

SILICON LABORATORIES INC
 Form 4
 March 03, 2006

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

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 *
GAY GARY R

2. Issuer Name and Ticker or Trading Symbol
**SILICON LABORATORIES INC
 [SLAB]**

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
4635 BOSTON LANE
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
03/01/2006

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
VP of Worldwide Sales

AUSTIN, TX 78735
 (City) (State) (Zip)

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

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 Ownership (Instr. 4) |
|----------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | | (A) or (D) | Price | | |
| Common Stock, \$0.0001 par value | 03/01/2006 | | M | 5,000 (1) | \$ 15.44 | 17,786 | D |
| Common Stock, \$0.0001 par value | 03/01/2006 | | S | 5,000 (2) | \$ 47.95 | 12,786 | D |

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

Persons who respond to the collection of information contained in this form are not

SEC 1474 (9-02)

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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 (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 Security (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|--|--|---|
| Non-Qualified Stock Option (right to buy) | \$ 15.44 | 03/01/2006 | | M | 5,000 (1) | 03/16/2001 ⁽³⁾ 03/16/2011 | Common Stock, \$0.0001 par value |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|-----------------------|-------|
| | Director | 10% Owner | Officer | Other |
| GAY GARY R 4635 BOSTON LANE AUSTIN, TX 78735 | | | VP of Worldwide Sales | |

Signatures

Mark D. Mauldin, Power of Attorney for Gary R. Gay
 R. Gay
 03/03/2006

**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) Stock option exercise pursuant to reporting person's 10(b)5-1 plan.
- (2) Shares sold pursuant to reporting person's 10(b)5-1 plan.
- (3) This option becomes exercisable as it vests in a series of sixty (60) successive equal monthly installments beginning March 16, 2001.
- (4) Not applicable per instruction 4(c)(iii).

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.