Acquisition of ISSC Technologies)



MICROCHIP CONTACT:
J. Eric Bjornholt - CFO(480) 792-7804

Exhibit 99.1
NEWS RELEASE



MICROCHIP TECHNOLOGY ANNOUNCES ACQUISITION OF ISSC TECHNOLOGIES

Expands Microchip's solutions for Bluetooth, Wireless and IoT Markets

Chandler, Arizona and Hsinchu, Taiwan – May 22, 2014 – Microchip Technology Incorporated (NASDAQ:MCHP), a leading provider of microcontroller, mixed-signal, analog and Flash-IP solutions, and ISSC Technologies Corporation (ISSC) (TW OTC:5261) today announced that Microchip has signed a definitive agreement to acquire ISSC, a leading provider of low power Bluetooth and advanced wireless solutions for the Internet Of Things (IoT) market. ISSC is publicly traded on the GreTai Securities Market and is headquartered in Hsinchu, Taiwan (Hsinchu Science Park) with customer service or research activities in Shenzhen, China and Torrance, California. In calendar year 2013, ISSC had net sales of US\$69.2 million and an operating margin of 18.9% based on their reported results under International Financial Reporting Standards.

Under the terms of the transaction, Microchip will commence a tender offer to acquire all of the outstanding shares of ISSC for New Taiwan (NT)\$143 per share (approximately US\$4.74 per share, based on an assumed exchange rate of NT\$30.15 per US\$) in cash, and acquire any remaining shares pursuant to a follow-on merger at NT\$143 per share minus any dividends paid by ISSC prior to the close of the transaction. The transaction represents a total equity value of about NT\$9.9 billion (approximately US\$328.5 million), and a total enterprise value of about NT\$8.9 billion (approximately US\$294.3 million), after excluding ISSC's cash and investments on its balance sheet of approximately NT\$1 billion (approximately US\$34.2 million). The acquisition is expected to be accretive to Microchip's non-GAAP earnings per share in the first full quarter after completion of the tender offer at which time Microchip will own the majority of the outstanding shares of ISSC and consolidate its financial statements with Microchip's.

The acquisition has been approved by the Boards of Directors of each company. The tender offer is expected to close in the third quarter of calendar 2014. The follow-on merger is expected to close in the fourth quarter of calendar 2014, subject to approval of the follow-on merger by ISSC stockholders,

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regulatory approvals and other customary closing conditions. In connection with the transaction, Microchip has entered into an agreement with certain ISSC shareholders holding approximately 28 percent of the outstanding shares of ISSC pursuant to which such shareholders have committed to tender approximately 17 percent of the outstanding shares of ISSC, which represents all unrestricted ISSC shares owned by them.

“We are delighted to have ISSC join the Microchip team. ISSC’s deep domain knowledge in Bluetooth and wireless technologies, and strong position in the Consumer markets, complement many of Microchip’s initiatives in wireless and IoT areas. We believe that combining ISSC’s strengths in wireless products and technology with Microchip’s brand, channel and operational strengths will enable significant cross selling opportunities,” said Ganesh Moorthy, COO of Microchip Technology.

“We are pleased to join Microchip Technology, a premier company in the semiconductor industry. Microchip has demonstrated consistent profitability, technology leadership and growth in its core businesses. We believe that this acquisition provides the best vehicle for us to realize significant value for ISSC shareholders, as well as the opportunities from scale of the much stronger sales and manufacturing platforms of Microchip,” said Max Wu, Chairman of ISSC.

“This transaction represents the first major overseas acquisition by Microchip and the purchase will be funded with a portion of Microchip’s foreign cash and will not require any additional borrowings from our line of credit. We believe the combination of a very strategic transaction that provides low power Bluetooth technology, ISSC’s strengths and capabilities and our use of foreign cash makes this a compelling transaction for the shareholders of both companies,” said Steve Sanghi, Microchip’s President and CEO.

Conference Call Information and Availability of Presentation Materials:

Microchip will host a conference call today, May 22, 2014 at 8:30 a.m. (Eastern Time) to discuss this release. This call will be simulcast over the Internet at www.microchip.com. The webcast will be available for replay until May 29, 2014.

A telephonic replay of the conference call will be available at approximately 12:00 p.m. (Eastern Time) on May 22, 2014 and will remain available until 5:00 p.m. (Eastern Time) on May 29, 2014. Interested parties may listen to the replay by dialing 719-457-0820 and entering access code 9153635.

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You may also view certain presentation materials that we will refer to on the conference call on Microchip's website at www.microchip.com. The same presentation materials will be available on the webcast of the conference call listed above.

Forward Looking Statements:

The statements in this release relating to expecting the acquisition to be accretive to Microchip's non-GAAP earnings per share in the first full quarter after completion of the tender offer, expecting the tender offer to close in the third quarter of calendar 2014, expecting the follow-on merger to close in the fourth quarter of calendar 2014, ISSC complementing many of Microchip's initiatives, combining ISSC's strengths with Microchip's strengths will enable significant cross selling opportunities, belief that the acquisition provides the best vehicle for ISSC to realize significant value for its shareholders, as well as the opportunities from scale, the purchase price being funded with a portion of Microchip's foreign cash and will not require any additional borrowings, belief that the combination of a very strategic transaction and use of foreign cash makes this a compelling transaction for the shareholders of both companies, are forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are subject to a number of business, economic, legal and other risks that are inherently uncertain and difficult to predict, including, but not limited to: 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, changes in demand or market acceptance of the products of Microchip or ISSC and the products of their respective customers, changes in demand or market acceptance of Microchip's products and the products of its customers; competitive developments; the costs and outcome of any current or future litigation involving Microchip, ISSC or the acquisition transaction; the effect of the acquisition on Microchip's and ISSC's existing relationships with customers and vendors and their operating results and businesses; the progress and costs of development of Microchip and ISSC products and the timing and market acceptance of those new products; Microchip's ability to successfully integrate ISSC's operations and employees and retain key employees; and general economic, industry or political conditions in the United States or internationally. For a detailed discussion of these and other risk factors, please refer to the SEC filings of Microchip including those on Forms 10-K and 10-Q. You can obtain copies of Forms 10-K and 10-Q and other relevant documents for free at Microchip's website (www.microchip.com) (as applicable), or the SEC's website (www.sec.gov), or from commercial document retrieval services.

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Stockholders of Microchip and ISSC are cautioned not to place undue reliance on the forward-looking statements in this press release, which speak only as of the date such statements are made. Neither Microchip nor ISSC undertakes any obligation to publicly update any forward-looking statements to reflect events, circumstances or new information after this May 22, 2014 press release, or to reflect the occurrence of unanticipated events.

About Microchip Technology

Microchip Technology Inc. (NASDAQ: MCHP) is a leading provider of microcontroller, mixed-signal, analog and Flash-IP solutions, 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 ISSC:

ISSC Technologies Corporation (TW OTC:5261) is a leading developer of advanced wireless solutions. Its award-winning KleanWire™ technology enables world-class personal Bluetooth products to enrich your life wirelessly. ISSC is a market leader in Bluetooth SOC solutions for wireless Headset, Speaker, Connectivity, and HID products. Founded in 1999 and publicly traded on the Taiwan GreTai Securities Market under the code "5261" in 2013, ISSC is headquartered in Hsinchu, Taiwan (Hsinchu Science Park) and has customer service or research activities in Shenzhen, China and Torrance, California. For more information, go to www.issc-tech.com.

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