

MICROCHIP TECHNOLOGY INC
 Form 4
 July 31, 2006

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549**

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
 LAMBERT DAVID S

(Last) (First) (Middle)

C/O MICROCHIP TECHNOLOGY INCORPORATED, 2355 WEST CHANDLER BOULEVARD

(Street)

CHANDLER, AZ 85224-6199

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
 MICROCHIP TECHNOLOGY INC [MCHP]

3. Date of Earliest Transaction (Month/Day/Year)
 07/27/2006

4. If Amendment, Date Original Filed (Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)
 VP, Fab Operations

6. Individual or Joint/Group Filing (Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock	07/26/2006		G		625	D	\$ 31.85
					171,852	I	(1) (2)

Held Directly and Indirectly by Trust and by Reporting Person's Children (2)

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Common Stock	07/26/2006	G	625	D	\$ 31.85	171,852 ⁽³⁾	I	Held Directly and Indirectly, by Trust and by Reporting Person's Children ⁽³⁾
Common Stock	07/26/2006	G	625	D	\$ 31.85	171,852 ⁽⁴⁾	I	Held Directly and Indirectly by Trust and by Reporting Person's Children ⁽⁴⁾
Common Stock	07/26/2002	G	7,900	D	\$ 31.85	163,952 ⁽⁵⁾	I	Held Directly and Indirectly by Trust and by Reporting Person's Children
Common Stock	07/27/2006	A	15,000	A	\$ 6.259	178,952 ⁽⁶⁾	I	Held Directly and Indirectly by Trust and by Reporting Person's Children. ⁽⁶⁾
Common Stock	07/27/2006	S	15,000	D	\$ 32.0263	163,952 ⁽⁵⁾	I	Held Directly and Indirectly by Trust and by Reporting Person's Children

(5)

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	Amount or Number of Shares
Common Stock Option (Right to Buy)	\$ 6.259	07/27/2006		A	15,000	07/01/2002 04/01/2008	Common Stock	15,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
LAMBERT DAVID S C/O MICROCHIP TECHNOLOGY INCORPORATED 2355 WEST CHANDLER BOULEVARD CHANDLER, AZ 85224-6199			VP, Fab Operations	

Signatures

Deborah L. Wussler, as
Attorney-in-Fact

07/31/2006

**Signature of Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

- (1) On 4/06/2006, the Reporting Person transferred ownership of 829 shares from Direct holding to Indirect holding, by Trust.
- (2) Of the 171,852 shares held, 169,084 shares were held Directly; 829 shares were held by Trust; 714 shares were held by Reporting Person's son; 825 shares were held by Reporting Person's daughter; 200 shares were held by Reporting Person's son; and 200 shares were

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held by Reporting Person's daughter.

(3) Of the 171,852 shares held, 168,459 shares were held Directly; 829 shares were held by Trust; 714 shares were held by Reporting Person's son; 825 shares were held by Reporting Person's daughter; 825 shares were held by Reporting Person's son; and 200 shares were held by Reporting Person's daughter.

(4) Of the 171,852 shares held, 167,834 shares were held Directly; 829 shares were held by Trust; 714 shares were held by Reporting Person's son; 825 shares were held by Reporting Person's daughter; 825 shares were held by Reporting Person's son; and 825 shares were held by Reporting Person's daughter.

(5) Of the 163,952 shares held, 159,934 shares were held Directly; 829 shares were held by Trust; 714 shares were held by Reporting Person's son; 825 shares were held by Reporting Person's daughter; 825 shares were held by Reporting Person's son; and 825 shares were held by Reporting Person's daughter.

(6) Of the 178,952 shares held, 174,934 shares were held Directly; 829 shares were held by Trust; 714 shares were held by Reporting Person's son; 825 shares were held by Reporting Person's daughter; 825 shares were held by Reporting Person's son; and 825 shares were held by Reporting Person's daughter.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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