

PARNELL GORDON W
 Form 4
 May 05, 2008

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
 Expires: January 31, 2005
 Estimated average burden hours per response... 0.5

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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)
 05/01/2008

____ Director _____ 10% Owner
 Officer (give title below) _____ 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 Ownership (Instr. 4)
			Code	V Amount (A) or (D) Price			
Common Stock	05/01/2008		M	1,300 A \$ 38	7,381 ⁽¹⁾	I	Held Directly and Indirectly by Trust ⁽¹⁾
Common Stock	05/01/2008		F	406 D \$ 38	6,975 ⁽²⁾	I	Held Directly and Indirectly, by Trust ⁽²⁾

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Common Stock	05/01/2008	M	1,875	A	\$ 38	8,850 ⁽³⁾	I	Held Directly and Indirectly, by Trust ⁽³⁾
Common Stock	05/01/2008	F	586	D	\$ 38	8,264 ⁽⁴⁾	I	Held Directly and Indirectly, by Trust ⁽⁴⁾
Common Stock	05/02/2008	M	1,060	A	\$ 21	9,324 ⁽⁵⁾	I	Held Directly and Indirectly, by Trust ⁽⁵⁾
Common Stock	05/02/2008	M	4,373	A	\$ 21	13,697 ⁽⁶⁾	I	Held Directly and Indirectly, by Trust ⁽⁶⁾
Common Stock	05/02/2008	M	93	A	\$ 18.48	13,790 ⁽⁷⁾	I	Held Directly and Indirectly, by Trust ⁽⁷⁾
Common Stock	05/02/2008	M	300	A	\$ 18.48	14,090 ⁽⁸⁾	I	Held Directly and Indirectly, by Trust ⁽⁸⁾
Common Stock	05/02/2008	M	2,000	A	\$ 18.48	16,090 ⁽⁹⁾	I	Held Directly and Indirectly, by Trust ⁽⁹⁾
Common Stock	05/02/2008	M	1,000	A	\$ 18.48	17,090 ⁽¹⁰⁾	I	Held Directly and Indirectly, by Trust ⁽¹⁰⁾
Common Stock	05/02/2008	M	2,000	A	\$ 18.48	19,090 ⁽¹¹⁾	I	Held Directly and Indirectly, by Trust ⁽¹¹⁾

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Common Stock	05/02/2008	M	11,000	A	\$ 18.48	30,090 ⁽¹²⁾	I	Held Directly and Indirectly, by Trust ⁽¹²⁾
Common Stock	05/02/2008	M	940	A	\$ 18.48	31,030 ⁽¹³⁾	I	Held Directly and Indirectly, by Trust ⁽¹³⁾
Common Stock	05/02/2008	S	93	D	\$ 38	30,937 ⁽¹⁴⁾	I	Held Directly and Indirectly, by Trust. ⁽¹⁴⁾
Common Stock	05/02/2008	S	300	D	\$ 37.9	30,637 ⁽¹⁵⁾	I	Held Directly and Indirectly, by Trust ⁽¹⁵⁾
Common Stock	05/02/2008	S	2,000	D	\$ 37.6	28,637 ⁽¹⁶⁾	I	Held Directly and Indirectly, by Trust ⁽¹⁶⁾
Common Stock	05/02/2008	S	1,000	D	\$ 37.55	27,637 ⁽¹⁷⁾	I	Held Directly and Indirectly, by Trust ⁽¹⁷⁾
Common Stock	05/02/2008	S	2,000	D	\$ 37.65	25,637 ⁽¹⁸⁾	I	Held Directly and Indirectly, by Trust ⁽¹⁸⁾
Common Stock	05/02/2008	S	2,000	D	\$ 37.5	23,637 ⁽¹⁹⁾	I	Held Directly and Indirectly, by Trust

Common Stock	05/02/2008	S	2,000	D	\$ 37.5	21,637 ⁽²⁰⁾	I	⁽¹⁹⁾ Held Directly and Indirectly, by Trust ⁽²⁰⁾
Common Stock	05/02/2008	S	5,000	D	\$ 37.5	16,637 ⁽²¹⁾	I	Held Directly and Indirectly, by Trust ⁽²¹⁾
Common Stock	05/02/2008	S	2,000	D	\$ 37.5	14,637 ⁽²²⁾	I	Held Directly and Indirectly, by Trust ⁽²²⁾
Common Stock	05/02/2008	S	2,000	D	\$ 37.55	12,637 ⁽²³⁾	I	Held Directly and Indirectly, by Trust ⁽²³⁾
Common Stock	05/02/2008	S	2,000	D	\$ 37.6	10,637 ⁽²⁴⁾	I	Held Directly and Indirectly, by Trust ⁽²⁴⁾
Common Stock	05/02/2008	S	2,373	D	\$ 37.6	8,264 ⁽²⁵⁾	I	Held Directly and Indirectly, by Trust ⁽²⁵⁾

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

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SEC 1474
(9-02)

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

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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)	\$ 21	05/02/2008		M		1,060		08/01/2003	08/01/2012	Common Stock	5,433
Common Stock Option (Right to Buy)	\$ 21	05/02/2008		M		4,373		08/01/2003	08/01/2012	Common Stock	4,373
Common Stock Option (Right to Buy)	\$ 18.48	05/02/2008		M		93		03/31/2007	04/09/2013	Common Stock	93
Common Stock Option (Right to Buy)	\$ 21	05/02/2008		M		300		03/31/2007	04/09/2013	Common Stock	300
Common Stock Option (Right to Buy)	\$ 21	05/02/2008		M		2,000		03/31/2007	04/09/2013	Common Stock	2,000
Common Stock Option (Right to Buy)	\$ 21	05/02/2008		M		1,000		03/31/2007	04/09/2013	Common Stock	1,000
Common Stock Option (Right to Buy)	\$ 21	05/02/2008		M		2,000		03/31/2007	04/09/2013	Common Stock	2,000
	\$ 21	05/02/2008		M		11,000		03/31/2007	04/09/2013		11,000

Common Stock Option (Right to Buy)								Common Stock	
Common Stock Option (Right to Buy)	\$ 21	05/02/2008	M	940	03/31/2007	04/09/2013		Common Stock	940
Common Stock	\$ 38	05/01/2008	M	1,300	(26)	(26)		Common Stock	10,400
Common Stock	\$ 38	05/01/2008	M	1,875	(27)	(27)		Common Stock	1,875

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 05/05/2008

**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 7,381 shares held, 1,847 shares were held Directly; 5,534 shares were held by Trust.
- (2) Of the 6,975 shares held, 1,441 shares were held Directly; 5,534 shares were held by Trust.
- (3) Of the 8,850 shares held, 3,316 shares were held Directly; 5,534 shares were held by Trust.
- (4) Of the 8,264 shares held, 2,730 shares were held Directly; 5,534 shares were held by Trust.
- (5) Of the 9,324 shares held, 3,790 shares were held Directly; 5,534 shares were held by Trust.
- (6) Of the 13,697 shares held, 8,163 shares were held Directly; 5,534 shares were held by Trust.
- (7) Of the 13,790 shares held, 8,256 shares were held Directly; 5,534 shares were held by Trust.
- (8) Of the 14,090 shares held, 8,556 shares were held Directly; 5,534 shares were held by Trust.
- (9) Of the 16,090 shares held, 10,556 shares were held Directly; 5,534 shares were held by Trust.
- (10) Of the 17,090 shares held, 11,556 shares were held Directly; 5,534 shares were held by Trust.
- (11) Of the 19,090 shares held, 13,556 shares were held Directly; 5,534 shares were held by Trust.

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- (12) Of the 30,090 shares held, 24,556 shares were held Directly; 5,534 shares were held by Trust.
- (13) Of the 31,030 shares held, 25,496 shares were held Directly; 5,534 shares were held by Trust.
- (14) Of the 30,937 shares held, 25,403 shares were held Directly; 5,534 shares were held by Trust.
- (15) Of the 30,637 shares held, 25,103 shares were held Directly; 5,534 shares were held by Trust.
- (16) Of the 28,637 shares held, 23,103 shares were held Directly; 5,534 shares were held by Trust.
- (17) Of the 27,637 shares held, 22,103 shares were held Directly; 5,534 shares were held by Trust.
- (18) Of the 25,637 shares held, 20,103 shares were held Directly; 5,534 shares were held by Trust.
- (19) Of the 23,637 shares held, 18,103 shares were held Directly; 5,534 shares were held by Trust.
- (20) Of the 21,637 shares held, 16,103 shares were held Directly; 5,534 shares were held by Trust.
- (21) Of the 16,637 shares held, 11,103 shares were held Directly; 5,534 shares were held by Trust.
- (22) Of the 14,637 shares held, 9,103 shares were held Directly; 5,534 shares were held by Trust.
- (23) Of the 12,637 shares held, 7,103 shares were held Directly; 5,534 shares were held by Trust.
- (24) Of the 10,637 shares held, 5,103 shares were held Directly; 5,534 shares were held by Trust.
- (25) Of the 8,264 shares held, 2,730 shares were held Directly; 5,534 shares were held by Trust.
- (26) The restricted stock units vest in eight equal quarterly installments beginning May 1, 2008. Vested shares will be delivered to the reporting person upon vest.
- (27) The restricted stock units vested in full on the first anniversary of the first business day of the month following the date of grant.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.