

Registration No. 333-

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM S-3  
REGISTRATION STATEMENT  
Under  
The Securities Act of 1933

MICROCHIP TECHNOLOGY INCORPORATED  
(Exact name of Registrant as specified in its charter)

Delaware 86-0629024  
(State or other jurisdiction of (I.R.S. Employer  
incorporation or organization) Identification Number)

2355 W. Chandler Blvd.  
Chandler, Arizona 85224-6199  
(480) 786-7200  
(Address, including zip code, and telephone number, including area code, of  
Registrant's principal executive offices)

STEVE SANGHI  
Chairman of the Board, President  
and Chief Executive Officer  
Microchip Technology Incorporated  
2355 W. Chandler Blvd.  
Chandler, Arizona 85224-6199  
(480) 786-7200  
(Name, address, including zip code, and telephone number, including area code,  
of agent for service)

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Approximate date of commencement of proposed sale to the public: As soon as  
practicable after the effective date of this Registration Statement.

If the only securities being registered on this Form are being offered  
pursuant to dividend or interest reinvestment plans, please check the  
following box. ☐

If any of the securities being registered on this Form are to be offered on  
a delayed or continuous basis pursuant to Rule 415 under the Securities Act of  
1933, other than securities offered only in connection with dividend or  
interest reinvestment plans, check the following box. ☐

If this Form is filed to register additional securities for an offering  
pursuant to Rule 426(b) under the Securities Act, please check the following  
box and list the Securities Act registration statement number of the earlier  
effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(d)  
under the Securities Act, check the following box and list the Securities Act  
registration statement number of the earlier effective registration statement  
for the same offering. ☐

If delivery of the prospectus is expected to be made pursuant to Rule 434,  
please check the following box. ☐

CALCULATION OF REGISTRATION FEE

<TABLE>

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Title of Each Class of Securities to be Registered	Amount to be Registered(1)	Proposed Maximum Offering Price Per Share(2)	Proposed Maximum Aggregate Offering Price(2)	Amount of Registration Fee(3)
<S>	<C>	<C>	<C>	<C>
Common Stock \$0.001 par value.....	1,265,000 Shares	\$74.375	\$94,084,375	\$24,839

</TABLE>

- (1) Includes 165,000 shares which the Underwriters have the option to purchase solely to cover over-allotments, if any.
- (2) The proposed maximum offering price per share is estimated solely for the purpose of calculating the registration fee.
- (3) The registration fee is being calculated in accordance with Rule 457(c) based on the average high and low prices for the Registrant's common stock on December 6, 1999, as quoted on the Nasdaq National Market.

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The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the Registration Statement shall become effective on such date as the Securities Exchange Commission, acting pursuant to said Section 8(a), may determine.

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+++++

+The information in this prospectus is not complete and may be changed. We may +

+not sell these securities until the registration statement filed with the +

+Securities and Exchange Commission is effective. The prospectus is not an +

+offer to sell these securities and it is not soliciting offers to buy these +

+securities in any state where the offer or sale is not permitted. +

+++++

SUBJECT TO COMPLETION DATED DECEMBER 8, 1999

1,100,000 Shares

[MICROCHIP LOGO]

Common Stock

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Our common stock is traded on The Nasdaq Stock Market's National Market under the symbol "MCHP." On December 6, 1999, the last reported sale price for our common stock on The Nasdaq National Market was \$73.0625 per share.

The underwriters have an option to purchase a maximum of 165,000 additional shares to cover over-allotments of shares.

Investing in our common stock involves risks. See "Risk Factors" on page 4.

<TABLE>  
<CAPTION>

	Price to Public	Underwriting Discounts and Commissions	Proceeds to Microchip
	-----	-----	-----
<S>	<C>	<C>	<C>
Per Share.....	\$	\$	\$
Total.....	\$	\$	\$

</TABLE>

Delivery of the shares of common stock will be made on or about , 1999.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Credit Suisse First  
Boston

Merrill Lynch &  
Co.

Prudential  
Securities

Robertson  
Stephens

The date of this prospectus is , 1999.

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You should rely only on the information contained in this document or to which we have referred you. We have not authorized anyone to provide you with information that is different. This document may only be used where it is legal to sell these securities.

#### SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Some of the statements in this prospectus constitute forward-looking statements. In some cases, you can identify forward-looking statements by terms such as may, will, should, expect, plan, intend, forecast, anticipate, believe, estimate, predict, potential, continue or the negative of these terms or other comparable terminology. The forward-looking statements contained in this prospectus involve known and unknown risks, uncertainties and situations that may cause our or our industry's actual results, level of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these statements. These factors include those listed under "Risk Factors" and elsewhere in this prospectus.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. You should not place undue reliance on these forward-looking statements.

#### PROSPECTUS SUMMARY

You should read the following summary together with the more detailed information regarding our company and the common stock being sold in this offering and our consolidated financial statements and related notes appearing elsewhere in this prospectus or incorporated by reference into this prospectus. In this prospectus, "we," "us" and "our" each refers to Microchip Technology Incorporated and not to the underwriters.

#### Microchip Technology Incorporated

##### Overview of Our Business

##### Our Products

We develop and manufacture microcontrollers, application-specific standard products, referred to as ASSPs, and related memory products for high-volume embedded control applications. We market our products to the consumer, automotive, office automation, communications and industrial markets.

We provide highly cost-effective embedded control products for a wide variety of applications and believe that our PIC(R) product family is a price/performance leader in the worldwide microcontroller market. Our embedded control products also offer the advantages of small size, low voltage operation and ease of development, enabling timely and cost-effective product integration by our customers.

Our ASSP products include a variety of specialized integrated circuits, including our family of KEELOQ(R) security products for wireless communications.

Our memory products are primarily comprised of serial electrically erasable programmable read-only memory, referred to as EEPROMs. Serial EEPROMs are used primarily to provide non-volatile memory storage in embedded control systems.

Embedded control systems typically incorporate a microcontroller as the principal active, and sometimes sole, component. A microcontroller is a self-contained computer-on-a-chip consisting of a central processing unit, non-volatile program memory, random access memory for data storage and various input/output capabilities. In addition to the microcontroller, a complete embedded control system incorporates application-specific software and may include specialized peripheral device controllers and external non-volatile memory components, such as EEPROMs to store additional program software.

Embedded control systems enable our customers to:

- . differentiate their products
- . replace less efficient electromechanical control devices
- . add product functionality, and
- . significantly reduce product cost.

Embedded control solutions have been incorporated into thousands of products and subassemblies in a wide variety of markets worldwide, including:

- . automotive air bag systems
- . remote control devices
- . handheld tools
- . appliances
- . portable computers
- . cordless and cellular telephones
- . motor controls, and
- . security systems.

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#### Our Strategy

Our strategy is to provide embedded control solutions that combine time-to-market advantages with high performance and increased functionality. With our field programmable microcontrollers and easy-to-use development systems, customers can typically design and produce new products or new product features in a few days. In addition, our reduced instruction set computing, referred to as RISC, architecture provides faster performance than competing microcontrollers. Using advanced design and manufacturing technology, we can provide products that have some of the smallest package sizes and that operate at voltage levels and power requirements that are among the lowest in the embedded control industry.

#### Our Customers

We sell our products to a geographically diverse base of customers across a broad and growing range of market applications, reducing our dependence on any single industry, market or customer. We sell to more than 600 original equipment manufacturer, referred to as OEM, customers directly. We also sell to more than 20,000 other customers worldwide through our distributors. To date, we have sold more than 160,000 application development systems, providing a broad foundation for future microcontroller sales.

#### Our Manufacturing Capabilities

We design and fabricate wafers at our facilities in Chandler and Tempe, Arizona. We continue to transition products to smaller geometries and to larger wafer sizes to reduce future manufacturing costs. Our current manufacturing geometries range from 0.7 to 1.2 microns, with all new products produced on the smallest 0.7 micron process. We currently produce our products on 6-inch and 8-inch wafers, with all incremental production on the larger 8-inch wafers.

The ownership of our manufacturing resources is an important component of our business strategy, enabling us to maintain a high level of manufacturing control and to be one of the lowest cost producers in the embedded control industry. Direct control over wafer fabrication also enables us to shorten our design and production cycles. We perform product packaging and testing at our facilities located near Bangkok, Thailand. We also use third-party assembly and test contractors in several Asian countries.

Our executive offices are located at 2355 West Chandler Boulevard, Chandler, Arizona 85224-6199, and our telephone number is (480) 786-7200. Our web site address is [www.microchip.com](http://www.microchip.com). Information contained on our web site should not be considered a part of this prospectus.

## The Offering

The following information is based on the number of shares outstanding at September 30, 1999, excluding outstanding options to purchase 6,965,772 shares of common stock under our stock option plans and a warrant to purchase 300,000 shares of common stock.

<TABLE>	
<S>	<C>
Common stock offered.....	1,100,000 shares
Common stock to be outstanding after this offering.....	51,936,187 shares
Use of proceeds.....	We will use the proceeds from this offering to fund capital expansion activities.
Nasdaq National Market symbol.....	MCHP
</TABLE>	

Unless we indicate otherwise, the information in this prospectus assumes the underwriters will not exercise their over-allotment option.

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### SUMMARY CONSOLIDATED FINANCIAL DATA (in thousands, except per share data)

The information in the as adjusted column included below is calculated to reflect the issuance of 1,100,000 shares of common stock offered under this prospectus based on an assumed offering price of \$73.0625 per share, after deducting the estimated underwriter discounts and commissions and estimated expenses payable by us in connection with the offering.

<TABLE>	
<CAPTION>	
	Year Ended March 31,                      Six Months Ended September 30,
	-----
	1997      1998      1999      1998      1999
	-----
<S>	<C>      <C>      <C>      <C>      <C>
Statement of Operations Data:	
Net sales.....	\$334,252 \$396,894 \$406,460 \$203,269 \$225,731
Operating income.....	71,057 86,445 70,156 42,152 58,631
Income before income taxes.....	69,493 88,167 68,611 41,558 59,295
Net income.....	51,132 64,368 50,088 30,337 43,287
Basic net income per share.....	\$ 0.99 \$ 1.21 \$ 0.98 \$ 0.59 \$ 0.85
Diluted net income per share....	\$ 0.94 \$ 1.14 \$ 0.94 \$ 0.56 \$ 0.80
Basic common shares outstanding.....	51,569 53,576 51,136 51,546 50,879
Diluted common shares outstanding.....	54,683 56,313 53,528 53,940 53,842
</TABLE>	

<TABLE>	
<CAPTION>	
	Quarter Ended
	-----
	June      Sept.      Dec. 31,      Mar. 31,      June 30,      Sept. 30,
	30,      30,      1998      1999      1999      1999
	-----
<S>	<C>      <C>      <C>      <C>      <C>      <C>
Net sales.....	\$99,489 \$103,780 \$100,167 \$103,024 \$107,710 \$118,021
Operating income.....	17,488 24,664 25,120 2,884 27,582 31,049
Income before income taxes.....	17,499 24,059 24,456 2,597 27,669 31,626
Net income.....	12,774 17,563 17,854 1,897 20,199 23,088
Basic net income per share.....	\$ 0.24 \$ 0.34 \$ 0.35 \$ 0.04 \$ 0.40 \$ 0.45
Diluted net income per share.....	\$ 0.23 \$ 0.33 \$ 0.34 \$ 0.04 \$ 0.38 \$ 0.43
Basic common shares outstanding.....	52,151 50,963 50,647 50,921 50,714 50,787
Diluted common shares outstanding.....	54,486 53,358 53,192 53,365 53,787 53,916
</TABLE>	

<TABLE>	
<CAPTION>	
	September 30,
	1999
	-----

	Actual	As adjusted
<S>	<C>	<C>
Balance Sheet Data:		
Working capital.....	\$ 84,474	\$160,425
Total assets.....	563,647	639,598
Current portion of long-term obligations.....	108	108
Long-term obligations, less current portion.....	--	--
Stockholders' equity.....	417,241	493,192

</TABLE>

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# RISK FACTORS

An investment in our common stock involves a high degree of risk. You should carefully consider the following factors before deciding to purchase shares of our common stock. The trading price of our common stock could decline due to any of these risks, in which case you could lose all or part of your investment. In assessing these risks, you should also refer to the other information in this prospectus, including our financial statements and the related notes.

This prospectus contains forward-looking statements that involve risks and uncertainties. We use words such as "anticipate," "believe," "plan," "expect," "future," "intend" and similar expressions to identify forward-looking statements. Our actual results could differ materially from those anticipated in the forward-looking statements as a result of certain factors, including the risks described below and elsewhere in this prospectus. We disclaim any obligation to update information contained in any forward-looking statement.

Our quarterly operating results may fluctuate due to factors that could reduce our net sales and profitability.

Our quarterly 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:

- . the level of orders that are received and can be shipped in a quarter
- . market acceptance of both our products and our customers' products
- . customer order patterns and seasonality
- . availability of manufacturing capacity and fluctuations in manufacturing yield
- . the availability and cost of raw materials, equipment and other supplies, and
- . economic, political and other conditions in the worldwide markets served by us.

We believe that period-to-period comparisons of our operating results are not necessarily meaningful and that you should not rely upon any comparisons as indications of future performance. In future periods our operating results may fall below the expectations of public market analysts and investors, which would likely have a negative effect on the price of our common stock.

If we fail to maintain manufacturing yields as we increase our capacity, we may not be able to produce sufficient quantities of integrated circuits to meet customer demand, which would harm our business.

The manufacture and assembly of integrated circuits, particularly non-volatile, erasable 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 and the performance of our fabrication personnel and equipment. 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 current levels.

We believe that expansion of our manufacturing capacity is important to enable us to respond to increased sales opportunities and maintain satisfactory delivery schedules. Our business could suffer if the expansion of manufacturing capacity is delayed or inefficiently implemented. Other companies in the industry have experienced difficulty in expanding manufacturing capacity, resulting in reduced yields or delays in product deliveries. We may experience manufacturing yield or delivery problems in the future, which could harm our operating results.

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

Our net sales in any given quarter depend upon a combination of orders received in that quarter for shipment in that quarter, which we refer to as turns orders, and shipments from backlog. If we do not achieve a sufficient level of turns orders in a particular quarter, our net sales and operating results will suffer. We have emphasized our ability to respond quickly to customer orders as part of our competitive strategy. From fiscal 1994 through fiscal 1999, this strategy resulted in customers placing orders with increasingly shorter delivery schedules. This had the effect of increasing turns orders as a portion of our business in any given quarter and reducing our visibility on future product shipments. The percentage of turns orders has decreased substantially for the first three quarters of fiscal 2000, but may return to higher levels in the future. Because turns orders are difficult to predict, increased levels of turns orders make our net sales more difficult to predict.

Intense competition in our markets may lead to reduced sales of our products and 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 with which to pursue engineering, manufacturing, marketing and distribution of their products. Emerging companies are also increasing their participation in the market for embedded control applications. In addition, our ability to compete successfully depends on a number of factors both within and outside our control, including:

- . the quality, performance, reliability, features, ease of use, pricing and diversity of our products
- . the quality of our customer services and our ability to address the needs of our customers
- . our success in designing and manufacturing new products including those implementing new technologies
- . efficiency of production
- . the rate at which customers incorporate our products into their own products
- . product introductions by our competitors, and
- . protection of our products and processes by effective utilization of intellectual property laws.

Historically, average selling prices in the semiconductor industry decrease over the life of any particular product. The overall average selling prices of our microcontroller products have remained relatively constant, while average selling prices of our memory products have declined over time. We have experienced, and expect to continue to experience, pricing pressure in certain microcontroller product lines, due primarily to competitive conditions. We may be unable to maintain average selling prices for our microcontroller or other products as a result of increased pricing pressure in the future. An increase in pricing pressure could force us to reduce our average selling prices, which would reduce our operating results.

We may be unable to compete successfully in the future, which could harm our business.

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

Our semiconductor manufacturing operations require raw 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 raw materials and equipment that meet our standards. In addition, the raw materials and equipment necessary for our business could become more difficult to obtain as worldwide use of semiconductors increases. An interruption of any raw materials or equipment sources could harm our business. We have faced 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.

Our business is highly dependent on selling through distributors.

Distributors accounted for 59% of our net sales to customers for the six months ended September 30, 1999. Our largest distributor accounted for 13% of

our total net sales for the six months ended September 30, 1999. Generally, we do not have long-term agreements with our distributors and our distributors may terminate their relationship with us with little or no advanced notice.

The loss of, or a disruption in the operations of, one or more of our distributors could reduce our net sales in a given quarter and could result in an increase in inventory returns.

Our operating results may be impacted by the wide fluctuations of supply and demand in the semiconductor industry.

The semiconductor industry has been characterized by wide fluctuations of supply and demand. The industry has experienced significant economic downturns at various times, characterized by diminished product demand, accelerated erosion of average selling prices and production over-capacity. We have sought to reduce our exposure to industry cyclicality by selling products to a geographically diverse base of customers across a broad range of market applications. However, we may experience substantial period-to-period fluctuations in future operating results due to general industry or economic conditions.

If we are unable to adequately protect or enforce our intellectual property rights, we could lose market share, incur costly litigation expenses or lose valuable assets.

Our success depends in part on our ability to obtain patents, licenses and other intellectual property rights covering our products and manufacturing processes. To that end, we have acquired certain patents and patent licenses and intend to continue to seek patents on our inventions 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 patents and any new patents that are issued may not be of sufficient scope or strength to provide meaningful protection or any commercial advantage to us. We may be subject to or may initiate interference proceedings in the U.S. Patent and Trademark Office, 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 United States.

As is typical in the semiconductor industry, we have from time to time received, and may in the future receive, communications alleging possible infringement of patents or other intellectual property rights of others. We investigate all infringement notices and respond as we believe is appropriate. Based on industry practice, we believe that in most cases we can obtain any necessary licenses or other rights on commercially reasonable terms, but we cannot assure that licenses would be available on acceptable terms, that litigation would not ensue or that damages for any past infringement would not be assessed. Litigation, which could result in substantial cost to us and diversion of management effort, may be necessary to enforce our patents or other intellectual property rights or to defend us against claimed infringement of the rights of others. The failure to obtain necessary licenses or other rights or litigation arising out of infringement claims could harm our business.

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 the six months ended September 30, 1999, 68% of our net sales were made to foreign customers. We purchase a substantial portion of our raw materials and equipment from foreign suppliers. In addition, we own product packaging and testing facilities located near Bangkok, Thailand. We also use various third-party contractors located throughout Asia for a portion of our packaging and testing requirements.

Our reliance on foreign sales and operations exposes us to foreign political and economic risks, including:

- . political, social and economic instability
- . trade restrictions and changes in tariffs
- . import and export license requirements and restrictions
- . difficulties in staffing and managing international operations
- . disruptions in international transport or delivery
- . fluctuations in currency exchange rates
- . difficulties in collecting receivables, and
- . potentially adverse tax consequences.



If any of these risks materialize, our foreign sales could decrease and our foreign operations could suffer.

Various Asian countries recently experienced significant economic difficulties. These difficulties included business failures and a generally depressed business climate, particularly in the semiconductor industry. Because of our reliance on Asian facilities, any further economic crisis in Asia may harm our business.

We are subject to stringent environmental regulation, which may force us to incur significant expenses.

We must comply with many different federal, state and local governmental regulations related to the use, storage, discharge and disposal of toxic, volatile or otherwise hazardous chemicals used in our manufacturing process. Although we believe that our activities conform to presently applicable environmental regulations, our failure to comply with present or future regulations could result in the imposition of fines, suspension of production or a cessation of operation. Any regulation could require us to acquire costly equipment or to incur other significant expenses to comply with environmental regulations. Any failure by us to control the use of or adequately restrict the discharge of hazardous substances could subject us to future liabilities. Environmental problems may occur that could subject us to future costs or liabilities.

We must attract and retain qualified personnel to be successful, and competition for qualified personnel is intense in our market.

Our success depends to a significant extent upon the efforts and abilities of our senior management, engineering and other personnel. The competition for qualified engineering and management personnel is 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. We have no employment agreements with any member of our senior management team.

The year 2000 problem may adversely affect us by causing failures in our internal systems or in systems used by our suppliers, distributors or customers.

The year 2000 problem is the potential for system and processing failure of date-related data as a result of computer-controlled systems that use two digits rather than four to define a year in the date field. Many computer hardware systems and software applications could fail or create erroneous results unless corrected so that they can correctly process data related to the year 2000 and beyond. Failures by our internal systems, or by systems used by our suppliers, distributors or customers, could seriously harm our business. In particular, the infrastructure of foreign countries where our products are manufactured or our customers are located may be subject to disruption or failure as a result of the year 2000 problem.

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The future trading price of our 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:

- . quarterly variations in our operating results and the operating results of other semiconductor companies
- . actual or anticipated announcements of technical innovations or new products by us or our competitors
- . changes in analysts' estimates of our financial performance or buy/sell recommendations
- . general conditions in the semiconductor industry, and
- . worldwide economic and financial conditions.

In addition, the stock market has experienced significant price and volume fluctuations that have particularly affected the market prices for many high technology companies and that often have been unrelated to the operating performance of such companies. These broad market fluctuations and other factors may harm the market price of our common stock.

Provisions in our charter may have anti-takeover effects.

Provisions in our certificate of incorporation allow us to issue preferred

stock with voting, liquidation and dividend rights senior to those of our common stock without the approval of our stockholders. The issuance of preferred stock, while providing desirable flexibility in connection with possible acquisitions or other corporate purposes, could have the effect of making it more difficult for a third party to acquire a majority of our outstanding stock. We have no present plans to issue shares of preferred stock.

#### DIVIDEND POLICY

We have not paid any cash dividends since our inception. We currently anticipate that we will retain all of our future earnings for use in the expansion and operation of our business. Thus, we do not anticipate paying any cash dividends on our capital stock in the foreseeable future.

#### USE OF PROCEEDS

The net proceeds to us from the sale of the 1,100,000 shares being offered under this prospectus are estimated to be approximately \$75,950,000, or \$87,403,000 if the underwriters' over-allotment option is exercised in full, based on an assumed offering price of \$73.0625 per share and after deducting the estimated underwriter discounts and commissions and estimated expenses payable by us in connection with the offering. We intend to use the net proceeds to purchase additional wafer fabrication and final test equipment and to fund the construction of additional office building space. Pending these uses, we intend to invest the net proceeds in investment grade, interest bearing securities.

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#### CAPITALIZATION

The following table sets forth our capitalization as of September 30, 1999 and is based on the number of shares outstanding at that date, excluding outstanding options to purchase 6,965,772 shares of common stock under our stock option plans and a warrant to purchase 300,000 shares of common stock. The information in the as adjusted column included below is calculated to reflect the issuance of 1,100,000 shares of common stock offered under this prospectus based on an assumed offering price of \$73.0625 per share, after deducting the estimated underwriter discounts and commissions and estimated expenses payable by us in connection with this offering.

<TABLE>  
<CAPTION>

	September 30, 1999	
	Actual	As Adjusted
	(in thousands)	
<S>	<C>	<C>
Long-term obligations, less current portion.....	\$ --	\$ --
Stockholders' equity:		
Preferred Stock, \$0.001 par value; 5,000,000 shares authorized, no shares issued and outstanding.....	--	--
Common Stock, \$0.001 par value, 100,000,000 shares authorized, 53,881,342 shares issued and 50,836,187 shares outstanding; 53,881,342 shares issued and 51,936,187 shares outstanding as adjusted.....	54	54
Additional paid-in capital.....	209,227	257,922
Retained earnings.....	307,568	307,568
Less shares of common stock held in treasury.....	(99,608)	(72,352)
Net stockholders' equity.....	417,241	493,192
Total capitalization.....	\$417,241	\$493,192

</TABLE>

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#### SELECTED CONSOLIDATED FINANCIAL DATA

The following selected consolidated financial data should be read in conjunction with our consolidated financial statements and notes thereto and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in the documents incorporated herein by reference. Our consolidated statement of operations data for each of the years in the five-year period ended March 31, 1999, and the balance sheet data as of March 31, 1999, 1998, 1997, 1996 and 1995 are derived from and are qualified by reference to our audited consolidated financial statements. The selected consolidated statement of operations data for the six months ended September 30, 1998 and 1999 and the balance sheet data as of September 30, 1999 have been derived from unaudited consolidated financial statements which include, in the opinion of management, all adjustments, consisting only of normal recurring adjustments necessary for a fair presentation of the financial data for such periods. The results of operations for the six months ended September 30, 1999, are not

necessarily indicative of the results to be expected for any future interim or annual period.

<TABLE>  
<CAPTION>

	Year Ended March 31,					Six Months Ended September 30,	
	1995	1996	1997	1998	1999	1998	1999
	(in thousands, except per share data)						
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Statement of Operations Data:							
Net sales.....	\$207,961	\$285,888	\$334,252	\$396,894	\$406,460	\$203,269	\$225,731
Cost of sales.....	101,039	137,708	167,330	199,538	203,574	102,538	110,199
Gross profit.....	106,922	148,180	166,922	197,356	202,886	100,731	115,532
Research and development.....	20,746	27,517	32,073	38,362	40,787	20,788	20,959
Selling, general and administrative.....	36,975	48,903	56,248	67,549	63,006	32,291	35,942
Special charges.....	--	11,448	7,544	5,000	28,937	5,500	--
Operating income.....	49,201	60,312	71,057	86,445	70,156	42,152	58,631
Interest income (expense), net.....	(881)	(947)	(1,852)	1,505	(2,210)	(1,142)	192
Other, net.....	808	569	288	217	665	548	472
Income before income taxes.....	49,128	59,934	69,493	88,167	68,611	41,558	59,295
Provision for income taxes.....	12,829	16,182	18,361	23,799	18,523	11,221	16,008
Net income.....	36,299	43,752	51,132	64,368	50,088	30,337	43,287
Basic net income per share.....	\$ 0.76	\$ 0.86	\$ 0.99	\$ 1.21	\$ 0.98	\$ 0.59	\$ 0.85
Diluted net income per share.....	\$ 0.70	\$ 0.80	\$ 0.94	\$ 1.14	\$ 0.94	\$ 0.56	\$ 0.80
Basic common shares outstanding.....	47,525	50,750	51,569	53,376	51,136	51,546	50,879
Diluted common shares outstanding.....	51,641	54,533	54,683	56,313	53,528	53,940	53,842

</TABLE>

<TABLE>  
<CAPTION>

	As of March 31,					September 30,
	1995	1996	1997	1998	1999	1999
	(in thousands)					
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Balance Sheet Data:						
Working capital.....	\$ 71,307	\$ 55,855	\$ 91,176	\$ 55,171	\$ 93,295	\$ 84,474
Total assets.....	249,480	358,187	428,092	524,743	505,230	563,647
Long-term obligations, less current portion..	15,340	33,250	5,999	8,768	25,000	--
Stockholders' equity...	161,825	219,632	316,584	367,308	358,797	417,241

</TABLE>

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#### UNDERWRITING

Under the terms and subject to the conditions contained in an underwriting agreement dated December , 1999, we have agreed to sell to the underwriters named below, for whom Credit Suisse First Boston Corporation, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Prudential Securities Incorporated and BancBoston Robertson Stephens Inc. are acting as representatives, the following respective numbers of shares of common stock:

<TABLE>  
<CAPTION>

Underwriters	Number of Shares
<S>	<C>
Credit Suisse First Boston Corporation.....	
Merrill Lynch, Pierce, Fenner & Smith	

Incorporated.....	
Prudential Securities Incorporated.....	
BancBoston Robertson Stephens Inc.....	
	-----
Total.....	=====

</TABLE>

The underwriting agreement provides that the underwriters are obligated to purchase all of the shares of common stock in the offering if any are purchased, other than those shares covered by the over-allotment option described below. The underwriting agreement also provides that if an underwriter defaults, the purchase commitments of the non-defaulting underwriters may be increased or the offering of common stock may be terminated.

We have granted to the underwriters a 30-day option to purchase on a pro-rata basis up to 165,000 additional shares at the public offering price less the underwriting discounts and commissions. The option may be exercised only to cover any over-allotments of common stock.

The underwriters propose to offer the shares of common stock initially at the public offering price on the cover page of this prospectus and to selling group members at that price less a concession of \$ per share. The underwriters and selling group members may allow a discount of \$ per share on sales to other broker/dealers. After the public offering of the common stock, the public offering price and concession and discount to broker/dealers may be changed by the underwriters.

The following table summarizes the compensation and estimated expenses we will pay:

<TABLE>  
<CAPTION>

	Per Share		Total	
	Without Over- allotment	With Over- allotment	Without Over- allotment	With Over- allotment
<S>	<C>	<C>	<C>	<C>
Underwriting Discounts and Commissions paid by us.....				
Expenses payable by us.....				

</TABLE>

We and our directors and executive officers have agreed that we and they will not offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any shares of our common stock or securities convertible into or exchangeable or exercisable for any shares of our common stock, or enter into a transaction which would have the same effect or publicly disclose the intention to make any such offer, sale, pledge or disposal without the prior written consent of Credit Suisse First Boston Corporation for a period of 90 days after the date of this prospectus, except that our executive officers and directors may collectively sell up to 250,000 shares of our common stock in the open market without regard to the restrictions described in this paragraph. In addition, the holder of a warrant to purchase 300,000 shares of our common stock has entered into a lock-up agreement for a period of 30 days after the date of this prospectus.

We have agreed to indemnify the underwriters against liabilities under the Securities Act or contribute to payments which the underwriters may be required to make in that respect.

Our common stock is listed on The Nasdaq National Market under the symbol MCHP.

The representatives may engage in over-allotment, stabilizing transactions, syndicate covering transactions, penalty bids and "passive" market making in accordance with Regulation M under the Securities Exchange Act of 1934.

- . Over-allotment involves syndicate sales in excess of the offering size, which creates a syndicate short position.
- . Stabilizing transactions permit bids to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum.
- . Syndicate covering transactions involve purchases of the shares of the common stock in the open market after the distribution has been completed in order to cover syndicate short positions.
- . Penalty bids permit the underwriters to reclaim a selling concession from

a syndicate member when the shares of common stock originally sold by that syndicate member is purchased in a syndicate covering transaction to cover syndicate short positions.

- . In "passive" market making, market makers in the common stock who are underwriters or prospective underwriters may, subject to specific limitations, make bids for or purchases of the common stock until the time, if any, at which a stabilizing bid is made.

These stabilizing transactions, syndicate covering transactions and penalty bids may cause the price of the common stock to be higher than it would otherwise be in the absence of these transactions. These transactions may be effected on The Nasdaq National Market or otherwise and, if commenced, may be discontinued at any time.

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#### NOTICE TO CANADIAN RESIDENTS

##### Resale Restrictions

The distribution of the common stock in Canada is being made only on a private placement basis exempt from the requirement that we prepare and file a prospectus with the securities regulatory authorities in each province where trades of common stock are effected. Accordingly, any resale of the common stock in Canada must be made in accordance with applicable securities laws which will vary depending on the relevant jurisdiction, and which may require resales to be made in accordance with available statutory exemptions or pursuant to a discretionary exemption granted by the applicable Canadian securities regulatory authority. Purchasers are advised to seek legal advice prior to any resale of the common stock.

##### Representations of Purchasers

Each purchaser of common stock in Canada who receives a purchase confirmation will be deemed to represent to us and the dealer from whom such purchase confirmation is received that (i) such purchaser is entitled under applicable provincial securities laws to purchase such common stock without the benefit of a prospectus qualified under such securities laws, (ii) where required by law, that such purchaser is purchasing as principal and not as agent, and (iii) such purchaser has reviewed the text above under "Resale Restrictions".

##### Rights of Actions (Ontario Purchasers)

The securities being offered are those of a foreign issuer and Ontario purchasers will not receive the contractual right of action prescribed by Ontario securities law. As a result, Ontario purchasers must rely on other remedies that may be available, including common law rights of action for damages or rescission or rights of action under the civil liability provisions of the U.S. federal securities laws.

##### Enforcement of Legal Rights

All of the issuer's directors and officers as well as the experts named herein may be located outside of Canada and, as a result, it may not be possible for Canadian purchasers to effect service of process within Canada upon the issuer or such persons. All or a substantial portion of the assets of the issuer and such persons may be located outside of Canada and, as a result, it may not be possible to satisfy a judgment against the issuer or such persons in Canada or to enforce a judgment obtained in Canadian courts against such issuer or persons outside of Canada.

##### Notice to British Columbia Residents

A purchaser of common stock to whom the Securities Act (British Columbia) applies is advised that such purchaser is required to file with the British Columbia Securities Commission a report within ten days of the sale of any common stock acquired by such purchaser pursuant to this offering. Such report must be in the form attached to British Columbia Securities Commission Blanket Order BOR #95/17, a copy of which may be obtained from us. Only one such report must be filed in respect of common stock acquired on the same date and under the same prospectus exemption.

##### Taxation and Eligibility for Investment

Canadian purchasers of common stock should consult their own legal and tax advisors with respect to the tax consequences of an investment in the common stock in their particular circumstances and with respect to the eligibility of the common stock for investment by the purchaser under relevant Canadian legislation.

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WHERE YOU CAN FIND MORE INFORMATION

We have filed with the Securities and Exchange Commission a registration statement on Form S-3, of which this prospectus is a part, under the Securities Act with respect to the shares of common stock offered hereby. This prospectus does not contain all of the information included in the registration statement. Statements contained in this prospectus concerning the provisions of any document are not necessarily complete. You should refer to the copy of these documents filed as an exhibit to the registration statement or otherwise filed by us with the SEC for a more complete understanding of the matter involved. Each statement concerning these documents is qualified in its entirety by such reference.

We are also subject to the informational requirements of the Securities Exchange Act of 1934. Under the Exchange Act, we file reports, proxy statements and other information with the SEC. The registration statement, including the attached exhibits and schedules, may be inspected and copied at the following public reference facilities maintained by the SEC:

450 Fifth Street, N.W.	7 World Trade Center	500 West Madison
Room 1024, Judiciary Plaza	Suite 1300	Street
Washington, D.C. 20549	New York, NY 10048	Suite 1400
		Chicago, IL 60661-2511

Please call the SEC at 1-800-SEC-0330 for further information about the public reference rooms. The SEC maintains a web site that contains reports, proxy and information statements and other information regarding registrants that file electronically with the SEC. Copies of the registration statement and the reports, proxy and information statements and other information that we file with the SEC may be obtained from the SEC's Internet address at <http://www.sec.gov>.

The SEC allows us to "incorporate by reference" into the prospectus the information we have filed with them. The information incorporated by reference is an important part of this prospectus and the information that we file subsequently with the SEC will automatically update this prospectus. The information incorporated by reference is considered to be part of this prospectus. We incorporate by reference the documents listed below and any filings we make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, after the initial filing of this registration statement that contains this prospectus and prior to the time that we sell all the securities offered by this prospectus:

- . our annual report on Form 10-K for the fiscal year ended March 31, 1999
- . our quarterly report on Form 10-Q for the quarter ended June 30, 1999
- . our quarterly report on Form 10-Q for the quarter ended September 30, 1999
- . our current report on Form 8-K dated October 11, 1999
- . the description of our common stock contained in our Registration Statement on Form 8-A filed on February 5, 1993 under Section 12 of the Exchange Act, including any amendment or report updating such description, and
- . the description of our preferred share purchase rights contained in our Registration Statement on Form 8-A filed on February 14, 1995 under Section 12 of the Exchange Act, including any amendment or report updating such description.

You may request a copy of these documents, at no cost, by writing or telephoning us at the following address:

Microchip Technology Incorporated  
Attention: Investor Relations  
2355 W. Chandler Blvd.  
Chandler, Arizona 85224-6199  
(480) 786-7200

#### LEGAL MATTERS

The validity of the shares of common stock offered under this prospectus will be passed upon for us by Wilson Sonsini Goodrich & Rosati, Professional Corporation, Palo Alto, California. Various legal matters in connection with this offering will be passed upon for the underwriters by Gray Cary Ware & Freidenrich LLP, Palo Alto, California.

#### EXPERTS

Our consolidated financial statements as of March 31, 1998 and 1999, and for

each of the years in the three-year period ended March 31, 1999, have been incorporated herein by reference and in the registration statement in reliance upon the report of KPMG LLP, independent certified public accountants, incorporated herein by reference and upon the authority of such firm as experts in accounting and auditing.

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[MICROCHIP LOGO]

## PART II

### INFORMATION NOT REQUIRED IN PROSPECTUS

#### Item 14. Other Expenses of Issuance and Distribution

The following table sets forth the costs and expenses other than underwriting discounts and commissions, payable by the Company in connection with the sale of Common Stock being registered. All amounts are estimates except the SEC Registration Fee and the NASD Filing Fee.

<TABLE>

<CAPTION>

	Amount To Be Paid By the Company -----
<S>	<C>
SEC Registration Fee.....	\$ 24,839
NASD Filing Fee.....	9,909
Printing.....	100,000
Legal Fees and Expenses.....	150,000
Accounting Fees and Expenses.....	50,000
Blue Sky Fees and Expenses.....	3,500
Transfer Agent and Registrar Fees.....	2,500
Miscellaneous.....	59,252
	-----
Total.....	\$400,000
	=====

</TABLE>

#### Item 15. Indemnification of Directors and Officers

Section 145 of the Delaware General Corporation Law ("Delaware Law") authorizes a court to award or a corporation's Board of Directors to grant indemnification to directors and officers in terms sufficiently broad to permit such indemnification under certain circumstances for liabilities (including reimbursement for expenses incurred) arising under the Securities Act of 1933, as amended (the "Act"). Article VII of the Registrant's Bylaws provides for mandatory indemnification of its directors, officers, employees and other agents to the maximum extent permitted by Delaware Law. The Registrant has entered into indemnification agreements with its directors and certain of its officers, a form of which was filed as Exhibit 10.1 to Registration Statement No. 33-57960. The indemnification agreements provide the Registrant's directors and selected officers with further indemnification to the maximum extent permitted by Delaware Law. Reference is also made to Section 8 of the Underwriting Agreement contained in Exhibit 1.1 hereto, indemnifying officers and directors of the Registrant against certain liabilities.

Reference is made to the form of Underwriting Agreement filed as Exhibit 1.1 to this Registration Statement for certain provisions regarding indemnification of officers and directors of the Company by the several Underwriters.

#### Item 16. Exhibits and Financial Statement Schedules

<TABLE>

<CAPTION>

Exhibit Number -----	Description -----
<S>	<C>
1.1	Form of Underwriting Agreement.
5.1	Opinion of Wilson Sonsini Goodrich & Rosati, Professional Corporation.
23.1	Consent of KPMG LLP.
23.2	Consent of Wilson Sonsini Goodrich & Rosati, Professional Corporation (Included in Exhibit 5.1).
24.1	Power of Attorney (Included on Page II-3).

</TABLE>

(b) Financial Statement Schedules

None.

Item 17. Undertakings

The undersigned Registrant hereby undertakes that:

(1) The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(2) The undersigned registrant hereby undertakes to deliver or cause to be delivered with the prospectus, to each person to whom the prospectus is sent or given, the latest annual report, to security holders that is incorporated by reference in the prospectus and furnished pursuant to and meeting the requirements of Rule 14a-3 or Rule 14c-3 under the Securities Exchange Act of 1934; and, where interim financial information required to be presented by Article 3 of Regulation S-X is not set forth in the prospectus, to deliver, or cause to be delivered to each person to whom the prospectus is sent or given, the latest quarterly report that is specifically incorporated by reference in the prospectus to provide such interim financial information.

(3) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the provisions described in Item 15 or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer, or controlling person of the registrant in the successful defense of any action, suit, or proceeding) is asserted by such director, officer, or controlling person of the registrant in the successful defense of any action, suit, or proceeding) is asserted by such director, officer, or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

(4) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed be part of this registration statement as of the time it was declared effective.

(5) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Chandler, State of Arizona, on the 8th day of December 1999.

Microchip Technology Incorporated

/s/ C. Philip Chapman

By: \_\_\_\_\_  
C. Philip Chapman  
Vice President, Chief Financial  
Officer and Secretary



POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints C. Philip Chapman and Mary K. Simmons, and each of them, his attorneys-in-fact, each with the power of substitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to sign any registration statement for the same offering covered by this Registration Statement that is to be effective upon filing pursuant to Rule 462(b) promulgated under the Securities Act, and all post-effective amendments thereto, and to file the same, with all exhibits thereto in all documents in connection therewith, with the SEC, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that such attorneys-in-fact and agents or any of them, or his or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons on December 8, 1999 in the capacities indicated.

<TABLE>

<CAPTION>

Signature -----	Title -----
<p>&lt;S&gt;</p> <p>/s/ Steve Sanghi</p> <hr/> <p>(Steve Sanghi)</p>	<p>&lt;C&gt;</p> <p>Chairman, President, Chief Executive Officer (Principal Executive Officer) and Director</p>
<p>/s/ C. Philip Chapman</p> <hr/> <p>(C. Philip Chapman)</p>	<p>Vice President, Chief Financial Officer and Secretary (Principal Financial and Accounting Officer)</p>
<p>/s/ Matthew W. Chapman</p> <hr/> <p>(Matthew W. Chapman)</p>	<p>Director</p>
<p>/s/ Albert J. Hugo-Martinez</p> <hr/> <p>(Albert J. Hugo-Martinez)</p>	<p>Director</p>
<p>/s/ L.B. Day</p> <hr/> <p>L.B. Day</p>	<p>Director</p>
<p>/s/ Wade F. Meyercord</p> <hr/> <p>(Wade F. Meyercord)</p>	<p>Director</p>

</TABLE>

II-3

EXHIBIT INDEX

<TABLE>

<CAPTION>

Exhibit Number -----	Description -----	
<C>	<S>	<C>
1.1	Form of Underwriting Agreement.	
5.1	Opinion of Wilson Sonsini Goodrich & Rosati, Professional Corporation.	
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23.2	Consent of Wilson Sonsini Goodrich & Rosati, Professional Corporation (Included in Exhibit 5.1).	
24.1	Power of Attorney (Included on Page II-3).	

</TABLE>

1,100,000 Shares

Microchip Technology Incorporated

Common Stock  
(\$0.001 par value per share)

UNDERWRITING AGREEMENT  
-----

December \_\_, 1999

CREDIT SUISSE FIRST BOSTON CORPORATION  
MERRILL LYNCH & CO.  
PRUDENTIAL SECURITIES INCORPORATED  
BANCOSTON ROBERTSON STEPHENS INC.

As Representatives of the Several Underwriters,  
c/o Credit Suisse First Boston Corporation,  
Eleven Madison Avenue,  
New York, N.Y. 10010-3629

Ladies and Gentlemen:

1. Introductory. Microchip Technology Incorporated, a Delaware corporation ("Company"), proposes to issue and sell 1,100,000 shares ("Firm Securities") of its Common Stock, par value \$0.001 per share ("Securities"), and also proposes to issue and sell to the Underwriters, at the option of the Underwriters, an aggregate of not more than 165,000 additional shares ("Optional Securities") of its Securities as set forth below. The Firm Securities and the Optional Securities are herein collectively called the "Offered Securities". The Company hereby agrees with the several Underwriters named in Schedule A hereto ("Underwriters") as follows:

2. Representations and Warranties of the Company. The Company represents and warrants to, and agrees with, the several Underwriters that:

(a) A registration statement (No. 333-\_\_\_\_) relating to the Offered Securities, including a form of prospectus, has been filed with the Securities and Exchange Commission ("Commission") and either (i) has been declared effective under the Securities Act of 1933, as amended ("Act"), and is not proposed to be amended or (ii) is proposed to be amended by amendment or post-effective amendment. If such registration statement ("initial registration statement") has been declared effective, either (i) an additional registration statement ("additional registration statement") relating to the Offered Securities may have been filed with the Commission pursuant to Rule 462(b) ("Rule 462(b)") under the Act and, if so filed, has become effective upon filing pursuant to such Rule and the Offered Securities all have been duly registered under the Act pursuant to the initial registration statement and, if applicable, the additional registration statement or (ii) such an additional registration statement is proposed to be filed with the Commission pursuant to Rule 462(b) and will become effective upon filing pursuant to such Rule and upon such filing the Offered Securities will all have been duly registered under the Act pursuant to the initial registration statement and such additional registration statement. If the Company does not propose to amend the initial registration statement or if an additional registration statement has been filed and the Company does not propose to amend it, and if any post-effective amendment to either such registration statement has been filed with the Commission prior to the execution and delivery of this Agreement, the most recent

amendment (if any) to each such registration statement has been declared effective by the Commission or has become effective upon filing pursuant to Rule 462(c) ("Rule 462(c)") under the Act or, in the case of the additional registration statement, Rule 462(b). For purposes of this Agreement, "Effective Time" with respect to the initial registration statement or, if filed prior to the execution and delivery of this Agreement, the additional registration statement means (i) if the Company has advised the Representatives that it does not propose to amend such registration statement, the date and time as of which such registration statement, or the most recent post-effective amendment thereto (if any) filed prior to the execution and delivery of this Agreement, was declared effective by the Commission or has become effective upon filing pursuant to Rule 462(c), or (ii) if the Company has advised the Representatives that it proposes to

file an amendment or post-effective amendment to such registration statement, the date and time as of which such registration statement, as amended by such amendment or post-effective amendment, as the case may be, is declared effective by the Commission. If an additional registration statement has not been filed prior to the execution and delivery of this Agreement but the Company has advised the Representatives that it proposes to file one, "Effective Time" with respect to such additional registration statement means the date and time as of which such registration statement is filed and becomes effective pursuant to Rule 462(b). "Effective Date" with respect to the initial registration statement or the additional registration statement (if any) means the date of the Effective Time thereof. The initial registration statement, as amended at its Effective Time, including all material incorporated by reference therein, including all information contained in the additional registration statement (if any) and deemed to be a part of the initial registration statement as of the Effective Time of the additional registration statement pursuant to the General Instructions of the Form on which it is filed and including all information (if any) deemed to be a part of the initial registration statement as of its Effective Time pursuant to Rule 430A(b) ("Rule 430A(b)") under the Act, is hereinafter referred to as the "Initial Registration Statement". The additional registration statement, as amended at its Effective Time, including the contents of the initial registration statement incorporated by reference therein and including all information (if any) deemed to be a part of the additional registration statement as of its Effective Time pursuant to Rule 430A(b), is hereinafter referred to as the "Additional Registration Statement". The Initial Registration Statement and the Additional Registration Statement are herein referred to collectively as the "Registration Statements" and individually as a "Registration Statement". The form of prospectus relating to the Offered Securities, as first filed with the Commission pursuant to and in accordance with Rule 424(b) ("Rule 424(b)") under the Act or (if no such filing is required) as included in a Registration Statement, including all material incorporated by reference in such prospectus, is hereinafter referred to as the "Prospectus". No document has been or will be prepared or distributed in reliance on Rule 434 under the Act. All references in this Agreement to financial statements and schedules and other information which is "contained," "included" or "stated" in the Registration Statements, any preliminary prospectus or the Prospectus (or other references of like import) shall be deemed to mean and include all such financial statements and schedules and other information which is incorporated by reference in the Registration Statements, any preliminary prospectus or the Prospectus, as the case may be; and all references in this Agreement to amendments or supplements to the Registration Statements, any preliminary prospectus or the Prospectus shall be deemed to mean and include the filing of any document under the Securities Exchange Act of 1934 (the "Exchange Act") which is incorporated by reference in the Registration Statements, such preliminary prospectus or the Prospectus, as the case may be.

(b) If the Effective Time of the Initial Registration Statement is prior to the execution and delivery of this Agreement: (i) on the Effective Date of the Initial Registration Statement, the Initial Registration Statement conformed in all respects to the requirements of the Act and the Rules and Regulations of the Commission ("Rules and Regulations") and did not include any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, (ii) on the Effective Date of the Additional Registration Statement (if any), each Registration Statement conformed, or will conform, in all material respects to the requirements of the Act and the Rules and Regulations and did not include, or will not include, any untrue statement of a material fact and did not omit, or will not omit, to state any material fact required to be stated therein or necessary to make the statements therein not misleading and (iii) on the date of this Agreement, the Initial Registration Statement and, if the Effective Time of the Additional Registration Statement is prior to the execution and delivery of this Agreement, the Additional Registration Statement each conforms, and at the time of filing of the Prospectus pursuant to Rule 424(b) or (if no such filing is required) at the Effective Date of the Additional Registration Statement in which the Prospectus is included, each Registration Statement and the Prospectus

will conform, in all material respects to the requirements of the Act and the Rules and Regulations, and neither of such documents includes, or will include, any untrue statement of a material fact or omits, or will omit, to state any material fact required to be stated therein or necessary to make the statements therein not misleading (with respect to the Prospectus only, in the light of the circumstances under which they were made). If the Effective Time of the Initial Registration Statement is subsequent to the execution and delivery of this Agreement: on the Effective Date of the Initial Registration Statement, the Initial Registration Statement and the Prospectus will conform in all material respects to the requirements of the Act and the Rules and Regulations, neither of such documents will include any untrue statement of a material fact or will omit to state any material

fact required to be stated therein or necessary to make the statements therein not misleading (with respect to the Prospectus only, in the light of the circumstances under which they were made), and no Additional Registration Statement has been or will be filed. The two preceding sentences do not apply to statements in or omissions from a Registration Statement or the Prospectus based upon written information furnished to the Company by any Underwriter through the Representatives specifically for use therein, it being understood and agreed that the only such information is that described as such in Section 7(b) hereof.

(c) The Company has been duly incorporated and is an existing corporation in good standing under the laws of the State of Delaware, with power and authority (corporate and other) to own its properties and conduct its business as described in the Prospectus; and the Company is duly qualified to do business as a foreign corporation in good standing in all other jurisdictions in which its ownership or lease of property or the conduct of its business requires such qualification, except where the failure to be so qualified would individually or in the aggregate not have a material adverse effect on the condition (financial or otherwise), business, properties or results of operations of the Company and its subsidiaries taken as a whole ("Material Adverse Effect").

(d) Each subsidiary of the Company has been duly incorporated and is an existing corporation in good standing under the laws of the jurisdiction of its incorporation, with power and authority (corporate and other) to own its properties and conduct its business as described in the Prospectus; and each subsidiary of the Company is duly qualified to do business as a foreign corporation in good standing in all other jurisdictions in which its ownership or lease of property or the conduct of its business requires such qualification, except where the failure to be so qualified would individually or in the aggregate not have a Material Adverse Effect; all of the issued and outstanding capital stock of each subsidiary of the Company has been duly authorized and validly issued and is fully paid and nonassessable; and the capital stock of each subsidiary owned by the Company, directly or through subsidiaries, is owned free from liens, encumbrances and defects.

(e) The Offered Securities and all other outstanding shares of capital stock of the Company have been duly authorized; all outstanding shares of capital stock of the Company are, and, when the Offered Securities have been delivered and paid for in accordance with this Agreement on each Closing Date (as defined below), such Offered Securities will have been, validly issued, fully paid and nonassessable and will conform to the description thereof contained in the Prospectus; and the stockholders of the Company have no preemptive rights with respect to the Securities except as have been validly waived.

(f) Except as disclosed in the Prospectus, there are no contracts, agreements or understandings between the Company and any person that would give rise to a valid claim against the Company or any Underwriter for a brokerage commission, finder's fee or other like payment in connection with this offering.

(g) There are no contracts, agreements or understandings between the Company and any person granting such person the right to require the Company to file a registration statement under the Act with respect to any securities of the Company owned or to be owned by such person or to require the Company to include such securities in the securities registered pursuant to a Registration Statement or in any securities being registered pursuant to any other registration statement filed by the Company under the Act which have not been validly waived with respect to this offering of the Offered Securities.

(h) The Offered Securities have been approved for listing on The Nasdaq Stock Market's National Market subject to notice of issuance.

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(i) No consent, approval, authorization, or order of, or filing with, any governmental agency or body or any court is required for the consummation of the transactions contemplated by this Agreement in connection with the issuance and sale of the Offered Securities by the Company, except such as have been obtained and made under the Act and such as may be required under state securities laws.

(j) The execution, delivery and performance of this Agreement, and the issuance and sale of the Offered Securities will not result in a breach or violation of any of the terms and provisions of, or constitute a default under, any statute, any rule, regulation or order of any governmental agency or body or any court, domestic or foreign, having jurisdiction over the Company or any subsidiary of the Company or any of their properties, or any agreement or instrument to which the Company or any such subsidiary is a party or by which the Company or any such subsidiary is bound or to which any of the properties of the Company or any such subsidiary is subject, or the charter or by-laws of the Company or any such subsidiary, and the

Company has full power and authority to authorize, issue and sell the Offered Securities as contemplated by this Agreement.

(k) This Agreement has been duly authorized, executed and delivered by the Company.

(l) Except as disclosed in the Prospectus, the Company and its subsidiaries have good and marketable title to all real properties and all other properties and assets owned by them, in each case free from liens, encumbrances and defects that would materially affect the value thereof or materially interfere with the use made or to be made thereof by them; and except as disclosed in the Prospectus, the Company and its subsidiaries hold any leased real or personal property under valid and enforceable leases with no exceptions that would materially interfere with the use made or to be made thereof by them.

(m) The Company and its subsidiaries possess adequate certificates, authorities or permits issued by appropriate governmental agencies or bodies necessary to conduct the business now operated by them and have not received any notice of proceedings relating to the revocation or modification of any such certificate, authority or permit that, if determined adversely to the Company or any of its subsidiaries, would individually or in the aggregate have a Material Adverse Effect.

(n) No labor dispute with the employees of the Company or any subsidiary exists or, to the knowledge of the Company, is imminent that might have a Material Adverse Effect.

(o) Except as disclosed in the Prospectus, the Company and its subsidiaries own, possess or can acquire on reasonable terms, adequate trademarks, trade names and other rights to inventions, know-how, patents, copyrights, confidential information and other intellectual property (collectively, "intellectual property rights") necessary to conduct the business now operated by them, or presently employed by them, and have not received any notice of infringement of or conflict with asserted rights of others with respect to any intellectual property rights that, if determined adversely to the Company or any of its subsidiaries, would individually or in the aggregate have a Material Adverse Effect.

(p) Except as disclosed in the Prospectus, neither the Company nor any of its subsidiaries is in violation of any statute, any rule, regulation, decision or order of any governmental agency or body or any court, domestic or foreign, relating to the use, disposal or release of hazardous or toxic substances or relating to the protection or restoration of the environment or human exposure to hazardous or toxic substances (collectively, "environmental laws"), owns or operates any real property contaminated with any substance that is subject to any environmental laws, is liable for any off-site disposal or contamination pursuant to any environmental laws, or is subject to any claim relating to any environmental laws, which violation, contamination, liability or claim would individually or in the aggregate have a Material Adverse Effect; and the Company is not aware of any pending investigation which might lead to such a claim.

(q) Except as disclosed in the Prospectus, there are no pending actions, suits or proceedings against or affecting the Company, any of its subsidiaries or any of their respective properties that, if determined adversely to the Company or any of its subsidiaries, would individually or in the aggregate have a Material Adverse Effect, or would materially and adversely affect the ability of the Company to perform its

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obligations under this Agreement, or which are otherwise material in the context of the sale of the Offered Securities; and no such actions, suits or proceedings are threatened or, to the Company's knowledge, contemplated.

(r) The financial statements included in each Registration Statement and the Prospectus present fairly the financial position of the Company and its consolidated subsidiaries as of the dates shown and their results of operations and cash flows for the periods shown, and such financial statements have been prepared in conformity with the generally accepted accounting principles in the United States applied on a consistent basis and the schedules included in each Registration Statement present fairly the information required to be stated therein.

(s) Except as disclosed in the Prospectus, since the date of the latest audited financial statements included in the Prospectus there has been no material adverse change, nor any development or event involving a prospective material adverse change, in the condition (financial or other), business, properties or results of operations of the Company and its subsidiaries taken as a whole, and, except as disclosed in or contemplated by the Prospectus, there has been no dividend or distribution of any kind declared, paid or made by the Company on any class of its capital stock.

(t) The Company is not and, after giving effect to the offering and

sale of the Offered Securities and the application of the proceeds thereof as described in the Prospectus, will not be an "investment company" as defined in the Investment Company Act of 1940.

(u) KPMG Peat Marwick LLP, who have certified the financial statements of the Company and its subsidiaries, are independent public accountants as required by the Act and the Rules and Regulations.

(v) The Company has reviewed its operations and that of its subsidiaries and any third parties with which the Company or any of its subsidiaries has a material relationship to evaluate the extent to which the business or operations of the Company or any of its subsidiaries will be effected by the Year 2000 Problem. As a result of such review, the Company has no reason to believe, and does not believe, that the Year 2000 Problem will have a Material Adverse Effect or result in any material loss or interference with the Company's business or operations. The "Year 2000 Problem" as used herein means any significant risk that computer hardware or software used in the receipt, transmission, processing, manipulation, storage, retrieval, retransmission or other utilization of data or in the operation of mechanical or electrical systems of any kind will not, in the case of dates or time periods occurring after December 31, 1999, function at least as effectively as in the case of dates or time periods occurring prior to January 1, 2000.

(w) The documents incorporated or deemed to be incorporated by reference in the Registration Statements and the Prospectus, at the time they were or hereafter are filed with the Commission, complied and will comply in all material respects with the requirements of the Exchange Act and the Rules and Regulations, and, when read together with the other information in the Prospectus, at the time the Registration Statements became effective, at the time the Prospectus was issued and at the First Closing Date (and if any Option Securities are purchased, at the Optional Closing Date), did not and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading (with respect to the Prospectus only, in the light of the circumstances under which they were made).

3. Purchase, Sale and Delivery of Offered Securities. On the basis of the representations, warranties and agreements herein contained, but subject to the terms and conditions herein set forth, the Company agrees to sell to the Underwriters, and the Underwriters agree, severally and not jointly, to purchase from the Company, at a purchase price of \$ \_\_\_\_\_ per share, the respective numbers of shares of Firm Securities set forth opposite the names of the Underwriters in Schedule A hereto.

The Company will deliver the Firm Securities to the Representatives for the accounts of the Underwriters, against payment of the purchase price in Federal (same day) funds by official bank check or checks or wire transfer to an account at a bank acceptable to Credit Suisse First Boston Corporation ("CSFBC") drawn to the order of \_\_\_\_\_ at the office of \_\_\_\_\_, at 9:00 A.M., New York time, on \_\_\_\_\_, or at \_\_\_\_\_

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such other time not later than seven full business days thereafter as CSFBC and the Company determine, such time being herein referred to as the "First Closing Date". For purposes of Rule 15c6-1 under the Exchange Act, the First Closing Date (if later than the otherwise applicable settlement date) shall be the settlement date for payment of funds and delivery of securities for all the Offered Securities sold pursuant to the offering. The certificates for the Firm Securities so to be delivered will be in definitive form, in such denominations and registered in such names as CSFBC requests and will be made available for checking and packaging at the office of \_\_\_\_\_ at least 24 hours prior to the First Closing Date.

In addition, upon written notice from CSFBC given to the Company from time to time not more than 30 days subsequent to the date of the Prospectus, the Underwriters may purchase all or less than all of the Optional Securities at the purchase price per Security to be paid for the Firm Securities. The Company agrees to sell to the Underwriters the number of shares of Optional Securities specified in such notice and the Underwriters agree, severally and not jointly, to purchase such Optional Securities. Such Optional Securities shall be purchased for the account of each Underwriter in the same proportion as the number of shares of Firm Securities set forth opposite such Underwriter's name bears to the total number of shares of Firm Securities (subject to adjustment by CSFBC to eliminate fractions) and may be purchased by the Underwriters only for the purpose of covering over-allotments made in connection with the sale of the Firm Securities. No Optional Securities shall be sold or delivered unless the Firm Securities previously have been, or simultaneously are, sold and delivered. The right to purchase the Optional Securities or any portion thereof may be exercised from time to time and to the extent not previously exercised may be surrendered and terminated at any time upon notice by CSFBC to the Company.

Each time for the delivery of and payment for the Optional Securities,

being herein referred to as an "Optional Closing Date", which may be the First Closing Date (the First Closing Date and each Optional Closing Date, if any, being sometimes referred to as a "Closing Date"), shall be determined by CSFBC but shall be not later than five full business days after written notice of election to purchase Optional Securities is given. The Company will deliver the Optional Securities being purchased on each Optional Closing Date to the Representatives for the accounts of the several Underwriters, against payment of the purchase price therefor in Federal (same day) funds by official bank check or checks or wire transfer to an account at a bank acceptable to CSFBC drawn to the order of \_\_\_\_\_, at the office of \_\_\_\_\_. The certificates for the Optional Securities being purchased on each Optional Closing Date will be in definitive form, in such denominations and registered in such names as CSFBC requests upon reasonable notice prior to such Optional Closing Date and will be made available for checking and packaging at the office of \_\_\_\_\_ at a reasonable time in advance of such Optional Closing Date.

4. Offering by Underwriters. It is understood that the several Underwriters propose to offer the Offered Securities for sale to the public as set forth in the Prospectus.

5. Certain Agreements of the Company. The Company agrees with the several Underwriters that:

(a) If the Effective Time of the Initial Registration Statement is prior to the execution and delivery of this Agreement, the Company will file the Prospectus with the Commission pursuant to and in accordance with subparagraph (1) (or, if applicable and if consented to by CSFBC, subparagraph (4)) of Rule 424(b) not later than the earlier of (A) the second business day following the execution and delivery of this Agreement or (B) the fifteenth business day after the Effective Date of the Initial Registration Statement. The Company will advise CSFBC promptly of any such filing pursuant to Rule 424(b). If the Effective Time of the Initial Registration Statement is prior to the execution and delivery of this Agreement and an additional registration statement is necessary to register a portion of the Offered Securities under the Act but the Effective Time thereof has not occurred as of such execution and delivery, the Company will file the additional registration statement or, if filed, will file a post-effective amendment thereto with the Commission pursuant to and in accordance with Rule 462(b) on or prior to 10:00 P.M., New York time, on the date of this Agreement or, if earlier, on or prior to the time the Prospectus is printed and distributed to any Underwriter, or will make such filing at such later date as shall have been consented to by CSFBC.

(b) The Company will advise CSFBC promptly of any proposal to amend or supplement the initial or any additional registration statement as filed or the related prospectus or the Initial Registration Statement, the Additional Registration Statement (if any) or the Prospectus and will not effect such amendment or supplementation without CSFBC's consent; and the Company will also advise CSFBC promptly of the

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effectiveness of each Registration Statement (if its Effective Time is subsequent to the execution and delivery of this Agreement) and of any amendment or supplementation of a Registration Statement or the Prospectus and of the institution by the Commission of any stop order proceedings in respect of a Registration Statement and will use its best efforts to prevent the issuance of any such stop order and to obtain as soon as possible its lifting, if issued.

(c) If, at any time when a prospectus relating to the Offered Securities is required to be delivered under the Act in connection with sales by any Underwriter or dealer, any event occurs as a result of which the Prospectus as then amended or supplemented would include an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, or if it is necessary at any time to amend the Prospectus to comply with the Act, the Company will promptly notify CSFBC of such event and will promptly prepare and file with the Commission, at its own expense, an amendment or supplement which will correct such statement or omission or an amendment which will effect such compliance. Neither CSFBC's consent to, nor the Underwriters' delivery of, any such amendment or supplement shall constitute a waiver of any of the conditions set forth in Section 6.

(d) As soon as practicable, but not later than the Availability Date (as defined below), the Company will make generally available to its securityholders an earnings statement covering a period of at least 12 months beginning after the Effective Date of the Initial Registration Statement (or, if later, the Effective Date of the Additional Registration Statement) which will satisfy the provisions of Section 11(a) of the Act. For the purpose of the preceding sentence, "Availability Date" means the 45th day after the end of the fourth fiscal quarter following the fiscal quarter that includes such Effective Date, except that, if such fourth fiscal quarter is the last quarter of the Company's fiscal year,

"Availability Date" means the 90th day after the end of such fourth fiscal quarter.

(e) The Company will furnish to the Representatives copies of each Registration Statement (four of which will be signed and will include all exhibits and documents incorporated by reference therein), each related preliminary prospectus, and, so long as a prospectus relating to the Offered Securities is required to be delivered under the Act in connection with sales by any Underwriter or dealer, the Prospectus and all amendments and supplements to such documents, in each case in such quantities as CSFBC requests. The Prospectus shall be so furnished on or prior to 3:00 P.M., New York time, on the business day following the later of the execution and delivery of this Agreement or the Effective Time of the Initial Registration Statement. All other documents shall be so furnished as soon as available. The Company will pay the expenses of printing and distributing to the Underwriters all such documents.

(f) The Company will arrange for the qualification of the Offered Securities for sale under the laws of such jurisdictions as CSFBC designates and will continue such qualifications in effect so long as required for the distribution.

(g) During the period of five years hereafter, the Company will make available to the Representatives and, upon request, to each of the other Underwriters, as soon as practicable after the end of each fiscal year, a copy of its annual report to stockholders for such year; and the Company will furnish to the Representatives (i) as soon as available, a copy of each report and any definitive proxy statement of the Company filed with the Commission under the Exchange Act or mailed to stockholders, and (ii) from time to time, such other information concerning the Company as CSFBC may reasonably request.

(h) The Company will pay all expenses incident to the performance of its obligations under this Agreement, for any filing fees and other expenses (including fees and disbursements of counsel) incurred in connection with qualification of the Offered Securities for sale and determination of their eligibility for investment under the laws of such jurisdictions as CSFBC designates and the printing of memoranda relating thereto, for the filing fee incident to, and the reasonable fees and disbursements of counsel to the Underwriters in connection with, the review by the National Association of Securities Dealers, Inc. of the Offered Securities, for any travel expenses of the Company's officers and employees and any other expenses of the Company in connection with attending or hosting meetings with prospective purchasers of

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the Offered Securities and for expenses incurred in distributing preliminary prospectuses and the Prospectus (including any amendments and supplements thereto) to the Underwriters.

(i) For a period of 90 days after the date of the public offering of the Offered Securities, the Company will not offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, or file with the Commission a registration statement under the Act relating to, any additional shares of its Securities or securities convertible into or exchangeable or exercisable for any shares of its Securities, or publicly disclose the intention to make any such offer, sale, pledge, disposition or filing, without the prior written consent of CSFBC, except grants of employee stock options pursuant to the terms of plans in effect on the date hereof, issuances of Securities pursuant to the exercise of such options or the exercise of any other employee stock options outstanding on the date hereof.

6. Conditions of the Obligations of the Underwriters. The obligations of the several Underwriters to purchase and pay for the Firm Securities on the First Closing Date and the Optional Securities to be purchased on each Optional Closing Date will be subject to the accuracy of the representations and warranties on the part of the Company herein, to the accuracy of the statements of Company officers made pursuant to the provisions hereof, to the performance by the Company of its obligations hereunder and to the following additional conditions precedent:

(a) The Representatives shall have received a letter, dated the date of delivery thereof (which, if the Effective Time of the Initial Registration Statement is prior to the execution and delivery of this Agreement, shall be on or prior to the date of this Agreement or, if the Effective Time of the Initial Registration Statement is subsequent to the execution and delivery of this Agreement, shall be prior to the filing of the amendment or post-effective amendment to the registration statement to be filed shortly prior to such Effective Time), of KPMG Peat Marwick LLP confirming that they are independent public accountants within the meaning of the Act and the applicable published Rules and Regulations thereunder and stating to the effect that:



(i) in their opinion the financial statements and schedules examined by them and included or incorporated by reference in the Registration Statements comply as to form in all material respects with the applicable accounting requirements of the Act and the related published Rules and Regulations;

(ii) they have performed the procedures specified by the American Institute of Certified Public Accountants for a review of interim financial information as described in Statement of Auditing Standards No. 71, Interim Financial Information, on the unaudited financial statements included or incorporated by reference in the Registration Statements;

(iii) on the basis of the review referred to in clause (ii) above, a reading of the latest available interim financial statements of the Company, inquiries of officials of the Company who have responsibility for financial and accounting matters and other specified procedures, nothing came to their attention that caused them to believe that:

(A) the unaudited financial statements included in the Registration Statements do not comply as to form in all material respects with the applicable accounting requirements of the Act and the related published Rules and Regulations or any material modifications should be made to such unaudited financial statements for them to be in conformity with generally accepted accounting principles;

(B) at the date of the latest available balance sheet read by such accountants, or at a subsequent specified date not more than three business days prior to the date of such letter, there was any change in the capital stock or any increase in short-term indebtedness or long-term debt of the Company and its consolidated subsidiaries or, at the date of the latest available balance sheet read by such accountants, there was any decrease in consolidated net current assets or net assets, as compared with amounts shown on the latest balance sheet included in the Prospectus; or

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(C) for the period from the closing date of the latest income statement included in the Prospectus to the closing date of the latest available income statement read by such accountants there were any decreases, as compared with the corresponding period of the previous year, in consolidated net sales--or-- net operating income--or in the total or per share amounts of consolidated income before extraordinary items or net income,

except in all cases set forth in clauses (B) and (C) above for changes, increases or decreases which the Prospectus discloses have occurred or may occur or which are described in such letter; and

(iv) they have compared specified dollar amounts (or percentages derived from such dollar amounts) and other financial information contained in the Registration Statements (in each case to the extent that such dollar amounts, percentages and other financial information are derived from the general accounting records of the Company and its subsidiaries subject to the internal controls of the Company's accounting system or are derived directly from such records by analysis or computation) with the results obtained from inquiries, a reading of such general accounting records and other procedures specified in such letter and have found such dollar amounts, percentages and other financial information to be in agreement with such results, except as otherwise specified in such letter.

For purposes of this subsection, (i) if the Effective Time of the Initial Registration Statement is subsequent to the execution and delivery of this Agreement, "Registration Statements" shall mean the initial registration statement as proposed to be amended by the amendment or post-effective amendment to be filed shortly prior to its Effective Time, (ii) if the Effective Time of the Initial Registration Statement is prior to the execution and delivery of this Agreement but the Effective Time of the Additional Registration is subsequent to such execution and delivery, "Registration Statements" shall mean the Initial Registration Statement and the additional registration statement as proposed to be filed or as proposed to be amended by the post-effective amendment to be filed shortly prior to its Effective Time, and (iii) "Prospectus" shall mean the prospectus included in the Registration Statements. All financial statements and schedules included in material incorporated by reference into the Prospectus shall be deemed included in the Registration Statements for purposes of this subsection.

(b) If the Effective Time of the Initial Registration Statement is not prior to the execution and delivery of this Agreement, such Effective

Time shall have occurred not later than 10:00 P.M., New York time, on the date of this Agreement or such later date as shall have been consented to by CSFBC. If the Effective Time of the Additional Registration Statement (if any) is not prior to the execution and delivery of this Agreement, such Effective Time shall have occurred not later than 10:00 P.M., New York time, on the date of this Agreement or, if earlier, the time the Prospectus is printed and distributed to any Underwriter, or shall have occurred at such later date as shall have been consented to by CSFBC. If the Effective Time of the Initial Registration Statement is prior to the execution and delivery of this Agreement, the Prospectus shall have been filed with the Commission in accordance with the Rules and Regulations and Section 5(a) of this Agreement. Prior to such Closing Date, no stop order suspending the effectiveness of a Registration Statement shall have been issued and no proceedings for that purpose shall have been instituted or, to the knowledge of the Company or the Representatives, shall be contemplated by the Commission.

(c) Subsequent to the execution and delivery of this Agreement, there shall not have occurred (i) any change, or any development or event involving a prospective change, in the condition (financial or other), business, properties or results of operations of the Company and its subsidiaries taken as one enterprise which, in the judgment of a majority in interest of the Underwriters including the Representatives, is material and adverse and makes it impractical or inadvisable to proceed with completion of the public offering or the sale of and payment for the Offered Securities; (ii) any downgrading in the rating of any debt securities of the Company by any "nationally recognized statistical rating organization" (as defined for purposes of Rule 436(g) under the Act), or any public announcement that any such organization has under surveillance or review its rating of any debt securities of the Company (other than an announcement with positive implications of a possible upgrading, and no implication of a possible downgrading, of such rating); (iii) any material suspension or material limitation of trading in securities

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generally on the New York Stock Exchange, or any setting of minimum prices for trading on such exchange, or any suspension of trading of any securities of the Company on any exchange or in the over-the-counter market; (iv) any banking moratorium declared by U.S. Federal or New York authorities; or (v) any outbreak or escalation of major hostilities in which the United States is involved, any declaration of war by Congress or any other substantial national or international calamity or emergency if, in the judgment of a majority in interest of the Underwriters including the Representatives, the effect of any such outbreak, escalation, declaration, calamity or emergency makes it impractical or inadvisable to proceed with completion of the public offering or the sale of and payment for the Offered Securities.

(d)(1) The Representatives shall have received an opinion, dated such Closing Date, of Wilson Sonsini Goodrich & Rosati, Professional Corporation, counsel for the Company, to the effect that:

(i) The Company has been duly incorporated and is an existing corporation in good standing under the laws of the State of Delaware, with corporate power and authority to own its properties and conduct its business as described in the Prospectus; and the Company is duly qualified to do business as a foreign corporation in good standing in all other jurisdictions in which its ownership or lease of property or the conduct of its business requires such qualification, except where the failure to be so qualified would individually or in the aggregate not have a Material Adverse Effect;

(ii) Each subsidiary of the Company has been duly incorporated and is an existing corporation in good standing under the laws of the jurisdiction of its incorporation, with power and authority (corporate and other) to own its properties and conduct its business as described in the Prospectus; and each subsidiary of the Company is duly qualified to do business as a foreign corporation in good standing in all other jurisdictions in which its ownership or lease of property or the conduct of its business requires such qualification, except where the failure to be so qualified would individually or in the aggregate not have a Material Adverse Effect; all of the issued and outstanding capital stock of each subsidiary of the Company has been duly authorized and validly issued and is fully paid and nonassessable; and the capital stock of each subsidiary owned by the Company, directly or through subsidiaries, is owned free from liens, encumbrances and defects;

(iii) The Offered Securities delivered on such Closing Date and all other outstanding shares of the Common Stock of the Company have been duly authorized and validly issued, are fully paid and nonassessable and conform to the description thereof contained in the Prospectus; and the stockholders of the Company have no preemptive rights with respect to the Securities except as have been validly

waived;

(iv) There are no contracts, agreements or understandings known to such counsel between the Company and any person granting such person the right to require the Company to file a registration statement under the Act with respect to any securities of the Company owned or to be owned by such person or to require the Company to include such securities in the securities registered pursuant to the Registration Statement or in any securities being registered pursuant to any other registration statement filed by the Company under the Act, which have not been validly waived with respect to this offering of the Offered Securities;

(v) The Company is not and, after giving effect to the offering and sale of the Offered Securities and the application of the proceeds thereof as described in the Prospectus, will not be an "investment company" as defined in the Investment Company Act of 1940;

(vi) No consent, approval, authorization or order of, or filing with, any governmental agency or body or any court is required for the consummation of the transactions contemplated by this Agreement in connection with the issuance or sale of the Offered Securities by the Company, except such as have been obtained and made under the Act and such as may be required under state securities laws;

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(vii) The execution, delivery and performance of this Agreement and the issuance and sale of the Offered Securities will not result in a breach or violation of any of the terms and provisions of, or constitute a default under, any statute, any rule, regulation or order of any governmental agency or body or any court having jurisdiction over the Company or any subsidiary of the Company or any of their properties, or any material agreement or instrument to which the Company or any such subsidiary is a party or by which the Company or any such subsidiary is bound or to which any of the properties of the Company or any such subsidiary is subject, or the charter or by-laws of the Company or any such subsidiary, and the Company has full power and authority to authorize, issue and sell the Offered Securities as contemplated by this Agreement;

(viii) Except as disclosed in the Prospectus, to such counsel's knowledge, there are no pending actions, suits or proceedings against or affecting the Company, any of its subsidiaries or any of their respective properties that, if determined adversely to the Company or any of its subsidiaries, would individually or in the aggregate have a Material Adverse Effect, or would materially and adversely affect the ability of the Company to perform its obligations under this Agreement, or which are otherwise material in the context of the sale of the Offered Securities; and no such actions, suits or proceedings are threatened or, to such counsel's knowledge, contemplated;

(ix) The Initial Registration Statement was declared effective under the Act as of the date and time specified in such opinion, the Additional Registration Statement (if any) was filed and became effective under the Act as of the date and time (if determinable) specified in such opinion, the Prospectus either was filed with the Commission pursuant to the subparagraph of Rule 424(b) specified in such opinion on the date specified therein or was included in the Initial Registration Statement or the Additional Registration Statement (as the case may be), and, to the knowledge of such counsel, no stop order suspending the effectiveness of a Registration Statement or any part thereof has been issued and no proceedings for that purpose have been instituted or are pending or contemplated under the Act, and each Registration Statement and the Prospectus, and each amendment or supplement thereto, as of their respective effective or issue dates, complied as to form in all material respects with the requirements of the Act and the Rules and Regulations;

(x) This Agreement has been duly authorized, executed and delivered by the Company;

(xi) The Company's Annual Report on Form 10-K for the fiscal year ended March 31, 1999, the Company's Quarterly Report on Form 10-Q for the quarters ended June 30, 1999 and September 30, 1999, the Company's Current Report on Form 8-K dated October 12, 1999, the Company's Proxy Statement dated July 14, 1999 for the Annual Meeting of Shareholders held on August 20, 1999, and any filing made by the Company with the Commission under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act from the date of this Agreement until the offering of the Offered Securities has been completed (other than the financial statements or other financial data contained therein), when they were filed with the Commission, complied as to form in all material respects with the requirements of the Exchange Act and the Rules and Regulations; and

(xii) Such counsel shall also state that it has no reason to believe that any part of a Registration Statement or any amendment thereto, as of its effective date or as of such Closing Date, contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein not misleading or that the Prospectus or any amendment or supplement thereto, as of its issue date or as of such Closing Date, contained any untrue statement of a material fact or omitted to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; the descriptions in the Registration Statements and Prospectus of statutes, legal and governmental proceedings and contracts and other documents are accurate and fairly present the information required to be shown; and such counsel does not know of any legal or governmental proceedings required to be described in a Registration Statement or the Prospectus which are not described as required or of any contracts or documents of a character required to be described in a Registration Statement or the Prospectus or to be filed as exhibits to a

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Registration Statement which are not described and filed as required; it being understood that such counsel need express no opinion as to the financial statements or other financial data contained or incorporated by reference in the Registration Statements or the Prospectus.

In rendering such opinion, Wilson Sonsini Goodrich & Rosati, Professional Corporation, may rely as to matters governed by the law of states other than Delaware or Federal laws or local counsel in such jurisdictions, provided that in each case such counsel shall state that they believe they and the Underwriters are justified in relying on such local counsel.

(d) (2) The Representatives shall have received an opinion, dated such Closing Date, of Mary K. Simmons, in-house counsel for the Company, to the effect that:

(i) The Company and its subsidiaries own, possess or can acquire on reasonable terms, adequate trademarks, trade names and other rights to inventions, know-how, patents, copyrights, confidential information and other intellectual property necessary to conduct the business now operated by them, or presently employed by them, and have not received any notice of infringement of or conflict with asserted rights of others with respect to any such intellectual property rights that, if determined adversely to the Company or any of its subsidiaries, would individually or in the aggregate have a Material Adverse Effect; and

(ii) Except as disclosed in the Prospectus, there are no pending actions, suits or proceedings against or affecting the Company, any of its subsidiaries or any of their respective properties that, if determined adversely to the Company or any of its subsidiaries, would individually or in the aggregate have a Material Adverse Effect, or would materially and adversely affect the ability of the Company to perform its obligations under this Agreement, or which are otherwise material in the context of the sale of the Offered Securities; and no such actions, suits or proceedings are threatened or, to such counsel's knowledge, contemplated.

(e) The Representatives shall have received from Gray Cary Ware & Freidenrich LLP, counsel for the Underwriters, such opinion or opinions, dated such Closing Date, with respect to the validity of the Offered Securities delivered on such Closing Date, the Registration Statements, the Prospectus and other related matters as the Representatives may require, and the Company shall have furnished to such counsel such documents as they request for the purpose of enabling them to pass upon such matters.

(f) The Representatives shall have received a certificate, dated such Closing Date, of the President or any Vice President and a principal financial or accounting officer of the Company in which such officers, to the best of their knowledge after reasonable investigation, shall state that: the representations and warranties of the Company in this Agreement are true and correct; the Company has complied with all agreements and satisfied all conditions on its part to be performed or satisfied hereunder at or prior to such Closing Date; no stop order suspending the effectiveness of any Registration Statement has been issued and no proceedings for that purpose have been instituted or are contemplated by the Commission; the Additional Registration Statement (if any) satisfying the requirements of subparagraphs (1) and (3) of Rule 462(b) was filed pursuant to Rule 462(b), including payment of the applicable filing fee in accordance with Rule 111(a) or (b) under the Act, prior to the time the Prospectus was printed and distributed to any Underwriter; and, subsequent to the date of the most recent financial statements in the Prospectus, there has been no material adverse change, nor any development or event

involving a prospective material adverse change, in the condition (financial or other), business, properties or results of operations of the Company and its subsidiaries taken as a whole except as set forth in or contemplated by the Prospectus or as described in such certificate.

(g) The Representatives shall have received a letter, dated such Closing Date, of KPMG Peat Marwick LLP which meets the requirements of subsection (a) of this Section, except that the specified date referred to in such subsection will be a date not more than three days prior to such Closing Date for the purposes of this subsection.

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(h) At the date of this Agreement, the Representatives shall have received an agreement substantially in the form of Exhibit A hereto signed by each of the Company's directors and executive officers.

The Company will furnish the Representatives with such conformed copies of such opinions, certificates, letters and documents as the Representatives reasonably request. CSFBC may in its sole discretion waive on behalf of the Underwriters compliance with any conditions to the obligations of the Underwriters hereunder, whether in respect of an Optional Closing Date or otherwise.

7. Indemnification and Contribution. (a) The Company will indemnify and hold harmless each Underwriter, its partners, directors and officers and each person, if any, who controls such Underwriter within the meaning of Section 15 of the Act, against any losses, claims, damages or liabilities, joint or several, to which such Underwriter may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in any Registration Statement, the Prospectus, or any amendment or supplement thereto, or any related preliminary prospectus, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and will reimburse each Underwriter for any legal or other expenses reasonably incurred by such Underwriter in connection with investigating or defending any such loss, claim, damage, liability or action as such expenses are incurred; provided, however, that the Company will not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement in or omission or alleged omission from any of such documents in reliance upon and in conformity with written information furnished to the Company by any Underwriter through the Representatives specifically for use therein, it being understood and agreed that the only such information furnished by any Underwriter consists of the information described as such in subsection (b) below; and provided, further, that with respect to any untrue statement or alleged untrue statement in or omission or alleged omission from any preliminary prospectus the indemnity agreement contained in this subsection (a) shall not inure to the benefit of any Underwriter from whom the person asserting any such losses, claims, damages or liabilities purchased the Offered Securities concerned, to the extent that a prospectus relating to such Offered Securities was required to be delivered by such Underwriter under the Act in connection with such purchase and any such loss, claim, damage or liability of such Underwriter results from the fact that there was not sent or given to such person, at or prior to the written confirmation of the sale of such Offered Securities to such person, a copy of the Prospectus (exclusive of material incorporated by reference) if the Company had previously furnished copies thereof to such Underwriter.

(b) Each Underwriter will severally and not jointly indemnify and hold harmless the Company, its directors and officers and each person, if any who controls the Company within the meaning of Section 15 of the Act, against any losses, claims, damages or liabilities to which the Company may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in any Registration Statement, the Prospectus, or any amendment or supplement thereto, or any related preliminary prospectus, or arise out of or are based upon the omission or the alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information furnished to the Company by such Underwriter through the Representatives specifically for use therein, and will reimburse any legal or other expenses reasonably incurred by the Company in connection with investigating or defending any such loss, claim, damage, liability or action as such expenses are incurred, it being understood and agreed that the only such information furnished by any Underwriter consists of the following information in the Prospectus furnished on behalf of each Underwriter: the concession and reallowance figures appearing in the paragraph under the caption "Underwriting" and the information contained in the \_\_\_\_\_ paragraph under the caption "Underwriting".

(c) Promptly after receipt by an indemnified party under this Section of notice of the commencement of any action, such indemnified party will, if a

claim in respect thereof is to be made against the indemnifying party under subsection (a) or (b) above, notify the indemnifying party of the commencement thereof; but the omission so to notify the indemnifying party will not relieve it from any liability which it may have to any indemnified party otherwise than under subsection (a) or (b) above. In case any such action is brought against any indemnified party

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and it notifies the indemnifying party of the commencement thereof, the indemnifying party will be entitled to participate therein and, to the extent that it may wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party), and after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party will not be liable to such indemnified party under this Section for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof other than reasonable costs of investigation. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened action in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party unless such settlement (i) includes an unconditional release of such indemnified party from all liability on any claims that are the subject matter of such action and (ii) does not include a statement as to, or an admission of, fault, culpability or a failure to act by or on behalf of an indemnified party.

(d) If the indemnification provided for in this Section is unavailable or insufficient to hold harmless an indemnified party under subsection (a) or (b) above, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of the losses, claims, damages or liabilities referred to in subsection (a) or (b) above (i) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Underwriters on the other from the offering of the Securities or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company on the one hand and the Underwriters on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the Underwriters on the other shall be deemed to be in the same proportion as the total net proceeds from the offering (before deducting expenses) received by the Company bear to the total underwriting discounts and commissions received by the Underwriters. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or the Underwriters and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. The amount paid by an indemnified party as a result of the losses, claims, damages or liabilities referred to in the first sentence of this subsection (d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any action or claim which is the subject of this subsection (d). Notwithstanding the provisions of this subsection (d), no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Securities underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligations in this subsection (d) to contribute are several in proportion to their respective underwriting obligations and not joint.

(e) The obligations of the Company under this Section shall be in addition to any liability which the Company may otherwise have and shall extend, upon the same terms and conditions, to each person, if any, who controls any Underwriter within the meaning of the Act; and the obligations of the Underwriters under this Section shall be in addition to any liability which the respective Underwriters may otherwise have and shall extend, upon the same terms and conditions, to each director of the Company, to each officer of the Company who has signed a Registration Statement and to each person, if any, who controls the Company within the meaning of the Act.

8. Default of Underwriters. If any Underwriter or Underwriters default in their obligations to purchase Offered Securities hereunder on either the First or any Optional Closing Date and the aggregate number of shares of Offered Securities that such defaulting Underwriter or Underwriters agreed but failed to purchase does not exceed 10% of the total number of shares of Offered Securities that the Underwriters are obligated to purchase on such Closing Date, CSFBC may make arrangements satisfactory to the Company for the purchase of such Offered Securities by other persons, including any of the Underwriters, but if no such

arrangements are made by such Closing Date, the non-defaulting Underwriters shall be obligated severally, in proportion to their respective commitments hereunder, to purchase the Offered Securities that such defaulting Underwriters agreed but failed to purchase on such Closing Date. If any Underwriter or Underwriters so default and the aggregate number of shares of

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Offered Securities with respect to which such default or defaults occur exceeds 10% of the total number of shares of Offered Securities that the Underwriters are obligated to purchase on such Closing Date and arrangements satisfactory to CSFBC and the Company for the purchase of such Offered Securities by other persons are not made within 36 hours after such default, this Agreement will terminate without liability on the part of any non-defaulting Underwriter or the Company, except as provided in Section 9 (provided that if such default occurs with respect to Optional Securities after the First Closing Date, this Agreement will not terminate as to the Firm Securities or any Optional Securities purchased prior to such termination). As used in this Agreement, the term "Underwriter" includes any person substituted for an Underwriter under this Section. Nothing herein will relieve a defaulting Underwriter from liability for its default.

9. Survival of Certain Representations and Obligations. The respective indemnities, agreements, representations, warranties and other statements of the Company or its officers and of the several Underwriters set forth in or made pursuant to this Agreement will remain in full force and effect, regardless of any investigation, or statement as to the results thereof, made by or on behalf of any Underwriter, the Company or any of their respective representatives, officers or directors or any controlling person, and will survive delivery of and payment for the Offered Securities. If this Agreement is terminated pursuant to Section 8 or if for any reason the purchase of the Offered Securities by the Underwriters is not consummated, the Company shall remain responsible for the expenses to be paid or reimbursed by it pursuant to Section 5 and the respective obligations of the Company and the Underwriters pursuant to Section 7 shall remain in effect, and if any Offered Securities have been purchased hereunder the representations and warranties in Section 2 and all obligations under Section 5 shall also remain in effect. If the purchase of the Offered Securities by the Underwriters is not consummated for any reason other than solely because of the termination of this Agreement pursuant to Section 8 or the occurrence of any event specified in clause (iii), (iv) or (v) of Section 6(c), the Company will reimburse the Underwriters for all out-of-pocket expenses (including fees and disbursements of counsel) reasonably incurred by them in connection with the offering of the Offered Securities.

10. Notices. All communications hereunder will be in writing and, if sent to the Underwriters, will be mailed, delivered or telegraphed and confirmed to the Representatives, c/o Credit Suisse First Boston Corporation, Eleven Madison Avenue, New York, New York 10010-3629, Attention: Investment Banking Department--Transactions Advisory Group, or, if sent to the Company, will be mailed, delivered or telegraphed and confirmed to it at Microchip Technology Incorporated, 2355 West Chandler Boulevard, Chandler, Arizona 85224, Attention: C. Philip Chapman; provided, however, that any notice to an Underwriter pursuant to Section 7 will be mailed, delivered or telegraphed and confirmed to such Underwriter.

11. Successors. This Agreement will inure to the benefit of and be binding upon the parties hereto and their respective successors and the officers and directors and controlling persons referred to in Section 7, and no other person will have any right or obligation hereunder.

12. Representation of Underwriters. The Representatives will act for the several Underwriters in connection with this financing, and any action under this Agreement taken by the Representatives jointly or by CSFBC will be binding upon all the Underwriters.

13. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same Agreement.

14. Applicable Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York, without regard to principles of conflicts of laws.

The Company and each Underwriter hereby submit to the non-exclusive jurisdiction of the Federal and state courts in the Borough of Manhattan in The City of New York in any suit or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby.

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If the foregoing is in accordance with the Representatives' understanding of our agreement, kindly sign and return to the Company one of the counterparts hereof, whereupon it will become a binding agreement between the Company and the several Underwriters in accordance with its terms.

Very truly yours,

MICROCHIP TECHNOLOGY INCORPORATED

By.....  
Name.....  
Title.....

The foregoing Underwriting Agreement is  
hereby confirmed and accepted as of the  
date first above written.

CREDIT SUISSE FIRST BOSTON CORPORATION

MERRILL LYNCH & CO.

PRUDENTIAL SECURITIES INCORPORATED

BANCOSTON ROBERTSON STEPHENS INC.

Acting on behalf of themselves and as the  
Representatives of the several Underwriters

By CREDIT SUISSE FIRST BOSTON CORPORATION

By.....  
Name.....  
Title.....

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SCHEDULE A

<TABLE>  
<CAPTION>

Underwriter -----	Number of Firm Securities ----- <C>
<S> Credit Suisse First Boston Corporation.....	
Merrill Lynch & Co.	
Prudential Securities Incorporated	
BancBoston Robertson Stephens Inc.	

-----  
Total.....  
</TABLE>

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EXHIBIT A

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OPINION OF WILSON SONSINI GOODRICH & ROSATI, PROFESSIONAL CORPORATION

December 6, 1999

Microchip Technology Incorporated  
2355 West Chandler Boulevard  
Chandler, AZ 85224-6199

Re: Registration Statement on Form S-3

Ladies and Gentlemen:

We have examined the Registration Statement on Form S-3 to be filed by you with the Securities and Exchange Commission on or about December 7, 1999 (as such may thereafter be amended or supplemented, the "Registration Statement") in connection with the registration under the Securities Act of 1933, as amended, of 1,265,000 shares of your Common Stock, \$.001 par value (the "Stock"). The Stock includes 1,265,000 shares to be issued by the Company including an over-allotment option granted to the Underwriters to purchase 165,000 shares. As your legal counsel, we have examined the proceedings being taken by you relating to the issuance and sale of the Stock.

It is our opinion that the Stock, when issued and sold in the manner referred to in the Registration Statement and in accordance with the resolutions adopted by the Board of Directors of the Company, will be legally and validly issued, fully paid and nonassessable.

We consent to the use of this opinion as an exhibit to the Registration Statement and further consent to the use of our name wherever appearing in the Registration Statement, including the Prospectus constituting a part thereof, and any amendments thereto.

Very truly yours,

WILSON SONSINI GOODRICH & ROSATI  
Professional Corporation

/s/ Wilson Sonsini Goodrich &  
Rosati, Professional Corporation

INDEPENDENT AUDITORS' CONSENT

The Board of Directors  
Microchip Technology, Inc.:

We consent to incorporation by reference in the registration statement on Form S-3 of Microchip Technology, Inc. of our report dated April 20, 1999, relating to the consolidated balance sheets of Microchip Technology, Inc. as of March 31, 1999 and 1998, and the related consolidated statements of operations, cash flows and stockholders' equity for each of the years in the three-year period ended March 31, 1999, which report appears in the March 31, 1999 annual report on Form 10-K of Microchip Technology, Inc., and to the reference to our firm under the heading "Experts" therein.

/s/ KPMG LLP

Phoenix, Arizona  
December 8, 1999