

PARNELL GORDON W
 Form 4
 May 02, 2007

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 *
 PARNELL GORDON W

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

5. Relationship of Reporting Person(s) to Issuer
 (Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction
 (Month/Day/Year)
 05/01/2007

____ Director
 Officer (give title below)
 ____ 10% Owner
 ____ Other (specify below)
 VP and CFO

C/O MICROCHIP TECHNOLOGY
 INCORPORATED, 2355 WEST
 CHANDLER BOULEVARD

(Street)

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

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

CHANDLER, AZ 85224-6199

(City) (State) (Zip)

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 Beneficial Ownership (Instr. 4)			
			Code	V	Amount	(A) or (D)	Price			
Common Stock	05/01/2007		M		20,000	A	\$ 23.389	27,315 ⁽¹⁾	I	Held Directly and Indirectly, by Trust ⁽¹⁾
Common Stock	05/01/2007		M		224	A	\$ 15.917	27,539 ⁽²⁾	I	Held Directly and Indirectly, by Trust ⁽²⁾

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Common Stock	05/01/2007	S	20,224	D	\$ 40.2087	7,315	I	Held by Trust
Common Stock	05/02/2007	G	1,315	D	\$ 41	6,000	I	Held by Trust

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

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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	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Common Stock Option (Right to Buy)	\$ 23.389	05/01/2007		M	20,000	07/02/2002 04/02/2011	Common Stock	20,000	
Common Stock Option (Right to Buy)	\$ 15.917	05/01/2007		M	224	03/31/2005 04/02/2011	Common Stock	224	

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
PARNELL GORDON W C/O MICROCHIP TECHNOLOGY INCORPORATED 2355 WEST CHANDLER BOULEVARD CHANDLER, AZ 85224-6199			VP and CFO	

Signatures

Deborah L. Wussler, as
Attorney-in-Fact

05/02/2007

__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) Of the 27,315 shares held, 20,000 shares were held Directly; 7,315 shares were held by Trust.

(2) Of the 27,539 shares held, 20,224 shares were held Directly; 7,315 shares were held by Trust.

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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