

MICROCHIP TECHNOLOGY INC  
Form 10-Q  
February 06, 2007

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

**FORM 10-Q**

(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended December 31, 2006.

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 0-21184

**MICROCHIP TECHNOLOGY INCORPORATED**  
(Exact Name of Registrant as Specified in Its Charter)

**Delaware**  
(State or Other Jurisdiction of Incorporation  
or Organization)

**86-0629024**  
(IRS Employer Identification No.)

**2355 W. Chandler Blvd., Chandler, AZ 85224-6199**  
**(480) 792-7200**

(Address, Including Zip Code, and Telephone Number,  
Including Area Code, of Registrant's  
Principal Executive Offices)

Indicate by checkmark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to the filing requirements for the past 90 days.

Yes  No

Indicate by checkmark whether the registrant is a large accelerated filer, an accelerated filer or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act.

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Large Accelerated Filer  Accelerated filer  Non-accelerated filer

Indicate by checkmark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).  
(Check One)

Yes  No

Shares Outstanding of Registrant's Common Stock	
Class	Outstanding at January 31, 2007
Common Stock, \$0.001 par value	<b>216,092,607 shares</b>

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MICROCHIP TECHNOLOGY INCORPORATED AND SUBSIDIARIES

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**MICROCHIP TECHNOLOGY INCORPORATED AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**

(in thousands, except share and per share amounts)

<b>ASSETS</b>	December 31, 2006 (Unaudited)	March 31, 2006 (Note 1)
Cash and cash equivalents	\$ 153,277	\$ 565,273
Short-term investments	575,275	199,491
Accounts receivable, net	120,085	139,361
Inventories	121,850	115,024
Prepaid expenses	15,929	11,369
Deferred tax assets	68,991	78,544
Other current assets	11,137	9,767
<b>Total current assets</b>	<b>1,066,544</b>	<b>1,118,829</b>
Property, plant and equipment, net	624,996	659,972
Long-term investments	536,008	520,360
Goodwill	31,886	31,886
Intangible assets, net	8,767	9,489
Other assets	10,259	10,060
<b>Total assets</b>	<b>\$ 2,278,460</b>	<b>\$ 2,350,596</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Short-term debt	\$ 29,500	\$ 268,954
Accounts payable	34,742	50,847
Accrued liabilities	218,494	189,687
Deferred income on shipments to distributors	92,135	99,481
<b>Total current liabilities</b>	<b>374,871</b>	<b>608,969</b>
Pension accrual	892	801
Deferred tax liability	13,205	14,637
<b>Stockholders' equity:</b>		
Preferred stock, \$.001 par value; authorized 5,000,000 shares; no shares issued or outstanding.	---	---
Common stock, \$.001 par value; authorized 450,000,000 shares; issued and outstanding 216,038,252 shares at December 31, 2006; issued and outstanding 213,614,343 shares at March 31, 2006.	216	214
Additional paid-in capital	713,611	639,238
Retained earnings	1,185,152	1,106,355
Deferred share-based compensation	---	(5,705)

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Accumulated other comprehensive loss	(9,487)	(13,913)
Net stockholders' equity	1,889,492	1,726,189
Total liabilities and stockholders' equity	\$ 2,278,460	\$ 2,350,596

See accompanying notes to condensed consolidated financial statements

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**MICROCHIP TECHNOLOGY INCORPORATED AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF INCOME**

(in thousands except per share amounts)  
(Unaudited)

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2006	2005	2006	2005
Net sales	\$ 251,004	\$ 234,896	\$ 781,495	\$ 680,721
Cost of sales (1)	101,294	94,626	311,340	278,390
Gross profit	149,710	140,270	470,155	402,331
Operating expenses:				
Research and development (1)	28,043	23,377	85,151	70,409
Selling, general and administrative (1)	40,185	32,305	122,482	95,010