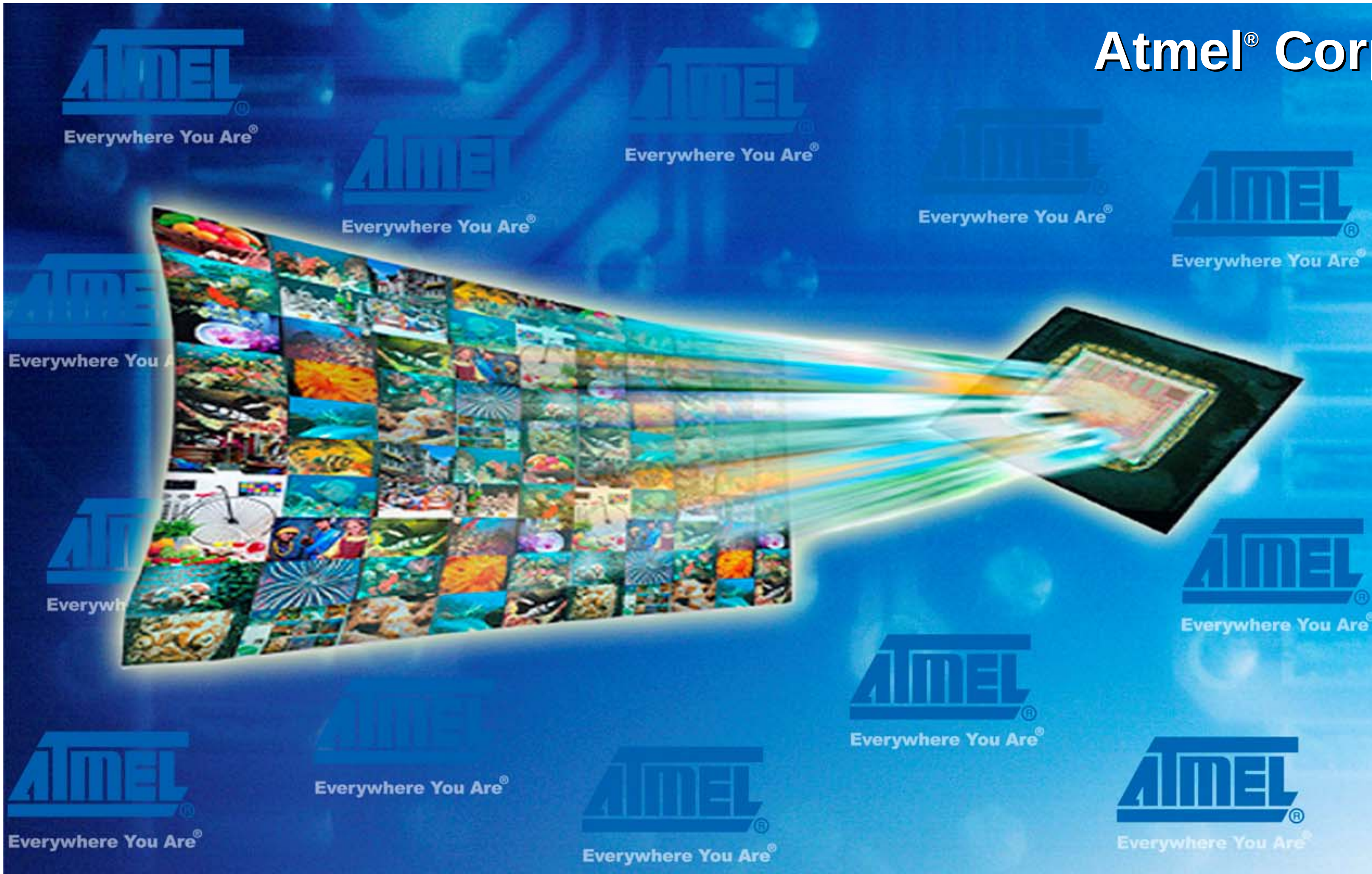
Atmel® Corporation



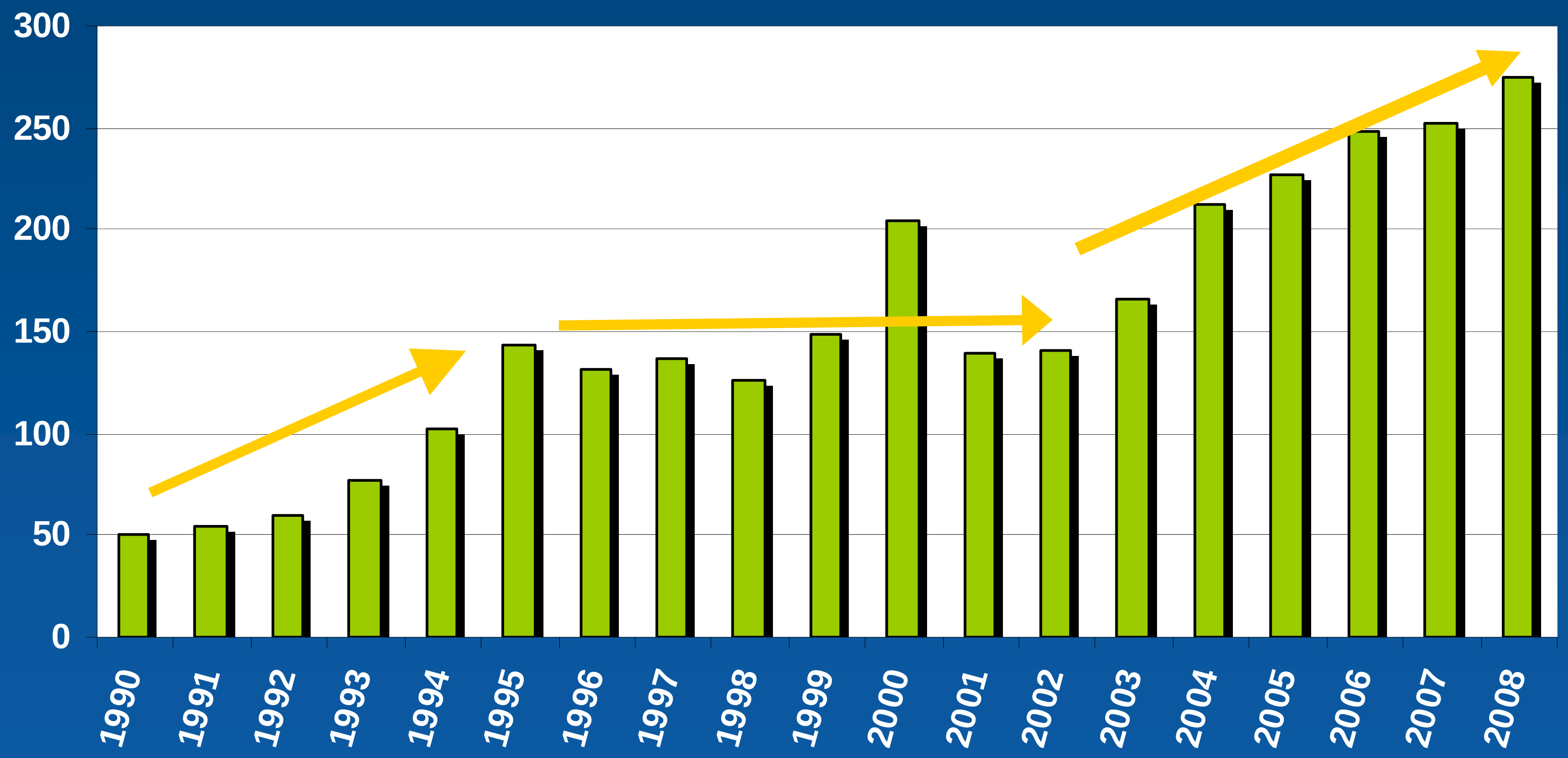
Annual Stockholders Meeting

July 25, 2007

Safe Harbor Statement

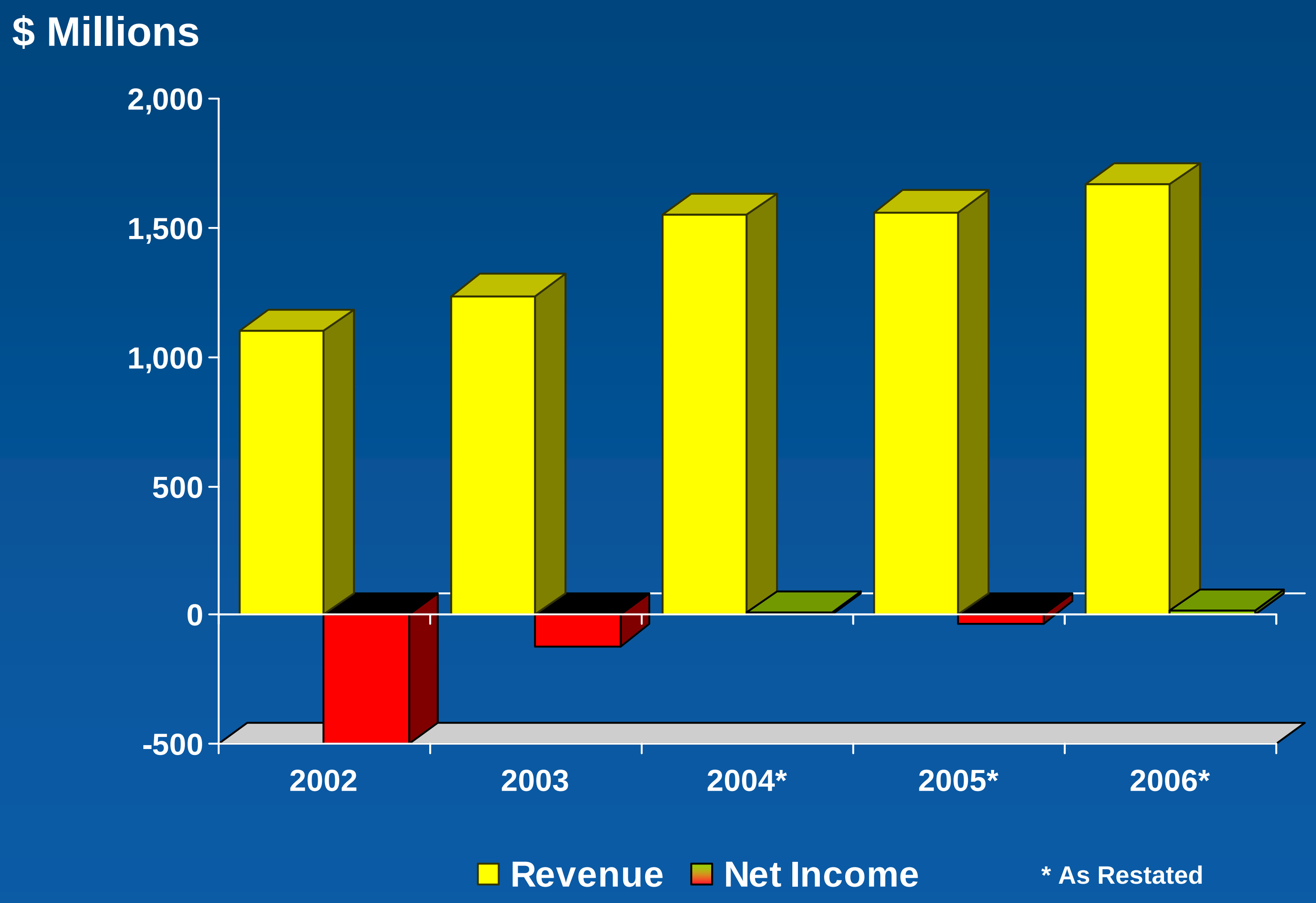
I would like to remind everyone that certain statements in this presentation regarding the Company's or management's intentions, beliefs or expectations, or that otherwise speak to future events, are "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934. Our actual results could differ materially from those expressed or forecasted in this presentation as a result of a number of factors, risks and uncertainties, including the risk factors set forth in this presentation, and due to risk factors identified in our filings with the Securities and Exchange Commission, including the Company's Annual Report on Form 10-K under Item 1A - Risk Factors and elsewhere in such Form 10-K and in our filings on Form 10-Q. These forward-looking statements include those statements preceded by, followed by or that otherwise include the words "may," "will," "could," "would," "anticipate," "expect," "intend," "believe," "seek," "estimate," "project," "target," "budget," "goal," "plan," "outlook," "view," "continue," the plural of such terms, the negatives of such terms, or other comparable terminology and similar expressions identify forward-looking statements.

Worldwide Semiconductor Billings

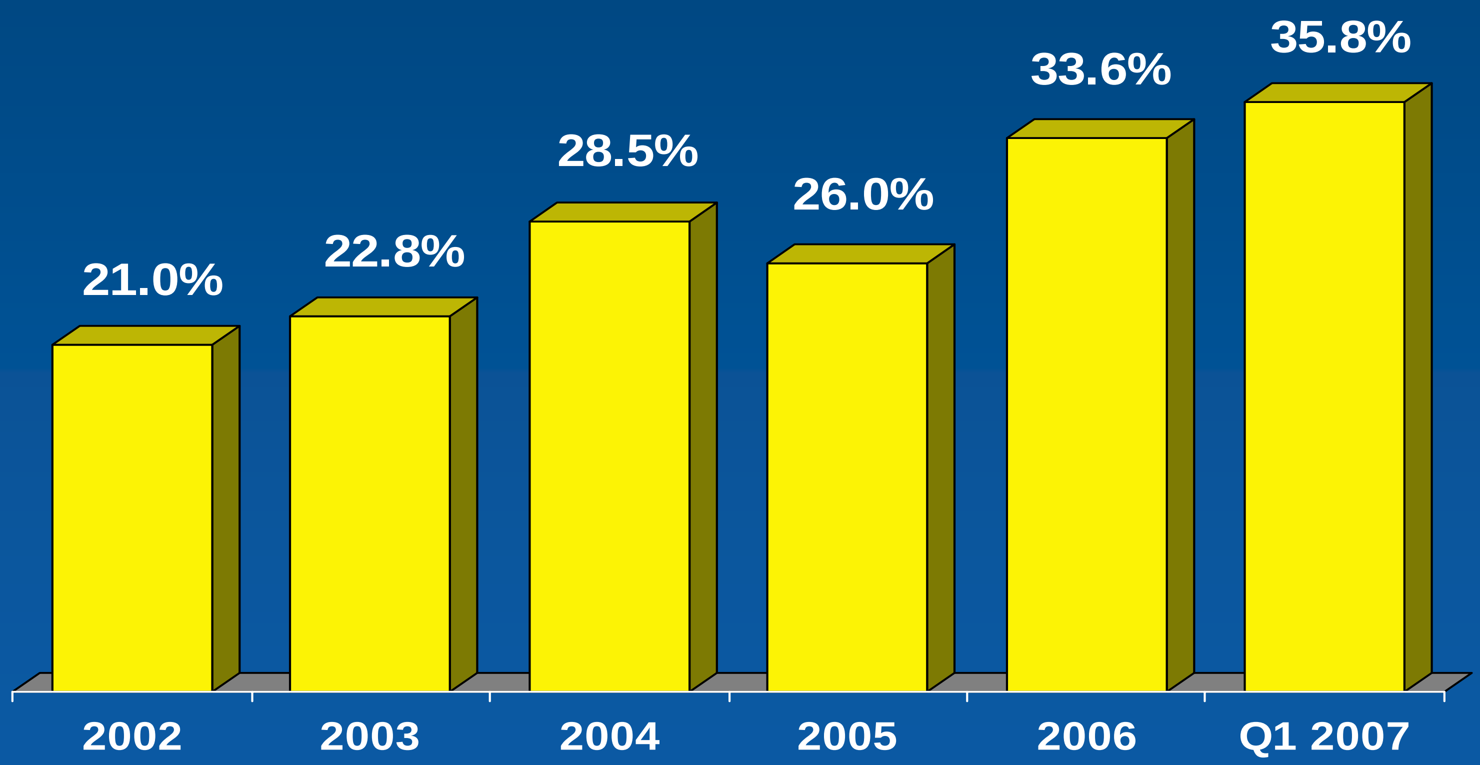


SIA forecast June 13, 2007

Financial Performance



Expanding Gross Margins



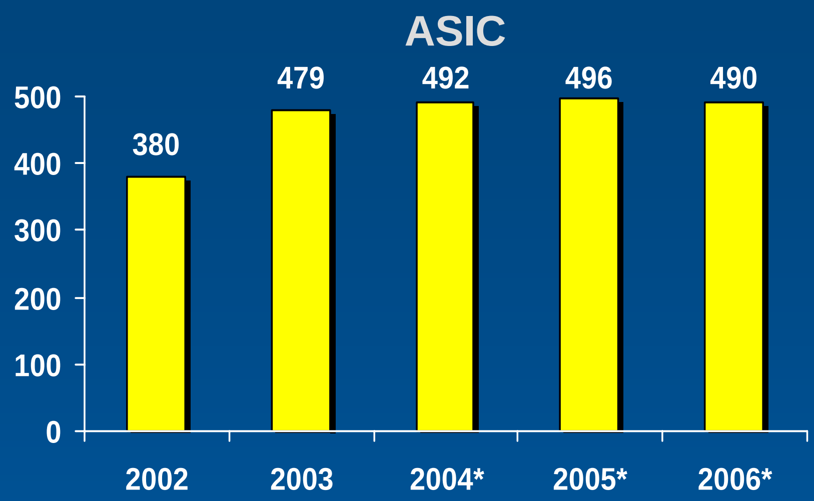
Strong Balance Sheet

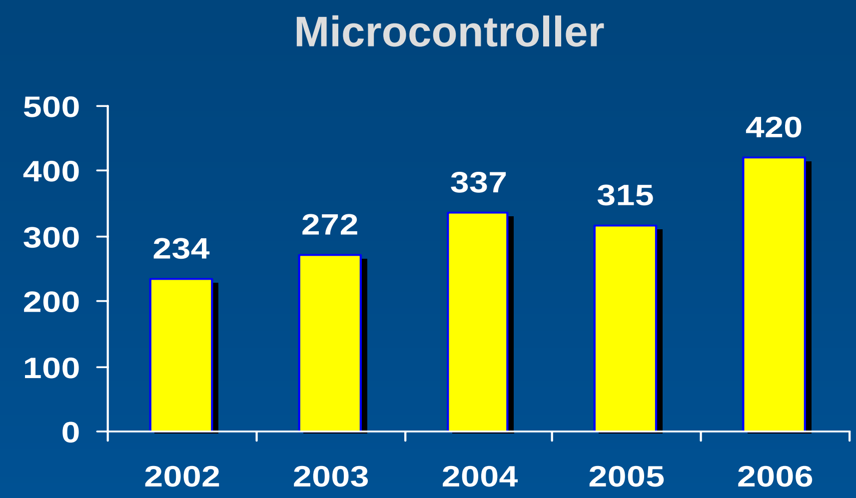
	Dec. 2004	Dec. 2005*	Dec. 2006
Cash on Hand			
Cash and cash equivalents	$346M	$291M	$411M
Short term investments	$59M	$48M	$56M
TOTAL	$405M	$339M	$467M
Debt			
Short-term	$141M	$255M	$86M
Long-term	$324M	$133M	$83M
TOTAL	$465M	$388M	$169M
Net Cash:	($60M)	($49M)	$298M

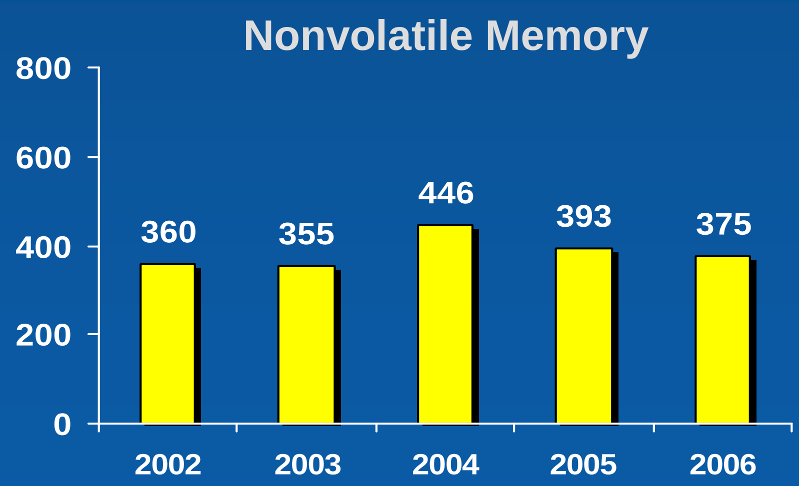
* Excludes balances held by the Grenoble subsidiary

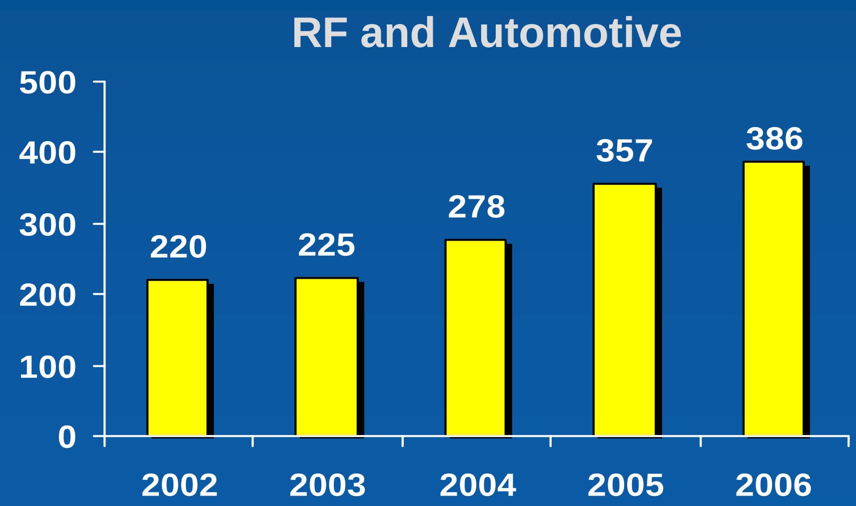
Revenues by Business Unit

$ Millions



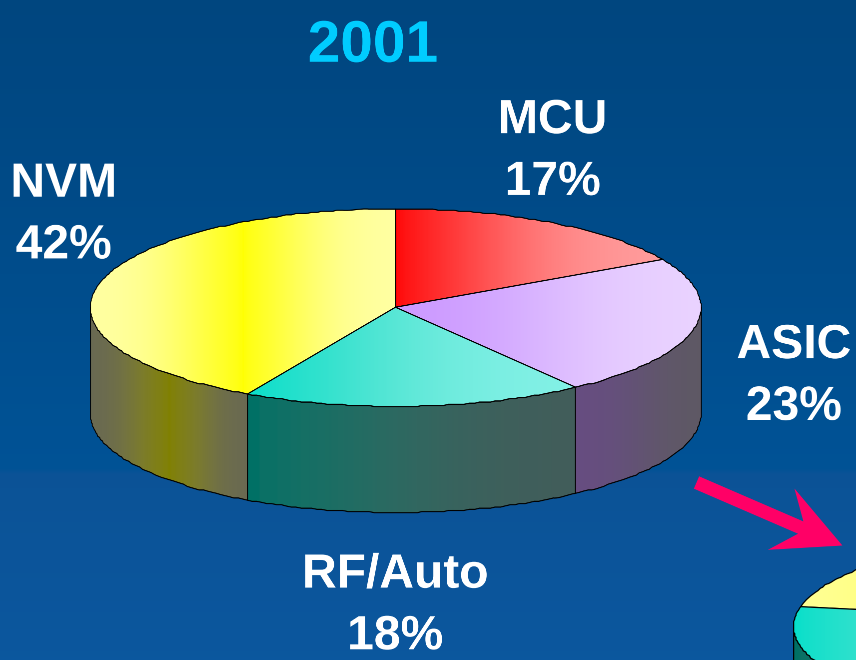


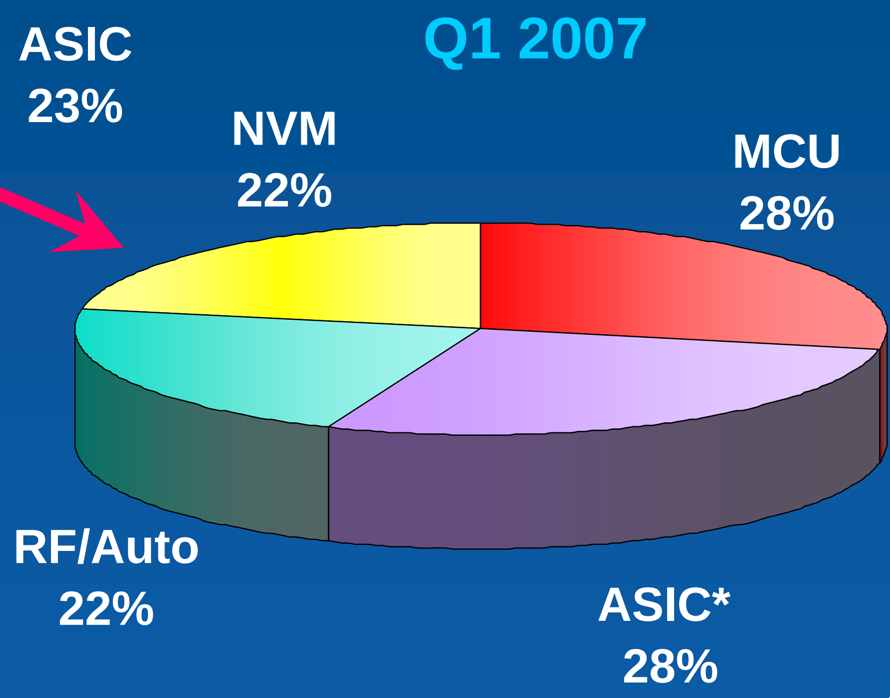




* Excludes Grenoble

Targeting Growth Markets





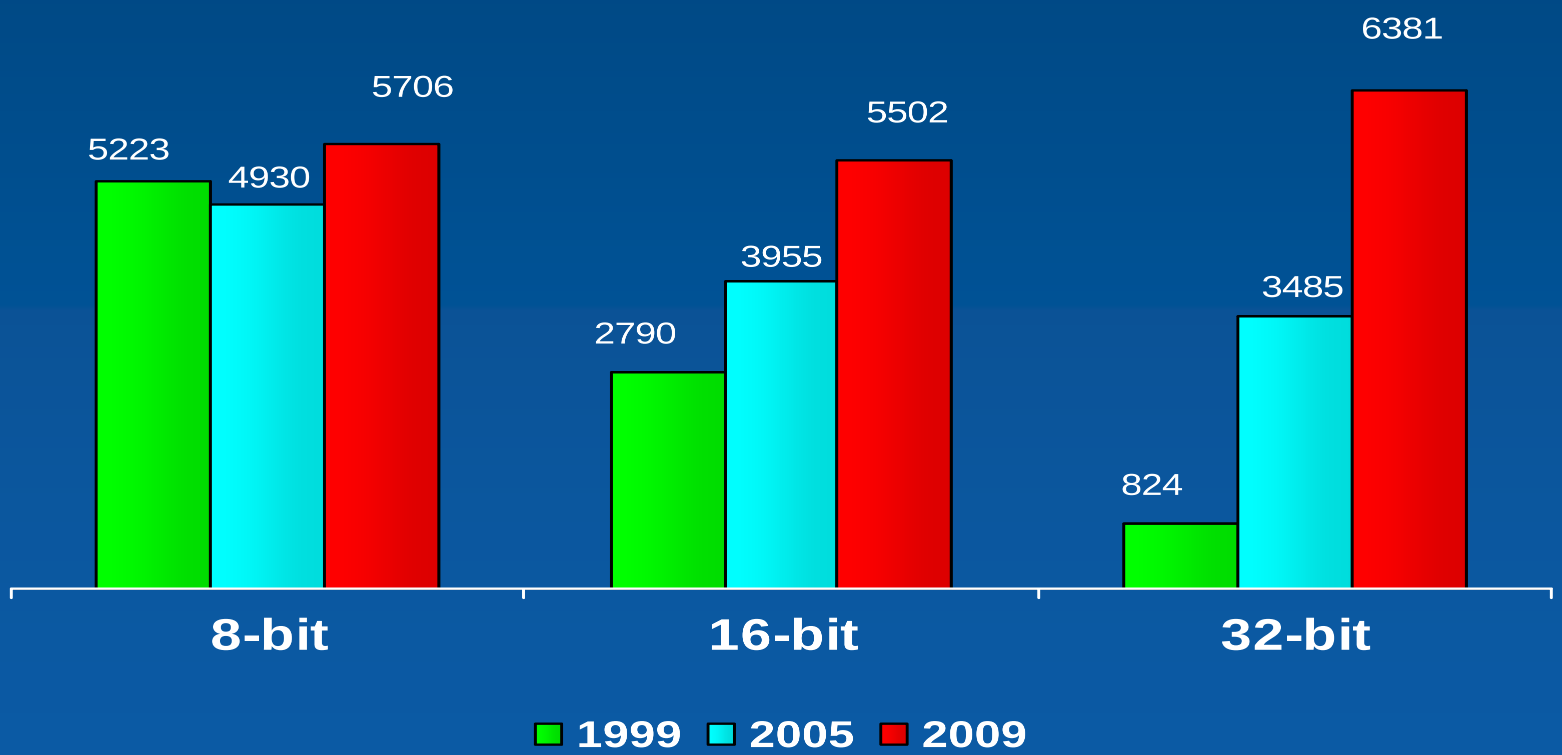
* Excludes Grenoble revenues of $83M

Atmel Transformation

- Focus on company's "core" technologies
  - Microcontrollers, RF/automotive, Serial Memory, Security-based ASICs
  - Target high-growth, high-margin opportunities
  - Divest or Halt development on specific non-core products
- Optimize manufacturing operations
  - Seek to sell two wafer fabrication facilities
    - North Tyneside, UK; Heilbronn, Germany
  - Reduce capital expenditures, improve utilization of remaining fabs
- Adoption of a Fab-lite strategy
  - Expand foundry relationships
- Savings expected to reach $80-95 million by 2008

Worldwide MCU Market

Shifts in MCU Market ($M, 1999-2009)



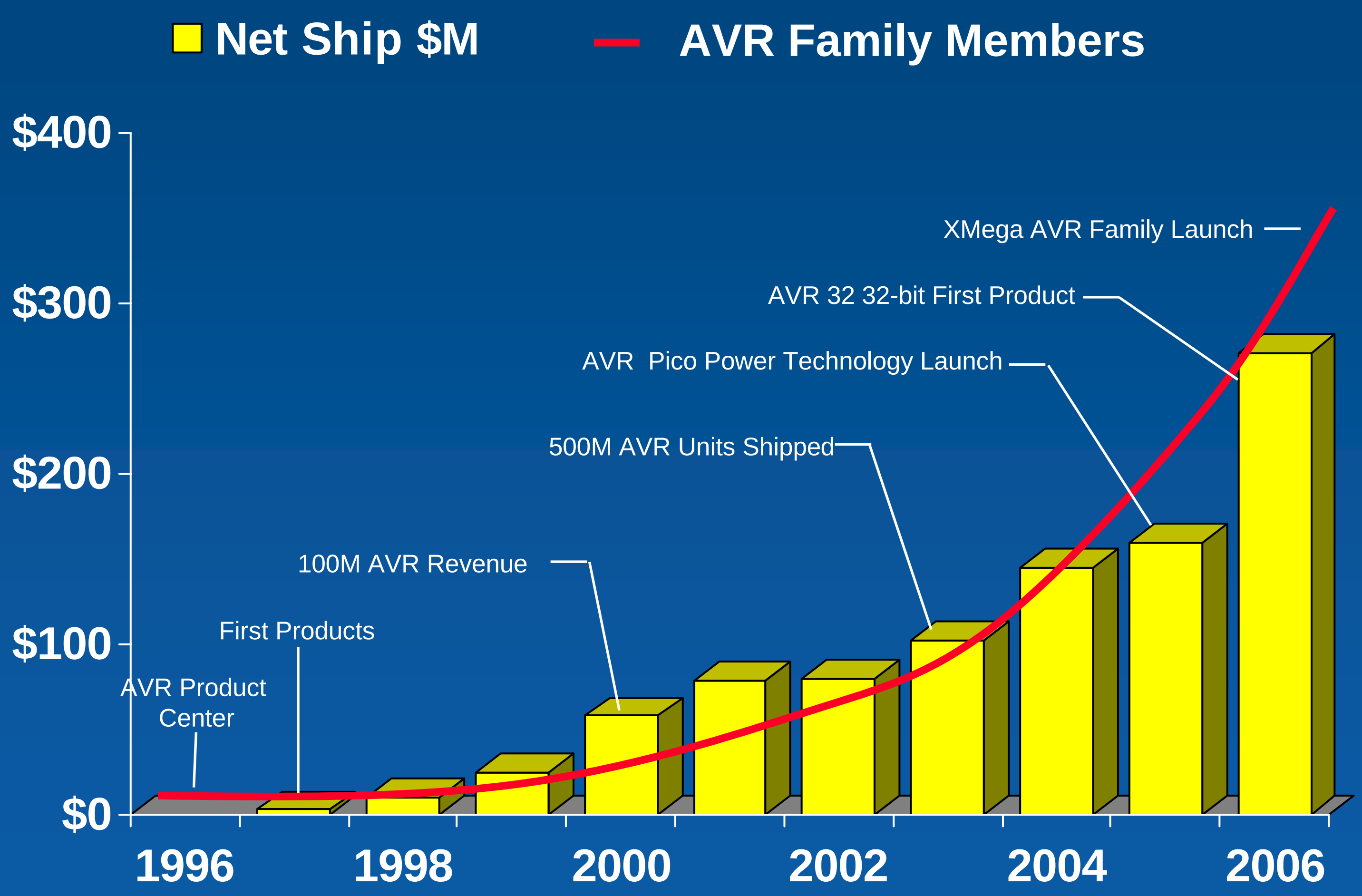
Source: WSTS, IC Insights

Microcontrollers

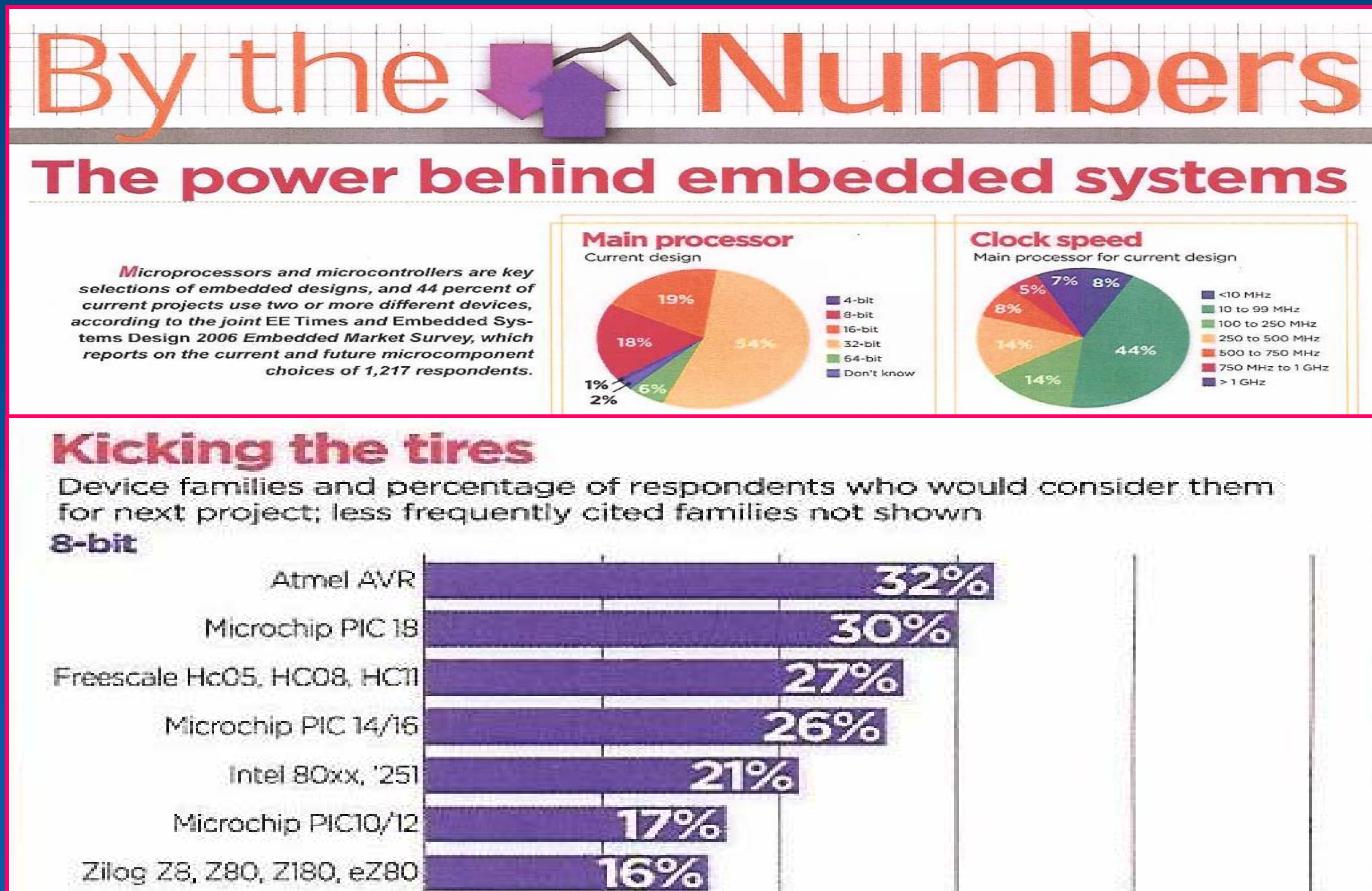
- Supplier of Choice in 8-bit Flash MCU Market
- Proprietary Architecture in AVR®
  - Revenue growth > 60% in '06
  - Fastest benchmarked 8-bit microcontroller
  - AVR32 – best in class, 32-bit architecture
  - Complete family of products – over 200 devices
- ARM® 32-bit MCUs
  - Over 30 devices and growing
- Standard 8051 Architecture
  - Providing customer with flexibility
- Microcontroller IP Used in a Variety of Atmel Designs
  - More than 40% of Atmel's revenues include an MCU core

PWM AVR
PICO AVR
BALLAST AVR
RF AVR
ZigBee™ AVR
USB AVR
SecureAVR®
XMEGA AVR
LCD AVR
CAN AVR™

AVR® Microcontroller - Continued Growth



EE Times Embedded Market Survey



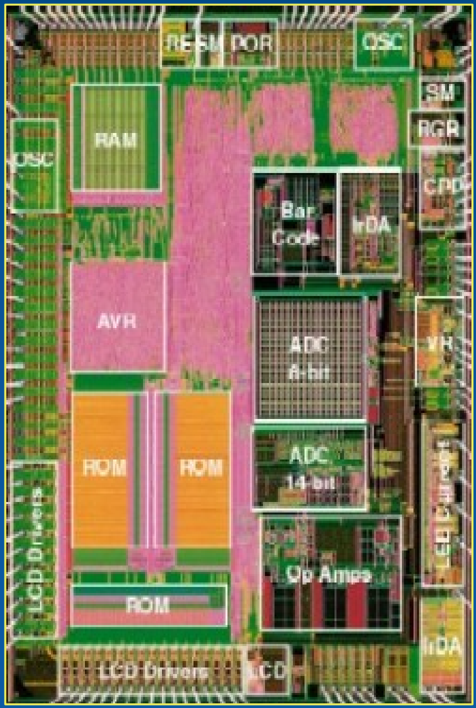
Source: April 24, 2006 Electronic Engineering Times

High Volume AVR MCU Applications

ASICs and ASSPs

- **Provide Complete System Solutions (SOC)**
  - **Customers obtain virtually all pieces of a system from Atmel**

- **#3 Global Provider of Secure Smart Cards**
  - **Contact and contactless solutions available**

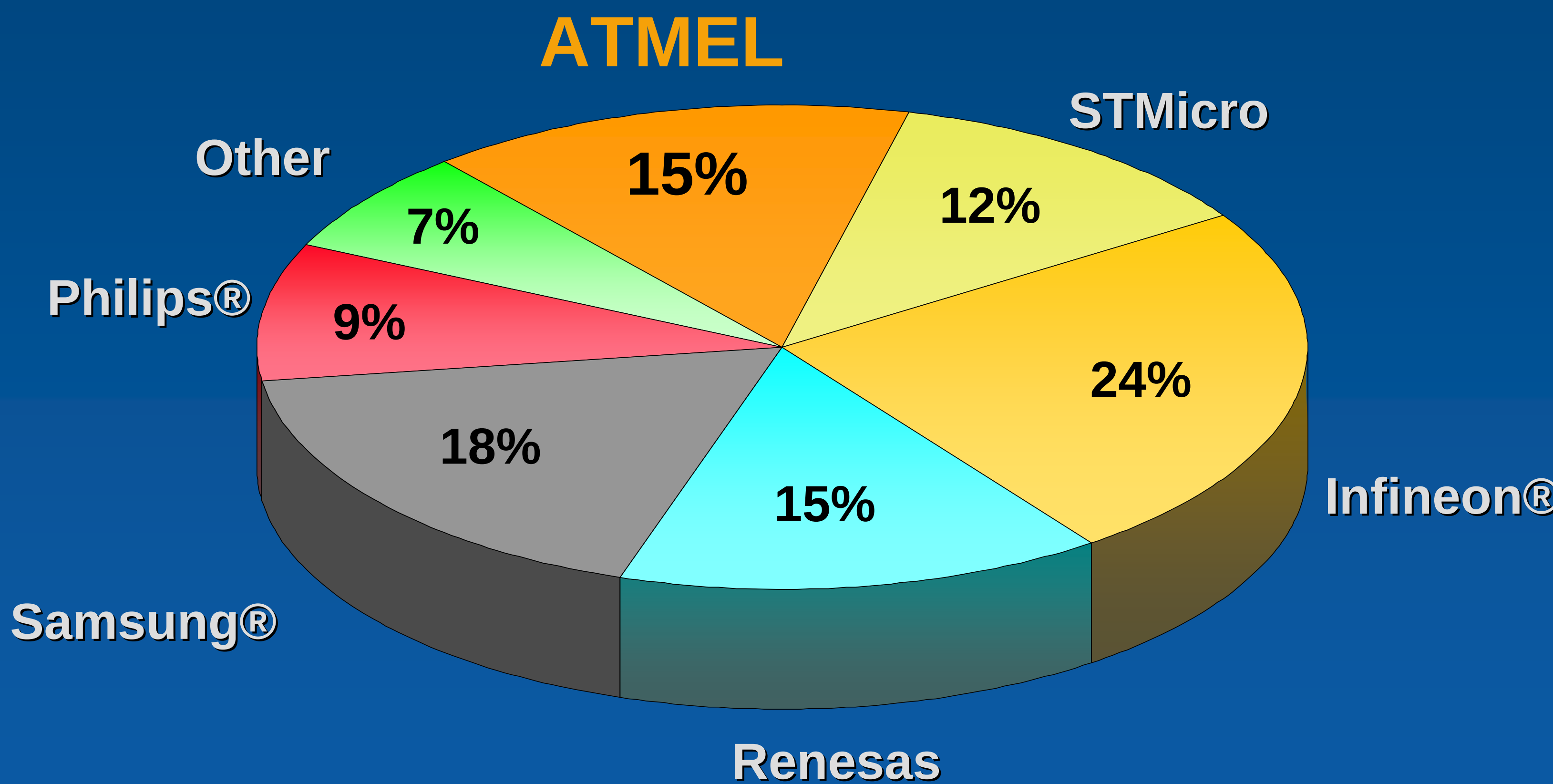


- **ARM-based ASICs and ASSPs**
  - **Dedicated solutions for customers**
  - **Migrate ASICs to industry leading ASSPs**

- **Secure Products for Emerging Markets**
  - **TPM, Crypto, Biometric**

- **Military and Aerospace ASSPs**

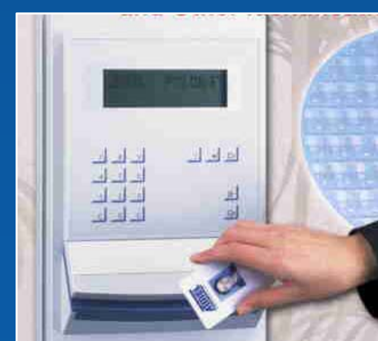
Smart Card IC Market Share*



*Company estimates for 2006 Smart Card ICs

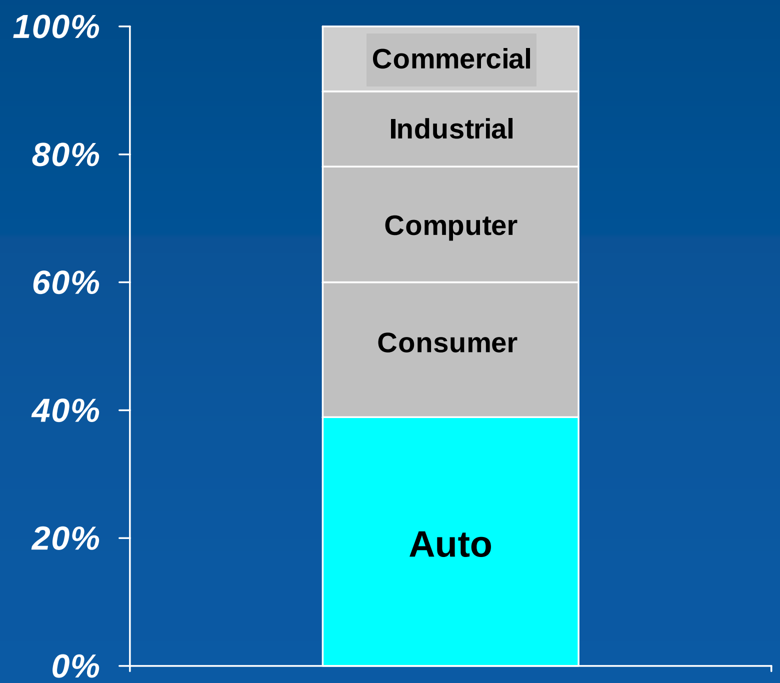
RF & Automotive

- **RF Solutions**
  - **Remote keyless entry and tire pressure monitoring**
  - **RFID – member of EPCglobal®**
  - **GPS – 21 automotive design wins, Antaris™ 4 family**
- **Automotive Systems**
  - **High-voltage, high-temperature processes**
  - **ARM- and AVR-based control devices**
  - **Chassis, body, security, safety, powertrain applications**



Automotive and Microcontrollers
Synergistic Businesses

MCU customers

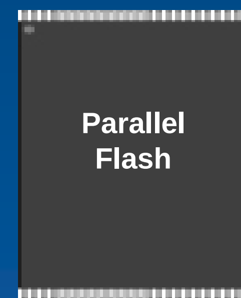


- Largest microcontroller end market
- Leverage customer relationships
- Share technology and infrastructure

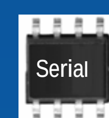
Nonvolatile Memory

- **Serial EEPROM**
  - **Fastest and most flexible solution in the market**
  - **Over 400M pure memory units per quarter**
  - **Leverage R&D for embedded applications**
- **Leader in Serial DataFlash®**
  - **Unique architecture 256 bits per sector**
  - **We offer 1M to 64M densities**
  - **Developing 90nm and 70nm solutions**
- **Atmel's Direction**
  - **Replace Parallel Flash with Advanced Serial Memory Solutions at 3-4 times less cost**

Go From This

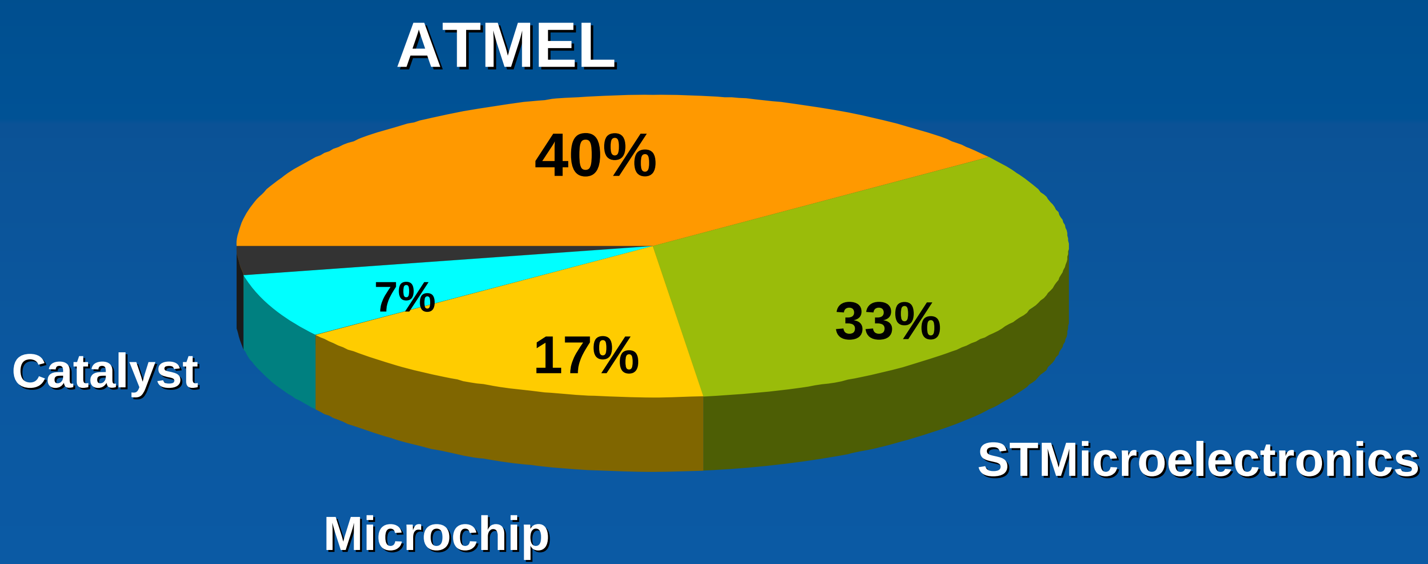


To This



Market Leadership

- **Leader in Serial EEPROM**
  - **Fastest and most flexible solutions in the market**
  - **Over 400 million units shipped per quarter**
  - **Leverage R&D for embedded applications**



***Company estimates for 2006 Serial EEPROM Markets**

Optimized Manufacturing Strategy

PROCESS:	**CMOS, NVM, BiCMOS, SiGe BiCMOS**
WAFER SIZE:	**150 mm (6-inch)**
TECHNOLOGY:	**0.50 µm to 0.25 µm**

PROCESS:	**CMOS, NVM, Mixed Signal, BiCMOS**
WAFER SIZE:	**200 mm (8-inch)**
TECHNOLOGY:	**0.35 µm to 0.13 µm**

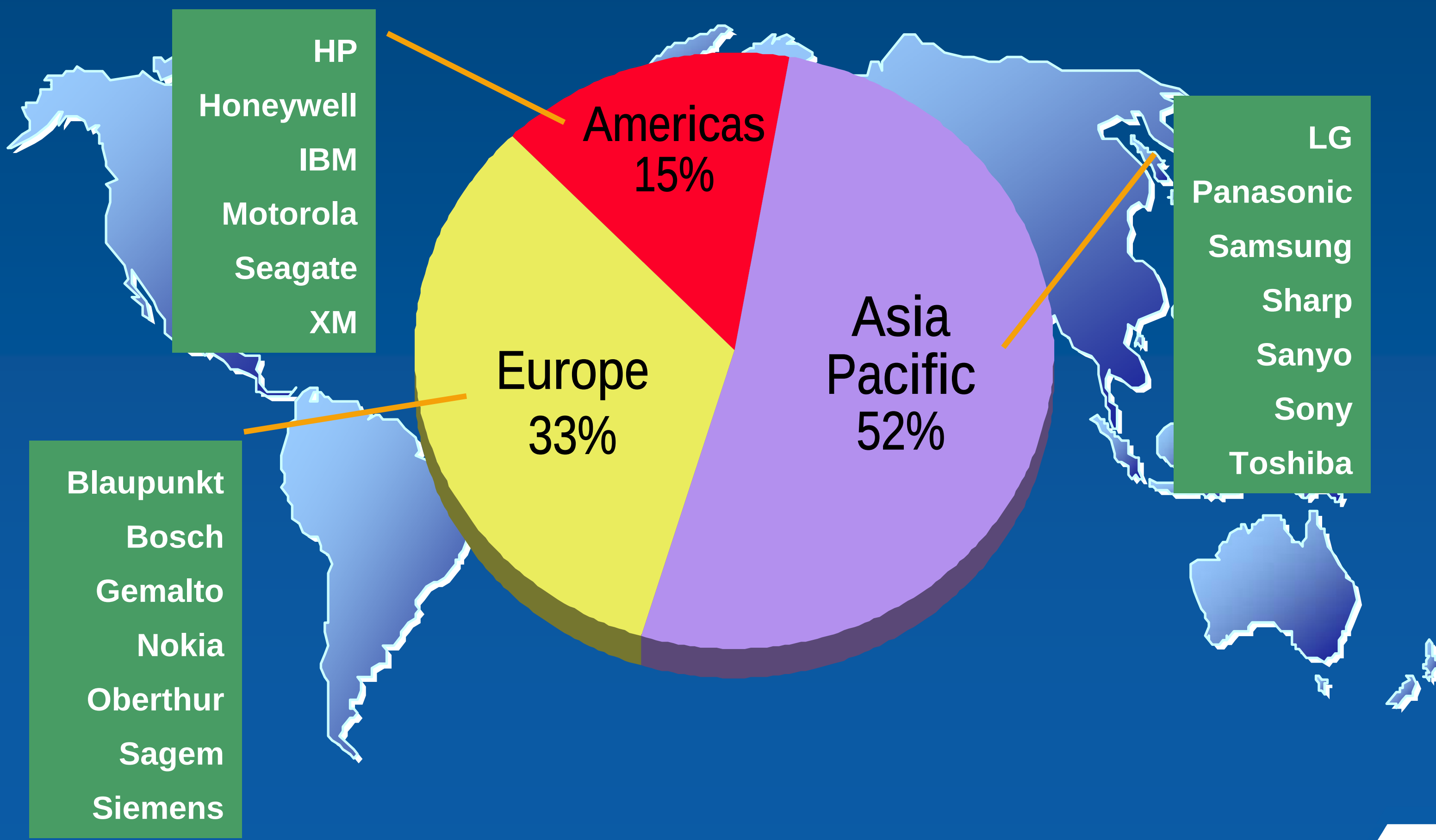
Foundry Partners

UMC THE SoC SOLUTION FOUNDRY ®

XFAB

- **North Tyneside, UK; Heilbronn, Germany Fabs Placed for Sale (Not Shown)**

Revenue by Geography 2006



2006 Initiatives

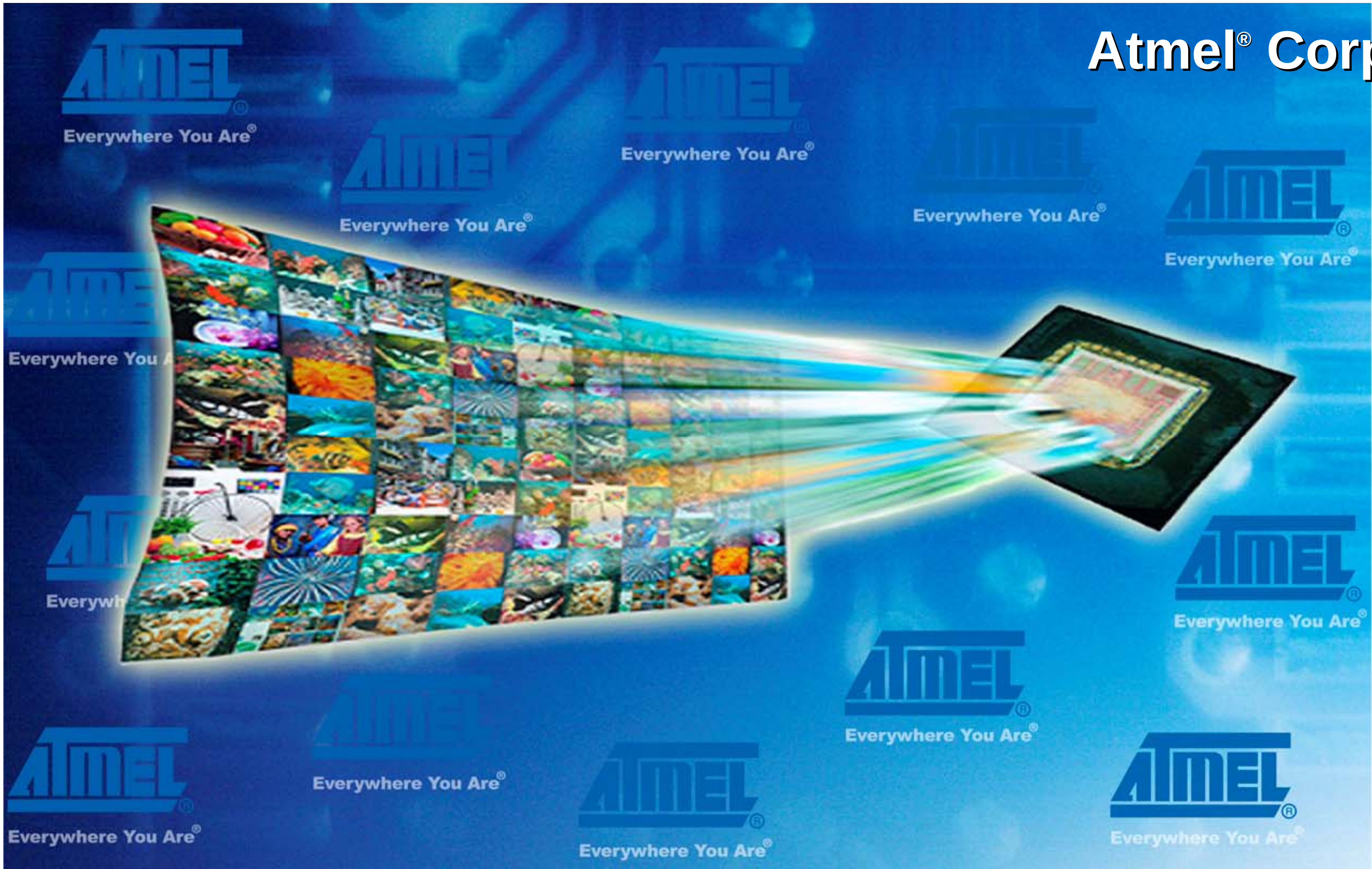
- Greater focus on Microcontrollers and “core” high-growth, high-margin proprietary products and technologies
  - Divest or Halt development on lesser, unprofitable, non-core products

- Adopting a fab-lite strategy
  - Optimizing Atmel’s manufacturing operations while reducing future capital expenditure requirements.
  - Selling the North Tyneside and Heilbronn wafer fab. facilities

- Enhancing OEM and channel relationships
  - Expanding technical sales resources
  - Over 60,000 customers reached direct or via distribution

- Improving Financials
  - Strategic and tactical moves being made to reduce cost structure
  - Balance sheet strong

Atmel® Corporation



Questions and Discussion