

MICROCHIP TECHNOLOGY INC

Form 8-K

February 03, 2010

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

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

Date of Report (Date of earliest event reported)

February 2, 2010

MICROCHIP TECHNOLOGY INCORPORATED

(Exact Name Of Registrant As Specified In Its Charter)

| | | |
|---|----------------------------------|--|
| Delaware (State Or Other Jurisdiction Of Incorporation) | 0-21184 (Commission File No.) | 86-0629024 (IRS Employer Identification No.) |
|---|----------------------------------|--|

2355 West Chandler Boulevard, Chandler, Arizona 85224-6199
(Address Of Principal Executive Offices)

(480) 792-7200
(Registrant's Telephone Number, Including Area Code)

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

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))



Item 1.01 Entry into a Material Definitive Agreement.

Agreement and Plan of Merger with SST

On February 2, 2010, Microchip Technology Incorporated, a Delaware corporation (“Microchip”), Silicon Storage Technology, Inc., a California corporation (“SST”), and Sun Acquisition Corporation, a California corporation and a direct, wholly-owned subsidiary of Microchip (“Merger Sub”), entered into an Agreement and Plan of Merger (the “Merger Agreement”). The Merger Agreement provides for the acquisition of SST by Microchip by means of a merger of Merger Sub with and into SST, with SST being the surviving corporation. As a result of the Merger, SST would become a wholly-owned subsidiary of Microchip (the “Merger”) and each share of SST common stock (other than those shares owned by SST and with respect to which dissenters rights are properly exercised and not withdrawn) issued and outstanding immediately prior to the effective time of the Merger, will be converted into the right to receive a cash amount of \$2.85 per share, without interest. Each outstanding option or other right to purchase SST common stock (whether vested or unvested) shall be cancelled and the holder of such option or right shall be entitled to receive, subject to any required withholding taxes, an amount equal to the product of (x) the number of shares of SST common stock subject to such option or right and (y) the excess, if any, of \$2.85 over the exercise price per share of such SST option or right.

The Boards of Directors of Microchip and SST have approved the Merger and the Merger Agreement. The transaction is subject to customary closing conditions including approval by the holders of a majority of the outstanding shares of SST.

The Merger Agreement contains representations, warranties and covenants of Microchip, SST and Merger Sub, including among others, (i) covenants by SST concerning the conduct of its business in the ordinary course during the interim period between the execution of the Merger Agreement and the consummation of the Merger, (ii) a covenant by SST that, subject to certain exceptions, the Board of Directors of SST will recommend to its shareholders adoption of the Merger Agreement, and (iii) a covenant that SST will not solicit, initiate, knowingly encourage or knowingly facilitate, any inquiries or the making of any proposal or offer with respect to or that would be reasonably expected to lead to any Acquisition Proposal (as defined in the Merger Agreement). The Merger Agreement contains certain termination rights for both Microchip and SST and further provides that upon termination of the Merger Agreement under specified circumstances SST may be required to pay Microchip a termination fee. Under specified circumstances, SST may be required to reimburse certain of Microchip’s expenses incurred in connection with the Merger.

The foregoing description of the Merger Agreement and the transactions contemplated thereby does not purport to be complete and is qualified in its entirety by reference to the Merger Agreement. Microchip plans to file a copy of the Merger Agreement as an exhibit to its Form 10-Q for its third quarter ended December 31, 2009. We encourage you to read the Merger Agreement for a more complete understanding of the transaction.

On February 3, 2010, Microchip issued a press release relating to the Merger. A copy of the press release is attached hereto as Exhibit 99.1.

Forward Looking Statements

The statements about the completion and effects of the proposed Merger, and all other statements in this Current Report on Form 8-K other than historical facts, constitute forward-looking

statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These statements involve risks and uncertainties that could cause actual results to differ materially, including, but not limited to, the actual timing of the closing of the Merger, the satisfaction of the conditions to closing in the Merger Agreement (including approval by the SST shareholders) and any termination of the Merger Agreement. For a detailed discussion of these and other risk factors, please refer to the filings of Microchip on Forms 10-K and 10-Q. You can obtain copies of Microchip's Forms 10-K and 10-Q and other relevant documents for free at Microchip's Web site (www.microchip.com) or the SEC's Web site (www.sec.gov) or from commercial document retrieval services.

Stockholders are cautioned not to place undue reliance on our forward-looking statements, which speak only as of the date such statements are made. Microchip undertakes no obligation to publicly update any forward-looking statements to reflect events, circumstances or new information after the date of this Form 8-K, or to reflect the occurrence of unanticipated events.

Additional Information and Where to Find It

In connection with the proposed merger, SST will file a proxy statement and other related documents with the Securities and Exchange Commission, or the SEC. **INVESTORS AND SHAREHOLDERS ARE ADVISED TO READ THESE DOCUMENTS WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION.** Investors and shareholders may obtain a free copy of these documents (when available) and other documents filed by SST at the SEC's web site at www.sec.gov and at the Investor section of their website at www.SST.com. The proxy statement and such other documents may also be obtained for free from SST by directing such request to Silicon Storage Technology, Inc., Attention: Ricky Gradwohl, 1020 Kifer Road, Sunnyvale, California 94086, Telephone: (408) 735-9110.

Microchip, SST and their directors and executive officers may be deemed to be participants in the solicitation of proxies from the shareholders of SST in connection with the Merger. Information regarding the special interests of these directors and executive officers in the transaction will be included in the proxy statement described above. Additional information regarding the directors and executive officers of Microchip is also included in Microchip's proxy statement for its 2009 Annual Meeting of Stockholders, which was filed with the SEC on July 10, 2009. Additional information regarding the directors and executive officers of SST is also included in SST's proxy statement for its 2009 Annual Meeting of Shareholders, which was filed with the SEC on April 30, 2009. These documents are available free of charge at the SEC's web site at www.sec.gov and as described above.

Item 2.02 Results of Operations and Financial Condition.

The information pursuant to Item 2.02 in this report on Form 8-K is being furnished as contemplated by General Instruction B(2) to Form 8-K and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section.

On February 3, 2010, we announced the results of our operations for the third quarter ended December 31, 2009. The complete release is attached to this report as Exhibit 99.2.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

| Exhibit No. | Description |
|-------------|-------------|
|-------------|-------------|

- 99.1 Microchip Technology Announces Acquisition of Silicon Storage Technology, Inc.
- 99.2 Microchip Technology Exceeds \$1 Billion Annual Net Sales Run Rate Based on its Revenue for the Third Fiscal Quarter 2010

SIGNATURES

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

Dated: February 3, 2010

Microchip Technology Incorporated
(Registrant)

By: /s/ J. Eric
Bjornholt
J. Eric Bjornholt
Vice President, Chief Financial Officer
(Principal Accounting and Financial Officer)

INDEX TO EXHIBITS

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