

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

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

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

| | | |
|--|---|---|
| <div>1. Name and Address of Reporting Person*</div> <div>LAMBERT DAVID S</div> <div>(Last) (First) (Middle)</div> <div>C/O MICROCHIP TECHNOLOGY INCORPORATED</div> <div>2355 WEST CHANDLER BOULEVARD</div> <div>(Street)</div> <div>CHANDLER AZ 85224-6199</div> <div>(City) (State) (Zip)</div> | <div>2. Issuer Name and Ticker or Trading Symbol</div> <div>MICROCHIP TECHNOLOGY INC [MCHP]</div> <div>3. Date of Earliest Transaction (Month/Day/Year)</div> <div>07/27/2006</div> <div>4. If Amendment, Date of Original Filed (Month/Day/Year)</div> | <div>5. Relationship of Reporting Person(s) to Issuer (Check all applicable)</div> <div>Director 10% Owner</div> <div>X Officer (give title below) Other (specify below)</div> <div>VP, Fab Operations</div> <div>6. Individual or Joint/Group Filing (Check Applicable Line)</div> <div>X Form filed by One Reporting Person</div> <div>Form filed by More than One Reporting Person</div> |
|--|---|---|

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 | 07/26/2006 | | G | | 625 | D | \$31.85 | 171,852 ⁽¹⁾⁽²⁾ | I | Held Directly and Indirectly by Trust and by Reporting Person's Children ⁽²⁾ |
| 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 |

| 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 | | | |
| | | | | | | | | | | and Indirectly by Trust and by Reporting Person's Children ⁽⁵⁾ |

**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 Securities Underlying Derivative Security (Instr. 3 and 4) | | 8. Price of Derivative Security (Instr. 5) | 9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4) | 10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 11. Nature of Indirect Beneficial Ownership (Instr. 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|--------|--|-----------------|---|----------------------------|--|--|---|--|
| | | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title | 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 | \$0 | 45,750 | D | |

Explanation of Responses:

- On 4/06/2006, the Reporting Person transferred ownership of 829 shares from Direct holding to Indirect holding, by Trust.
- 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 held by Reporting Person's daughter.
- 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.
- 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.
- 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.
- 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.

Remarks:

Deborah L. Wussler, as Attorney-in-Fact 07/31/2006

** Signature of Reporting Person Date

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

* 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).

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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