

SANGHI STEVE
Form 4
January 27, 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 *
SANGHI STEVE

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)
 Director 10% Owner
 Officer (give title below) Other (specify below)
President, CEO, Chairman

(Last) (First) (Middle)
C/O MICROCHIP TECHNOLOGY
INCORPORATED, 2355 WEST
CHANDLER BOULEVARD

3. Date of Earliest Transaction
(Month/Day/Year)
01/25/2006

(Street)
CHANDLER, AZ 85224-6199

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

(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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| Common Stock | 01/25/2006 | | M | 25,000 A | \$ 4.9987 3,563,880 ⁽¹⁾ | I | Held Directly and Indirectly, by Trust ⁽¹⁾ |
| Common Stock | 01/25/2006 | | S | 25,000 D | \$ 35.9775 3,538,880 ⁽²⁾ | I | Held Directly and Indirectly, by Trust ⁽²⁾ |

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| | | | | | | | | | |
|--------------|------------|--|---|--------|---|------------|--------------------------|---|---|
| Common Stock | 01/26/2006 | | M | 75,000 | A | \$ 4.987 | 3,613,880 ⁽³⁾ | I | Held Directly and Indirectly, by Trust ⁽³⁾ |
| Common Stock | 01/26/2006 | | S | 25,000 | D | \$ 362,707 | 3,588,880 ⁽⁴⁾ | I | Held Directly and Indirectly, by Trust ⁽⁴⁾ |
| Common Stock | 01/26/2006 | | S | 25,000 | D | \$ 36.5123 | 3,563,880 ⁽¹⁾ | I | Held Directly and Indirectly, by Trust |
| Common Stock | 01/26/2006 | | S | 25,000 | D | \$ 36.9858 | 3,538,880 ⁽²⁾ | I | Held Directly and Indirectly, by Trust ⁽²⁾ |

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) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
| | | | | Code | V (A) (D) | Date Exercisable Expiration Date | Title Amount or Number of Shares |
| Common Stock Option (Right to Buy) | \$ 4.987 | 01/25/2006 | | M | 25,000 | 07/02/2000 07/02/2006 | Common Stock 25,000 |
| Common Stock | \$ 4.987 | 01/26/2006 | | M | 75,000 | 07/02/2000 07/02/2006 | Common Stock 75,000 |

Option
(Right to
Buy)

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|--------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| SANGHI STEVE C/O MICROCHIP TECHNOLOGY INCORPORATED 2355 WEST CHANDLER BOULEVARD CHANDLER, AZ 85224-6199 | X | | President, CEO, Chairman | |

Signatures

Deborah L. Wussler, as
Attorney-in-Fact

01/27/2006

__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) Of the 3,563,880 shares held, 49,874 shares were held Directly; 3,514,006 shares were held by Trust.
- (2) Of the 3,538,880 shares held, 24,874 shares were held Directly; 3,514,006 shares were held by Trust.
- (3) Of the 3,538,880 shares held, 99,874 shares were held Directly; 3,514,006 shares were held by Trust.
- (4) Of the 3,588,880 shares held, 74,874 shares were held Directly; 3,514,006 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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