UNITED STATES
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 March 29, 2009

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 0-14864

LINEAR TECHNOLOGY CORPORATION

(Exact name of registrant as specified in its charter)

DELAWARE	**94-2778785**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1630 McCarthy Boulevard, Milpitas, California	**95035**
(Address of principal executive offices)	(Zip Code)

(408) 432-1900
(Registrant's telephone number, including area code)

N/A
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark 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 such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes ☐ No ☐

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

Large accelerated filer ☒	Accelerated filer ☐
Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☐

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

Yes ☐ No ☒

Shares outstanding of the Registrant's common stock:

Class	Outstanding at April 24, 2009
Common Stock, $0.001 par value per share	222,264,903 shares

LINEAR TECHNOLOGY CORPORATION
FORM 10-Q
THREE AND NINE MONTHS ENDED MARCH 29, 2009

INDEX

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

LINEAR TECHNOLOGY CORPORATION
CONSOLIDATED STATEMENTS OF INCOME
(In thousands, except per share amounts)
(unaudited)

	Three Months Ended		Nine Months Ended	
	March 29, 2009	March 30, 2008	March 29, 2009	March 30, 2008
Revenues	$ 200,933	$ 297,865	$ 760,480	$ 868,073
Cost of sales [1]	52,662	66,939	184,412	197,212
Gross profit	148,271	230,926	576,068	670,861
Expenses:				
Research and development [1]	44,724	49,613	141,377	145,192
Selling, general and administrative [1]	30,430	35,423	100,110	101,761
Restructuring	-	-	1,564	-
	75,154	85,036	243,051	246,953
Operating income	73,117	145,890	333,017	423,908
Interest expense	(12,529)	(14,435)	(40,182)	(43,371)
Interest income	5,397	7,334	18,484	21,026
Gain on early retirement of convertible senior notes	1,673	-	22,662	-
Income before income taxes	67,658	138,789	333,981	401,563
Provision for income taxes	13,193	39,555	76,703	117,099
Net income	$ 54,465	$ 99,234	$ 257,278	$ 284,464
Basic earnings per share	$ 0.25	$ 0.45	$ 1.16	$ 1.28
Shares used in the calculation of basic earnings per share	221,812	222,046	221,621	221,979
Diluted earnings per share	$ 0.25	$ 0.44	$ 1.15	$ 1.26
Shares used in the calculation of diluted earnings per share	222,017	224,489	223,120	225,842
Cash dividends per share	$ 0.22	$ 0.21	$ 0.64	$ 0.57

[1] **Includes stock-based compensation charges as follows:**

Cost of sales	$ 2,288	$ 1,996	$ 6,107	$ 5,865
Research and development	9,541	8,360	25,763	24,289
Selling, general and administrative	5,444	4,675	14,541	13,503

See accompanying notes

LINEAR TECHNOLOGY CORPORATION
CONSOLIDATED BALANCE SHEETS
(In thousands, except par value)

	March 29, 2009	June 29, 2008
	(unaudited)	(1)
Assets		
Current assets:		
Cash and cash equivalents	$ 210,091	$ 149,221
Marketable securities	709,912	817,480
Accounts receivable, net of allowance for doubtful accounts of $1,790 ($1,752 at June 29, 2008)	103,834	161,452
Inventories:		
Raw materials	3,528	4,996
Work-in-process	39,283	40,028
Finished goods	10,419	10,993
Total inventories	53,230	56,017
Deferred tax assets	40,644	31,882
Prepaid expenses and other current assets	36,163	29,488
Total current assets	1,153,874	1,245,540
Property, plant and equipment, at cost:		
Land	28,837	28,837
Buildings and improvements	177,333	176,610
Manufacturing and test equipment	514,028	479,829
Office furniture and equipment	3,773	3,694
	723,971	688,970
Accumulated depreciation and amortization	(458,817)	(427,885)
Property, plant and equipment, net	265,154	261,085
Other non current assets	72,486	77,264
Total assets	$ 1,491,514	$ 1,583,889
Liabilities and stockholders' deficit		
Current liabilities:		
Accounts payable	$ 10,206	$ 16,860
Accrued payroll and related benefits	37,854	66,465
Deferred income on shipments to distributors	31,279	37,777
Income taxes payable	32,996	19,839
Other accrued liabilities	45,994	34,217
Total current liabilities	158,329	175,158
Deferred tax liabilities	58,249	41,932
Convertible senior notes	1,470,000	1,700,000
Other long-term liabilities	93,808	100,717
Total liabilities	1,780,386	2,017,807
Commitments and contingencies		
Stockholders' deficit:		
Preferred stock, $0.001 par value, 2,000 shares authorized; none issued or outstanding	-	-
Common stock, $0.001 par value, 2,000,000 shares authorized; 221,862 shares issued and outstanding at March 29, 2009 (221,508 shares at June 29, 2008)	222	221
Additional paid-in capital	1,099,893	1,050,038
Accumulated other comprehensive income, net of tax	5,861	1,452
Accumulated deficit	(1,394,848)	(1,485,629)
Total stockholders' deficit	(288,872)	(433,918)
Total liabilities and stockholders' deficit	$ 1,491,514	$ 1,583,889

(1) Derived from audited financial statements at June 29, 2008
See accompanying notes

LINEAR TECHNOLOGY CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(unaudited)

	Nine Months Ended	
	March 29, 2009	March 30, 2008
Cash flow from operating activities:		
Net income	$ 257,278	$ 284,464
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	36,057	36,352
Tax (deficit) benefit received on the exercise of stock-based awards	(2,020)	7,206
Stock-based compensation	46,411	43,657
Gain on early retirement of convertible senior notes	(22,662)	-
Change in operating assets and liabilities:		
Decrease (increase) in accounts receivable	57,618	(19,687)
Decrease (increase) in inventories	2,787	(3,300)
Decrease (increase) in prepaid expenses, other current assets and deferred tax assets	7,720	(3,260)
Decrease (increase) in long-term assets	5,957	(1,084)
(Decrease) increase in accounts payable, accrued payroll and other accrued liabilities	(31,273)	566
Decrease in deferred income on shipments to distributors	(6,498)	(2,274)
(Decrease) increase in income taxes payable	(1,905)	56,098
Increase in long term liabilities	532	1,033
Cash provided by operating activities	350,002	399,771
Cash flow from investing activities:		
Purchase of long-term investment	-	(980)
Purchases of marketable securities	(275,224)	(858,459)
Proceeds from sales and maturities of available-for-sale securities	389,944	554,451
Purchases of property, plant and equipment	(35,482)	(15,722)
Cash provided by (used in) investing activities	79,238	(320,710)
Cash flow from financing activities:		
Retirement of convertible senior notes	(207,338)	-
Excess tax benefit received on exercise of stock-based awards	70	10,686
Issuance of common stock under employee stock plans	9,515	52,683
Purchases of common stock	(25,840)	(50,704)
Payments of cash dividends	(144,777)	(129,043)
Cash used in financing activities	(368,370)	(116,378)
Increase (decrease) in cash and cash equivalents	60,870	(37,317)
Cash and cash equivalents, beginning of period	149,221	156,494
Cash and cash equivalents, end of period	$ 210,091	$ 119,177

See accompanying notes

1. Basis of Presentation

Interim financial statements and information are unaudited; however, in the opinion of management, all adjustments necessary for a fair and accurate presentation of the interim results have been made. All such adjustments were of a normal recurring nature. The results for the three and nine month periods ended March 29, 2009 are not necessarily an indication of results to be expected for the entire fiscal year. All information reported in this Form 10-Q should be read in conjunction with the Company's annual consolidated financial statements for the fiscal year ended June 29, 2008 included in the Company's Annual Report on Form 10-K. The accompanying balance sheet at June 29, 2008 has been derived from audited financial statements as of that date. Because the Company is viewed as a single operating segment for management purposes, no segment information has been disclosed.

Revenue Recognition

The Company recognizes revenues when the earnings process is complete, when persuasive evidence of an arrangement exists, the product has been delivered, the price is fixed and determinable and collection is reasonably assured. During the third quarter and the first nine months of fiscal year 2009, the Company recognized approximately 17% and 16%, respectively, of net revenues from North American ("domestic") distributors. Domestic distributor revenues are recognized under agreements which provide for certain sales price rebates and limited product return privileges. Given the uncertainties associated with the levels of pricing rebates, the ultimate sales price on domestic distributor sales transactions is not fixed or determinable until domestic distributors sell the merchandise to the end-customer. Domestic distributor agreements permit the following: price protection on certain domestic distribution inventory if the Company lowers the prices of its products; exchanges up to 3% of certain purchases on a quarterly basis; and ship and debit transactions. Ship and debits transactions occur when the Company agrees to accept a lower selling price for a specific quantity of product at the request of the domestic distributor in order to complete a sales transaction in the domestic distributor channel. For such sales, the Company rebates the negotiated price decrease to the distributor upon shipment as a reduction in the accounts receivable from the distributor.

At the time of shipment to domestic distributors, the Company records a trade receivable and deferred revenue at the distributor's purchase price since there is a legally enforceable obligation from the distributor to pay for the products delivered. The Company relieves inventory as title has passed to the distributor and recognizes deferred cost of sales in the same amount. "Deferred income on shipments to distributors" represents the difference between deferred revenue and deferred costs of sales and is recognized as a current liability until such time as the distributor confirms a final sale to its end customer. "Deferred income on shipments to distributors" effectively represents the deferred gross margin on the sale to the distributor, however, the actual amount of gross margin the Company ultimately recognizes in future periods may be less than the originally recorded amount as a result of price protection, negotiated price rebates and exchanges as mentioned above. The wide range and variability of negotiated price rebates granted to distributors does not allow the Company to accurately estimate the portion of the balance in the "Deferred income on shipments to distributors" that will be remitted back to the distributors. These price rebates that have been remitted back to distributors have ranged from $1.5 million to $3.1 million per quarter. The Company does not reduce deferred income by anticipated future price rebates. Instead, price rebates are recorded against "Deferred income on shipments to distributors" when incurred, which is generally at the time the distributor sells the product.

The Company's sales to international distributors are made under agreements which permit limited stock return privileges but not sales price rebates. The agreements generally permit distributors to exchange up to 5% of purchases on a semi-annual basis. Revenue on international distributor sales is recognized upon shipment at which time title passes. The Company estimates international distributor returns based on historical data and current business expectations and defers a portion of international distributor revenues and costs based on these estimated returns.

2. The Company operates on a 52/53-week fiscal year ending on the Sunday nearest June 30. Fiscal years 2009 and 2008 are 52-week years.

3. Basic earnings per share is calculated using the weighted average shares of common stock outstanding during the period. Diluted earnings per share is calculated using the weighted average shares of common stock outstanding, plus the dilutive effect of stock options and restricted stock calculated using the treasury stock method. The following table sets forth the reconciliation of weighted average common shares outstanding used in the computation of basic and diluted earnings per share:

In thousands, except per share amounts	Three Months Ended March 29, 2009	Three Months Ended March 30, 2008	Nine Months Ended March 29, 2009	Nine Months Ended March 30, 2008
Numerator - net income	$ 54,465	$ 99,234	$ 257,278	$ 284,464
Denominator for basic earnings per share- weighted average shares	221,812	222,046	221,621	221,979
Effect of dilutive securities – employee stock options and restricted stock	205	2,443	1,499	3,863
Denominator for diluted earnings per share	222,017	224,489	223,120	225,842
Basic earnings per share	$ 0.25	$ 0.45	$ 1.16	$ 1.28
Diluted earnings per share	$ 0.25	$ 0.44	$ 1.15	$ 1.26

4. Fair Value

The Company adopted Statement of Financial Accounting Standard No. 157, *Fair Value Measurements* ("SFAS 157"), at the beginning of fiscal year 2009 to measure the fair value of certain of its financial assets required to be measured on a recurring basis. In order to determine the implications of adopting SFAS 157, the Company reviewed all the assets and liabilities recorded on its balance sheet. Based on the results of its review, the Company determined that a majority of its assets and liabilities are either not required to be measured at fair value in its financial statements, or are outside the scope of SFAS 157. Therefore, the only assets and liabilities in the Company's financial statements subject to SFAS 157 (i.e. measured at fair value on a recurring basis) at March 29, 2009 are the Company's investment portfolio assets. The adoption of SFAS 157 did not impact the Company's consolidated financial position or results of operations. SFAS 157 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). SFAS 157 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability. The three levels of the fair value hierarchy under SFAS 157 are described below:

Level 1. Valuations based on quoted prices in active markets for identical assets or liabilities that an entity has the ability to access.

The Company's Level 1 assets consist of investments in money-market funds and United States Treasury securities.

Level 2. Valuations based on quoted prices for similar assets or liabilities, quoted prices for identical assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable data for substantially the full term of the assets or liabilities.

The Company's Level 2 assets consist of municipal bonds, obligations of U.S. government-sponsored enterprises, corporate debt and commercial paper that are less actively traded in the market, but where quoted market prices exist for similar instruments that are actively traded. The Company determines the fair value of its Level 2 assets by obtaining non-binding market prices from its third-party portfolio managers on the last day of the quarter.

Level 3. Valuations based on inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The Company has no Level 3 assets.

The following table presents the Company's fair value hierarchy for its financial assets (cash equivalents and marketable securities) measured at fair value on a recurring basis as of March 29, 2009:

In thousands Description	Quoted Prices in Active Markets for Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Total
Assets			
Investments in U.S. Treasury securities and money-market funds	$ 208,439	$ -	$ 208,439
Investments in municipal bonds, obligations of U.S. government-sponsored enterprises and commercial paper	-	646,725	646,725
Total assets measured at fair value	$ 208,439	$ 646,725	$ 855,164

5. Stock-Based Compensation

Equity Incentive Plans

The Company has two equity incentive plans under which the Company may grant incentive stock options, nonstatutory stock options, stock appreciation rights, restricted stock, restricted stock units, performances shares and performance units. Under the plans (the 2005 Equity Incentive Plan and the 2001 Nonstatutory Stock Option Plan), the Company may grant awards to employees, executive officers, directors and consultants who provide services to the Company. To date, the Company has only granted nonstatutory stock options, restricted stock and restricted stock units from these plans. At March 29, 2009, 7.6 million shares were available for grant under the plans. The Employee Stock Purchase Plan ("ESPP") permits eligible employees to purchase common stock through payroll deductions at 85% of the fair market value of the common stock at the end of each offering period. The offering periods generally commence on approximately May 1 and November 1 of each year. At March 29, 2009, 0.2 million shares were available for issuance under the ESPP.

Accounting for Stock-Based Compensation

The Company accounts for stock-based compensation arrangements in accordance with the provisions of Statement of Financial Accounting Standard No. 123(R), *Share-Based Payment* ("SFAS 123R"). Under SFAS 123R, compensation cost for restricted stock awards is based on the fair market value of the Company's stock on the date of grant. Compensation cost for stock options is calculated on the date of grant using the fair value of stock options as determined using the Black-Scholes valuation model. The Company amortizes the compensation cost straight-line over the vesting period, which is generally five years. The Black-Scholes valuation model requires the Company to estimate key assumptions such as expected option term, stock price volatility and forfeiture rates to determine the fair value of a stock option. The estimate of these key assumptions is based on historical information and judgment regarding market factors and trends.

As of March 29, 2009, there was approximately $191.2 million of total unrecognized stock-based compensation cost related to share-based payments granted under the Company's stock-based compensation plans that will be recognized over a period of approximately five years. Future grants will add to this total, whereas quarterly amortization and the vesting of the existing grants will reduce this total. The Company issues new shares of common stock upon exercise of stock options. For the nine months ended March 29, 2009, options for 0.2 million shares were exercised for a gain (aggregate intrinsic value) of $1.5 million determined as of the date of option exercise.

On December 17, 2008, the Company accelerated the vesting of 1.4 million "out-of-the-money" stock options previously awarded to its non-officer and non-director employees under its stock option plans. The weighted average grant price of the accelerated options is $36.37 and the market price at the date of the acceleration was $23.66. The remaining unrecognized stock-based compensation cost associated with these options is approximately $15.0 million. SFAS 123R requires that both an evaluation of a "derived" service period should be made to determine if the modification was substantive for accounting purposes and an evaluation should be made to determine if the options were "deep out-of-the-money." In performing these analyses the Company determined that although the Company believed the accelerated options were not "deep out-of-the-money," the derived service period would likely exceed the remaining requisite service period for all but a very limited number of accelerated grants. As a result, it was determined that the acceleration of vesting was not substantive for accounting purposes, and therefore

unrecognized compensation cost at the date of the modification should be recognized over the options' remaining requisite service periods as if the modification had never occurred. Accordingly, the Company will continue to record the $15.0 million of unrecognized stock-based compensation over the remainder of the original vesting. The majority of the $15.0 million of unrecognized stock-based compensation will be fully amortized by the fourth quarter of fiscal 2010. The acceleration does not affect any of the Company's restricted stock grants.

Determining Fair Value

The fair value of each stock option award is estimated on the date of grant using the Black-Scholes valuation model that uses the assumptions in the following table. Expected volatilities are based on implied volatilities from traded options on the Company's stock. The Company uses the simplified calculation of expected life described in the SEC's Staff Accounting Bulletin 107, as the Company shortened the contractual life of employee stock options from ten years to seven years in the third quarter of fiscal year 2005. The dividend yield is determined by dividing the expected per share dividend during the coming year by the average fair market value of the stock during the quarter. The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of grant. The estimated fair value of the employee stock options is amortized to expense using the straight-line method over the vesting period.

The Company used the following assumptions to value stock options granted during the third quarter of fiscal year 2009. There were no stock options granted by the Company during the first and second quarters of fiscal 2009.

	Three Months Ended March 29, 2009
Expected life in years	4.9
Expected volatility	44.0%
Dividend yield	3.3%
Risk free interest rate	1.5%
Weighted-average grant date fair value	$6.72

Stock Options

The following table summarizes stock option activity and related information under all stock option plans:

	Stock Options Outstanding	Weighted-Average Exercise Price
Outstanding options, June 29, 2008	25,091,024	$36.65
Granted	6,499,250	22.74
Forfeited and expired	(624,790)	35.18
Exercised	(230,358)	24.13
Outstanding options, March 29, 2009	30,735,126	$33.83
Options vested and exercisable at:		
March 29, 2009	24,119,326	$36.81

Restricted Stock

The following table summarizes the Company's restricted stock and restricted stock unit activity under all equity award plans:

	Restricted Awards Outstanding	Weighted-Average Grant-Date Fair Value
Nonvested at June 29, 2008	4,958,739	$34.00
Granted	1,688,384	24.39
Vested	(809,841)	33.44
Forfeited	(108,187)	32.40
Nonvested at March 29, 2009	5,729,095	$31.30

6. Restructuring

During the second quarter of fiscal year 2009, the Company responded to lower sales levels and the uncertain business climate by reducing its workforce by approximately 100 employees. The $1.6 million charge represents the severance costs incurred in connection with this workforce reduction and the majority of these severance amounts were paid during the December quarter. All severance costs have been paid as of March 29, 2009.

7. Comprehensive Income

Accumulated other comprehensive income consists of unrealized gains or losses on available-for-sale securities. The components of comprehensive income were as follows:

In thousands	Three Months Ended		Nine Months Ended	
	March 29, 2009	March 30, 2008	March 29, 2009	March 30, 2008
Net income	$ 54,465	$ 99,234	$ 257,278	$ 284,464
Changes in unrealized gains on available-for-sale securities	687	2,389	4,409	5,004
Total comprehensive income	$ 55,152	$ 101,623	$ 261,687	$ 289,468

8. **Convertible Senior Notes**

Long-term debt consists of the following:

In thousands	March 29, 2009	June 29, 2008
3.00% Convertible Senior Notes due May 1, 2027	$ 1,000,000	$ 1,000,000
3.125% Convertible Senior Notes due May 1, 2027	470,000	700,000
	$ 1,470,000	$ 1,700,000

During the fourth quarter of fiscal year 2007, the Company issued $1.0 billion aggregate principal amount of its 3.00% Convertible Senior Notes due May 1, 2027 (the "2027A notes") and $700 million aggregate principal amount of its 3.125% Convertible Senior Notes due May 1, 2027 (the "2027B notes" and, together with the 2027A notes, the "Notes") to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933. The Notes are the Company's unsubordinated, unsecured obligations and rank equal in right of payment with all of the Company's other existing and future unsubordinated, unsecured obligations; the Notes rank junior in right of payment to any of the Companys secured obligations to the extent of the value of the collateral securing such obligations; and the Notes are effectively subordinated in right of payment to all existing and future indebtedness and liabilities of our subsidiaries. There is no sinking fund in connection with the Notes. The Company received net proceeds from the issuance of the Notes of $1,678.0 million after the deduction of issuance costs of $22.0 million.

The Company used the entire net proceeds of the offering to fund a portion of its repurchase of $3.0 billion of its common stock pursuant to an accelerated stock repurchase transaction it entered into with an affiliate of the initial purchaser of the Notes simultaneously with the offering of the Notes. The debt issuance costs are recorded in other non-current assets and are being amortized to interest expense on a straight-line basis over the earliest redemption date of November 1, 2010 (3.5 years for the 2027B notes) and May 1, 2014 (7 years for the 2027A notes). Interest is payable semiannually in arrears on May 1 and November 1, beginning on November 1, 2007.

Upon conversion of the Notes, the Company will pay the holder cash equal to the lesser of the aggregate principal amount and the conversion value of the Notes being converted. If the conversion value exceeds $1,000, the Company must also deliver cash or common stock or a combination of cash and common stock, at the Company's option, for the conversion value in excess of $1,000 ("conversion spread"). The conversion value of the Notes is determined based on a daily conversion value calculated on a proportionate basis for each trading day in a 20 trading day conversion reference period. For purposes of calculating earnings per share, there would be no adjustment to the shares in the earnings per share calculation for the cash settled portion of the Notes, as that portion of the debt instrument will always be settled in cash. The conversion spread will be included in the shares for the calculation of diluted earnings per share to the extent the conversion price is dilutive under the treasury stock method. At March 29, 2009, no shares related to the Notes were included in the computation of diluted earnings per share. As of the date hereof, the conversion rate of the 2027A notes is 20.9248 shares of common stock per $1,000 principal amount of the 2027A notes, subject to adjustment upon the occurrence of certain events as described in the Indenture for the 2027A notes (including the payment of dividends). As of the date hereof, the conversion rate of the 2027B notes is 20.7299 shares of common stock per $1,000 principal amount of the 2027B notes, subject to adjustment upon the occurrence of certain events as described in the Indenture for the 2027B notes (including the payment of dividends). The payment of the dividend approved by the Company's Board of Directors in April 2009 will cause a further minor adjustment in the conversion rate of the Notes. The Notes will bear contingent interest equal to 0.25% commencing May 1, 2014 for the 2027A notes and November 1, 2010 for the 2027B notes under certain circumstances. The Company may redeem the 2027A notes for cash at any time on or after May 1, 2014, and holders may require the Company to repurchase the 2027A notes for cash on specified dates or upon a fundamental change. The Company may redeem the 2027B notes for cash at any time on or after November 1, 2010, and holders may require the Company to repurchase the 2027B notes for cash on specified dates or upon a fundamental change.

During the three and nine months ended March 29, 2009, the Company purchased and retired $30 million and $230 million, respectively, of principal amount of its 3.125% Convertible Senior Notes due May 1, 2027. For the three and nine months ended March 29, 2009, the total purchase price of the notes was approximately $28.3 million and $207.3 million, respectively, resulting in a gain of approximately $1.7 million and $ 22.7 million, respectively, net of deferred issuance costs.

9. Product Warranty and Indemnification

The Company's warranty policy provides for the replacement of defective parts. In certain large contracts, the Company has agreed to negotiate in good faith a product warranty in the event that an epidemic failure of its parts were to take place. To date there have been no such occurrences. Warranty expense historically has been negligible.

The Company provides a limited indemnification for certain customers against intellectual property infringement claims related to the Company's products. In certain cases, there are limits on and exceptions to the Company's potential liability for indemnification relating to intellectual property infringement claims. To date, the Company has not incurred any significant indemnification expenses relating to intellectual property infringement claims. The Company cannot estimate the amount of potential future payments, if any, that the Company might be required to make as a result of these agreements, and accordingly, the Company has not accrued any amounts for its indemnification obligations.

10. Recent Accounting Pronouncements

In May 2008, the Financial Accounting Standards Board ("FASB") issued FASB Staff Position ("FSP") No. APB 14-1, *Accounting for Convertible Debt Instruments That May Be Settled in Cash upon Conversion (Including Partial Cash Settlement)* ("FSP APB 14-1"). The Company's $1.5 billion convertible senior notes will be affected by this FSP. FSP APB 14-1 will require the Company to separately account for the liability and equity components of the instrument in a manner that reflects the issuer's nonconvertible debt borrowing rate when interest cost is recognized in subsequent periods. Further, the FSP will require bifurcation of a component of the debt, classification of that component in equity, and then accretion of the resulting discount on the debt as part of interest expense being reflected in the statement of income. FSP APB 14-1 is effective for fiscal years beginning after December 15, 2008 and will be required to be applied retrospectively to all periods presented. The Company will be required to implement the standard during the first quarter of fiscal year 2010, which begins on June 29, 2009. The Company

currently estimates that the adoption of FSP APB 14-1 will have a noncash charge which will have a negative impact of approximately $0.02 per share on the Company's quarterly diluted earnings per share.

In June 2008, the FASB issued FSP No. EITF 03-6-1, *Determining Whether Instruments Granted in Share-Based Payment Transactions Are Participating Securities* ("FSP EITF 03-6-1"), which classifies unvested share-based payment awards that contain nonforfeitable rights to dividends or dividend equivalents (whether paid or unpaid) as participating securities and requires them to be included in the computation of earnings per share pursuant to the two-class method described in SFAS No. 128, *Earnings per Share*. The Company will be required to implement FSP EITF 03-6-1 during the first quarter of fiscal year 2010, which begins on June 29, 2009. All prior-period earnings per share data presented are to be adjusted retrospectively (including interim financial statements, summaries of earnings, and selected financial data) to conform with the provisions of the standard, with early application not permitted. The Company currently estimates that the adoption of FSP EITF 03-6-1 will have a negative impact of $0.01 per share on the Company's quarterly diluted earnings per share.

11. Income Taxes

The Company accounts for uncertain tax positions under FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes—an Interpretation of FASB Statement No. 109* ("FIN 48"). Under FIN 48, the Company must recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than fifty percent likelihood of being realized upon ultimate resolution. As of March 29, 2009, the Company's other long-term liabilities account includes $63.5 million of unrecognized tax benefits which, if recognized, would favorably impact its effective income tax rate in future periods. The Company's policy is to recognize interest and/or penalties related to income tax matters in income tax expense. Included in the liability for unrecognized tax benefits was $11.0 million accrued for interest at March 29, 2009.

During the third quarter of fiscal year 2009, the Company recorded a discrete tax benefit totaling $5.7 million, primarily related to an increase in domestic manufacturing tax benefits in prior years.

During the second quarter of fiscal year 2009, the research & development tax credit ("R&D credit") was restored by legislation retroactive to the beginning of calendar year 2008. As a result, the Company recorded a quarterly discrete tax benefit totaling $4.1 million during the second quarter to recognize the R&D credit related to the second half of fiscal 2008. The Company's annual effective tax rate was adjusted during the quarter to include the benefit of the R&D credit for fiscal year 2009.

During the first quarter of fiscal year 2009, the Company and the Appeals Division of the Internal Revenue Service ("IRS Appeals") agreed to settle certain disputed export tax benefits the Company claimed as its extraterritorial income ("ETI") exclusion under the Internal Revenue Code for fiscal years 2002 through 2006. As a result of the settlement, the Company recognized a discrete tax benefit during the quarter totaling $6.7 million, primarily due to the reversal of liabilities for uncertain tax positions totaling $6 million pertaining to ETI. The balance of the discrete tax benefit pertains to an unrelated tax refund claim attributable to those years that was upheld by IRS Appeals. IRS Appeals continues to consider the calculation of certain ETI claims for these fiscal years that have been denied by the IRS. This related issue is expected to be resolved within the current calendar year, at which time the Company, if it prevails, will record additional unrecognized tax benefits to the extent the claims are accepted by IRS Appeals.

12. Contingencies

Litigation

The Company is subject to various legal proceedings and claims that arise in the ordinary course of business on a wide range of matters, including, among others, patent suits and employment claims. The Company does not believe that any such current suits will have a material impact on its business or financial condition. However, current lawsuits and any future lawsuits will divert resources and could result in the payment of substantial damages.

Certain current and former directors and officers of the Company have been named as defendants in two shareholder derivative actions filed in the United States District Court for the Northern District of California, which have been consolidated under the caption *In re Linear Technology Corporation Shareholder Derivative Litigation* (the "Federal Action"), in three consolidated shareholder derivative actions filed in the Superior Court for Santa Clara County, California, also captioned *In re Linear Technology Corporation Shareholder Derivative Litigation* (the "California State Action"), and in a shareholder derivative action filed in Delaware Chancery Court, captioned *Weiss v. Swanson* (the "Delaware Action"). The Company has been named in each of these Actions as a nominal defendant against which no recovery is sought.

In the Federal Action, the plaintiffs alleged that the individual defendants breached their fiduciary duties to the Company in connection with the alleged backdating of stock option grants during the period from 1995 through 2002, and asserted derivative claims against the individual defendants based on alleged violations of Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") and Rule 10b-5 promulgated thereunder. On December 7, 2006, the Court granted Linear's motion to dismiss the complaint for failure to make a pre-suit demand or to demonstrate that such a demand would have been futile. The plaintiffs filed an amended complaint on January 5, 2007 asserting derivative claims against the individual defendants for alleged violations of Sections 10(b), 14(a), and 20(a) of the Exchange Act, and Rules 10b-5 and 14a-9 promulgated thereunder. Pursuant to the parties' stipulation, on February 14, 2007, the District Court entered an order staying the Federal Action in favor of permitting the California State Action to proceed.

In the California State Action, the plaintiffs initially asserted claims against the individual defendants for breaching, and aiding and abetting breaches of, their fiduciary duty in connection with the alleged backdating of stock option grants during the period from 1995 through 2002. The plaintiffs also alleged that certain defendants were unjustly enriched, that defendants wasted corporate assets, and that the officer defendants engaged in insider trading in violation of California law. The plaintiffs sought to recover unspecified money damages, disgorgement of profits and benefits, restitution, rescission of option contracts, imposition of a constructive trust over option contracts, and attorneys' fees and costs. Following a hearing on July 13, 2007, the Court sustained the Company's demurrer, and granted the plaintiffs leave to amend the complaint. The Court did not address the individual defendants' demurrer.

On August 13, 2007, the plaintiffs in the California State Action filed an amended complaint, asserting claims against the individual defendants for breaching, and aiding and abetting breaches of, their fiduciary duty in connection with the grant of allegedly "spring-loaded" and "bullet-dodged" stock options during the period from 1995 through 2005. The amended complaint also alleged that the individual defendants were unjustly enriched, and engaged in insider trading in violation of the California Corporations Code, and that the director defendants wasted corporate assets. The amended complaint sought recovery from the individual defendants of unspecified damages, disgorgement of profits and benefits, restitution, rescission of option contracts and imposition of a constructive trust over executory option contracts, in addition to attorneys' fees and costs. On September 12, 2007, the Company filed a demurrer to the amended complaint on the ground that the plaintiffs had failed to make a pre-suit demand or to demonstrate that such a demand would have been futile. The individual defendants filed demurrers on the ground that the amended complaint failed to state a cause of action as to each of them. Before the demurrers were fully briefed, the parties stipulated to stay the California State Action pending the resolution of the motion to dismiss the complaint in the Delaware Action.

On May 5, 2008, the individual defendants moved to stay the California State Action; Linear joined in that motion. That same day, the plaintiffs filed a motion to coordinate discovery in the California State Action and the Delaware Action. The individual defendants opposed that motion and Linear joined in their opposition. In a June 18, 2008 order, the court granted the motion to stay the California State Action, and rejected, in part, the plaintiffs' request to coordinate discovery. The court ordered the defendants to supply the California plaintiffs with copies of documents produced and transcripts of depositions conducted in the Delaware Action. The court is continuing to monitor the progress of the Delaware Action. A case management conference is scheduled for May 15, 2009.

In the Delaware Action, filed on March 23, 2007, the plaintiff alleges that the defendant directors breached their duty by granting "spring-loaded" and "bullet-dodged" stock options to certain of the Company's officers and directors during the period from 1996 through 2005. The plaintiff also asserts claims for unjust enrichment against those defendants who received the challenged option grants. The plaintiff seeks to recover unspecified money damages, disgorgement of profits and benefits, restitution, rescission of certain defendants' option contracts, imposition of a constructive trust over the option contracts, and attorneys' fees and costs. The defendants moved to dismiss the Delaware Action on May 25, 2007. Rather than respond to the motions, the plaintiff filed an amended complaint on August 10, 2007, making substantially the same allegations as those in the original complaint. On September 19, 2007, the Company and the individual defendants filed a Motion to Dismiss the amended complaint on the grounds that the plaintiff had failed to make a pre-suit demand on the Board or to plead facts demonstrating that such a demand would have been futile, and that the amended complaint failed to state a claim against each of the individual defendants. On March 7, 2008, the Court denied the motion. Linear answered the amended complaint on April 7, 2008. The parties are actively engaged in discovery. No trial date has been set.

13. Subsequent Events

During the beginning of the fourth quarter of fiscal year 2009, the Company responded to the continued lower sales levels reported in the third quarter and the uncertain business climate by reducing its workforce by approximately 130 employees. The Company anticipates incurring a restructuring charge of approximately $2.0 million during the fourth quarter of fiscal year 2009.

The $2.0 million charge represents the severance costs incurred in connection with this workforce reduction; the majority of these severance amounts will be paid during the June quarter. During fiscal year 2009, the Company has had two reductions in workforce that have eliminated approximately 230 positions or 5% of its workforce.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Overview

Linear Technology Corporation is a manufacturer of high performance linear integrated circuits. The Company generates revenue exclusively from the sale of analog integrated circuits. The Company targets the high performance segment of the analog integrated circuit market. The Company was founded in 1981 and became a public company in 1986. Linear Technology products include high performance amplifiers, comparators, voltage references, monolithic filters, linear regulators, DC-DC converters, battery chargers, data converters, communications interface circuits, RF signal conditioning circuits, uModuleTM products, and many other analog functions. Applications for Linear Technology's high performance circuits include telecommunications, cellular telephones, networking products such as optical switches, notebook and desktop computers, computer peripherals, video/multimedia, industrial instrumentation, security monitoring devices, high-end consumer products such as digital cameras and MP3 players, complex medical devices, automotive electronics, factory automation, process control, and military and space systems.

Third quarter revenue of $200.9 million decreased 19% compared to the previous quarter's revenue of $249.2 million and decreased 33% or $97.0 million from $297.9 million reported in the third quarter of fiscal 2008. The Company continues to experience the impact of the U.S. credit crisis and the global recession, as the third quarter revenue decline of 19% follows a decline of 20% in the second quarter after the Company achieved record quarterly revenue of $310.4 million in the first quarter of fiscal 2009. Despite the significant decrease in quarterly revenues, the Company continues to have strong operating margins, with operating income of 36.4% of sales in the third quarter. To maintain this level of profitability, the Company has cut variable costs aggressively where possible in reaction to the revenue decline. The Company has significantly reduced costs through weekly plant closures, forced vacation, variable compensation reductions, modest employee terminations and otherwise limiting discretionary spending. Going into the fourth quarter, there is more optimism that the Company's revenues and bookings will stabilize in the June quarter as the book to bill ratio was positive for the March quarter. Nevertheless, foreseeing future results and customer activity in the current economic environment is very difficult and the Company will continue to control its variable costs where possible, including the implementation of actions to reduce labor costs noted above.

.

Major factors impacting the March 2009 quarter were:

- Revenue decreased by $48.3 million or 19% from the second quarter of fiscal year 2009;
- The Company's quarterly effective tax rate of 19.5% was positively impacted by a discrete tax benefit of $5.7 million primarily related to the Company's domestic manufacturing deduction;
- Operating expenses were favorably impacted by lower labor costs as employees were required to take approximately 2.5 weeks of time-off during the quarter as compared to approximately 2.0 weeks in the previous quarter;
- The Company purchased and retired $30.0 million face value of its 3.125% Convertible Senior Notes, resulting in a gain of approximately $1.7 million, or $0.01 diluted earnings per share, net of deferred issuance costs.

Critical Accounting Estimates

The Company's financial statements have been prepared in accordance with accounting principles generally accepted in the United States, which require it to make estimates and judgments that significantly affect the reported amounts of assets, liabilities, revenues and expenses and related disclosure of contingent assets and liabilities. The Company regularly evaluates these estimates, including those related to stock-based compensation, inventory valuation, revenue recognition and income taxes. These estimates are based on historical experience and on assumptions that are believed by management to be reasonable under the circumstances. Actual results may differ from these estimates, which may impact the carrying values of assets and liabilities.

The Company believes the following critical accounting policies affect the more significant judgments and estimates used in the preparation of the Company's consolidated financial statements.

Stock-Based Compensation

The Company uses the Black-Scholes valuation model to determine the fair value of its stock options at the date of grant. The stock options fair value is then amortized straight-line over the vesting period, which is generally five years. The Black-Scholes valuation model requires the Company to estimate key assumptions such as expected option term, stock price volatility, dividend yields and risk free interest rates that determine the stock options fair value. Higher volatility and expected lives result in a proportional increase to stock-based compensation determined at the date of grant. The expected dividend rate and expected risk-free rate do not

have as significant an effect on the calculation of fair value. As a result, if factors change and the Company's estimates of volatility and expected life were to increase or decrease, the Company's stock-based compensation expense could be materially different in the future. In addition, if deferred taxes based on the Black-Scholes valuation are greater than or less than the gain on the sale of the associated stock option, the Company's income tax expense could increase or decrease.

Inventory Valuation

The Company values inventories at the lower of cost or market. The Company records charges to write-down inventories for unsalable, excess or obsolete raw materials, work-in-process and finished goods. Newly introduced parts are generally not valued until success in the market place has been determined by a consistent pattern of sales and backlog among other factors. The Company arrives at the estimate for newly released parts by analyzing sales and customer backlog against ending inventory on hand. The Company reviews the assumptions on a quarterly basis and makes decisions with regard to inventory valuation based on the current business climate. In addition to write-downs based on newly introduced parts, judgmental assessments are calculated for the remaining inventory based on salability, obsolescence, historical experience and current business conditions. If actual market conditions are less favorable than those projected by management, additional inventory write-downs may be required that could adversely affect operating results. If actual market conditions are more favorable, the Company may have higher gross margins when products are sold. Sales to date of such products have not had a significant impact on gross margin.

Revenue Recognition

The Company recognizes revenues when the earnings process is complete, when persuasive evidence of an arrangement exists, the product has been delivered, the price is fixed and determinable and collection is reasonably assured. During the third quarter and the first nine months of fiscal year 2009, the Company recognized approximately 17% and 16%, respectively, of net revenues from domestic distributors that are recognized under agreements which provide for certain sales price rebates and limited product return privileges. Given the uncertainties associated with the levels of pricing rebates, the ultimate sales price on domestic distributor sales transactions is not fixed or determinable until domestic distributors sell the merchandise to the end-user. At the time of shipment to domestic distributors, the Company records a trade receivable and deferred revenue at the distributor purchasing price since there is a legally enforceable obligation from the distributor to pay for the products delivered. The Company relieves inventory as title has passed to the distributor and recognizes deferred cost of sales in the same amount. "Deferred income on shipments to distributors" represents the difference between deferred revenue and deferred cost of sales and is recognized as a current liability until such time as the distributor confirms a final sale to its end customer. At March 29, 2009, the Company had approximately $38.3 million of deferred revenue and $7.0 million of deferred cost of sales recognized as $31.3 million of "Deferred income on shipment to distributors." At June 29, 2008, the Company had approximately $46.2 million of deferred revenue and $8.4 million of deferred cost of sales recognized as $37.8 million of "Deferred income on shipment to distributors." The Company believes that its deferred costs of revenues have limited risk of material impairment, as the Company offers stock rotation privileges to distributors (up to 3% to 5% of quarterly purchases) which enable distributors to rotate slow moving inventory. In addition, stock rotated inventory that is returned to the Company is generally resalable. The Company reviews distributor ending on-hand inventory balances, as well as orders placed on the Company to ensure that distributors are not overstocking parts and are ordering to forecasted demand. To the extent the Company had a significant reduction in distributor price or grant significant price rebates, there could be a material impact on the ultimate revenue and gross profit recognized. The price rebates that have been remitted back to distributors have ranged from $1.5 million to $3.1 million per quarter.

The Company's sales to international distributors are made under agreements which permit limited stock return privileges but not sales price rebates. Revenue on these sales is recognized upon shipment at which time title passes. The Company has reserves to cover expected product returns. If product returns for a particular fiscal period exceed or are below expectations, the Company may determine that additional or less sales return allowances are required to properly reflect its estimated exposure for product returns. Generally, changes to sales return allowances have not had a significant impact on operating margin.

Income Taxes

The Company must make certain estimates and judgments in determining income tax expense for financial statement purposes. These estimates and judgments occur in the calculation of tax credits, tax benefits and deductions and in the calculation of certain tax assets and liabilities, which arise from differences in the timing of recognition of revenue and expense for tax and financial statement purposes. Significant changes to these estimates may result in an increase or decrease to the tax provision in a subsequent period.

The calculation of the Company's tax liabilities involves uncertainties in the application of complex tax regulations. In the first quarter of fiscal year 2008, the Company adopted Financial Accounting Standards Board ("FASB") Interpretation No. 48,

Accounting for Uncertainty in Income Taxes—an interpretation of SFAS No. 109 ("FIN 48"), and related guidance. As a result of the implementation of FIN 48, the Company recognizes liabilities for uncertain tax positions based on the two-step process prescribed in the interpretation. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates that it is more likely than not that the position will be sustained on audit, including resolution of related appeals or litigation processes, if any. The second step requires the Company to estimate and measure the tax benefit as the largest amount that is more than 50% likely to be realized upon ultimate settlement. It is inherently difficult and subjective to estimate such amounts, as the Company has to determine the probability of various possible outcomes. The Company reevaluates these uncertain tax positions on a quarterly basis. This evaluation is based on factors including, but not limited to, changes in facts or circumstances, changes in tax law, effectively settled issues under audit, and new audit activity. Such a change in recognition or measurement would result in the recognition of a tax benefit or an additional charge to the tax provision. For a discussion of current tax matters, see "*Note 11. Income Taxes*" in Part I, Item 1 of this Form 10-Q.

Results of Operations

The table below summarizes the income statement items for the three months and nine months ended March 29, 2009 and March 30, 2008 as a percentage of total revenue and provides the percentage change in absolute dollars of such items comparing the interim period ended March 29, 2009 to the corresponding period from the prior fiscal year:

	Three Months Ended			Nine Months Ended		
	March 29, 2009	March 30, 2008	Increase/ (Decrease)	March 29, 2009	March 30, 2008	Increase/ (Decrease)
Revenues	100.0%	100.0%	(33%)	100.0%	100.0%	(12%)
Cost of sales	26.2	22.5	(21)	24.2	22.7	(6)
Gross profit	73.8	77.5	(36)	75.8	77.3	(14)
Expenses:						
Research and development	22.3	16.6	(10)	18.6	16.7	(3)
Selling, general and administrative	15.1	11.9	(14)	13.2	11.7	(2)
Restructuring	-	-		0.2	-	100
	37.4	28.5	(12)	32.0	28.4	(2)
Operating income	36.4	49.0	(50)	43.8	48.9	(21)
Interest expense	(6.2)	(4.8)	(13)	(5.3)	(5.0)	(7)
Interest income	2.7	2.5	(26)	2.4	2.4	(12)
Gain on early retirement convertible senior notes	0.8	-		3.0	-	
Income before income taxes	33.7%	46.7%	(51)	43.9%	46.3%	(17)
Effective tax rates	19.5%	28.5%		23.0%	29.2%	

Revenue for the quarter ended March 29, 2009 was $200.9 million, a decrease of $96.9 million or 33% from revenue of $297.9 million for the same quarter of the previous fiscal year. The decrease in revenue is due to lower domestic and international sales as a result of the global recession. The average selling price ("ASP") of $1.59 per unit in the third quarter of fiscal year 2009 was relatively flat as compared to the third quarter of fiscal year 2008 ASP of $1.57 per unit. Geographically, international revenues were $135.7 million or 68% of revenues, a decrease of $74.2 million as compared to international revenues of $209.9 million or 70% of revenues for the same quarter of the previous fiscal year. Internationally, revenues to Rest of the World ("ROW"), which is primarily Asia excluding Japan, represented $80.7 million or 40% of revenues, while sales to Europe and Japan were $27.9 million or 14% of revenues and $27.1 million or 14% of revenues, respectively. Domestic revenues were $65.2 million or 32% of revenues in the third quarter of fiscal year 2009, a decrease of $22.7 million, from $88.0 million or 30% of revenues in the same period in fiscal year 2008.

Revenue for the nine months ended March 29, 2009 was $760.5 million, a decrease of $107.6 million or 12% from revenue of $868.1 million for the same period of the previous fiscal year. The decrease in revenue for the nine-month period was due to similar factors as the three-month period discussed above. The ASP for the first nine-month period of fiscal year 2009 was relatively flat at $1.53 per unit compared to $1.54 per unit in the same period of fiscal year 2008. Geographically, international revenues were $532.8 million or 70% of revenues, decreased $79.1 million from international revenues of $611.9 million or 70% of revenues for the same period of the previous fiscal year. Internationally, revenues to ROW, represented $304.2 million or 40% of revenues, while sales to Europe and Japan were $127.8 million or 17% of revenues and $100.8 million or 13% of revenues, respectively. Domestic revenues

were $227.7 million or 30% of revenues in the first nine-month period of fiscal year 2009, a decrease of $28.5 million, compared to $256.2 million or 30% of revenues in the same period in fiscal year 2008.

Gross profit was $148.3 million and $576.1 million for the third quarter and the first nine-month period of fiscal year 2009, a decrease of $82.7 million and $94.8 million, respectively, from the corresponding periods of fiscal year 2008 primarily due to the decrease in revenues in the second and the third quarters of fiscal year 2009. Gross profit as a percentage of revenues decreased to 73.8% and 75.8% in the third quarter and the first nine month period of fiscal year 2009 as compared to 77.5% and 77.3% of revenues, respectively, for the same periods in the previous fiscal year. The decrease in gross profit as a percentage of revenues for the three and nine months ended March 29, 2009 was primarily due to spreading fixed costs over a lower sales base and inefficiencies resulting from temporary plant shutdowns.

Research and development ("R&D") expenses for the quarter ended March 29, 2009 were $44.7 million, a decrease of $4.9 million or 10% from R&D expenses of $49.6 million for the same period in the previous fiscal year. The decrease in R&D expenses was primarily due to a $3.4 million decrease in employee profit sharing and a $2.2 million decrease in compensation costs related to the impact of requiring employees to take approximately 2.5 weeks of vacation or time-off without pay and the reduction in workforce that occurred during the second quarter of fiscal year 2009. The decrease in R&D was also due to $0.5 million decrease in other R&D expenses such as software and equipment maintenance fees. Partially offsetting these decreases to R&D expense was a $1.2 million increase in stock-based compensation.

R&D expenses for the nine months ended March 29, 2009 were $141.4 million, a decrease of $3.8 million or 3% from R&D expenses of $145.2 million for the same period in the previous fiscal year. The decrease in R&D expenses was primarily due to a $3.7 million decrease in employee profit sharing. In addition, compensation costs decreased $0.5 million due to the impact of requiring employees to take approximately 4.5 weeks of vacation or time-off without pay during this period, which was partially offset by the impact of higher average headcount in fiscal year 2009. The decrease in R&D expense was also due to a $1.1 million decrease in other R&D expenses such as software and equipment maintenance fees. Partially offsetting these decreases to R&D expenses was a $1.5 million increase in stock-based compensation.

Selling, general and administrative expenses ("SG&A") for the quarter ended March 29, 2009 were $30.4 million, a decrease of $5.0 million or 14% from SG&A expenses of $35.4 million for the same period in the previous fiscal year. The decrease in SG&A expenses was primarily due to a $2.5 million decrease in employee profit sharing and a $1.5 million decrease in compensation costs related to the impact of requiring employees to take approximately 2.5 weeks of vacation or time-off without pay and the reduction in workforce that occurred during the second quarter of fiscal year 2009. The decrease in SG&A expenses was also due to a $1.8 million decrease in other SG&A expenses such as advertising and travel costs. Partially offsetting these decreases to SG&A expenses was a $0.8 million increase in stock-based compensation.

SG&A expenses for the nine months ended March 29, 2009 were $100.1 million, a decrease of $1.7 million or 2% from SG&A expenses of $101.8 million for the same period in the previous fiscal year. The decrease in SG&A expenses was primarily due to a $2.8 decrease in employee profit sharing and a $1.4 million decrease in other SG&A expenses such as legal and advertising costs. Partially offsetting these decreases was a $1.1 million increase in stock-based compensation and a $1.4 million increase in compensation costs related to an increase in employee headcount and annual salary increases partially offset by the impact of requiring employees to take approximately 4.5 weeks of vacation or time-off without pay during this period.

During the second quarter of fiscal year 2009, the Company responded to lower sales levels and the uncertain business climate by reducing its workforce by approximately 100 employees. The $1.6 million charge represented severance costs incurred in connection with this workforce reduction and the majority of these severance amounts were paid during the December quarter. In addition, at the beginning of the fourth quarter of fiscal year 2009, the Company responded to continued lower sales levels and the uncertain business climate by reducing its workforce by another approximately 130 employees. The Company anticipates incurring a restructuring charge of approximately $2.0 million during the fourth quarter of fiscal year 2009. The $2.0 million charge represents the severance costs incurred in connection with this workforce reduction; the majority of these severance amounts will be paid during the June quarter. In summary, during fiscal year 2009, the Company has had two reductions in workforce that have eliminated approximately 230 positions or 5% of its workforce. The annual savings as a result of lower labor costs are expected to be approximately $14.5 million.

Interest expense was $12.5 million and $40.2 million for the third quarter and the nine-month period ended March 29, 2009, decreases of $1.9 million and $3.2 million, respectively, from the corresponding periods of fiscal year 2008. The decreases in interest expense were primarily due to the retirement of $230.0 million face value of the Company's 3.125% Convertible Senior Notes during the second and third quarters of fiscal year 2009.

Interest income was $5.4 million and $18.5 million for the third quarter and the nine-month period ended March 29, 2009, decreases of $1.9 million and $2.5 million, respectively, from the corresponding periods of fiscal year 2008. Interest income decreased due to a decrease in the average interest rate earned on the Company's cash, cash equivalents and marketable securities balance.

During the second and the third quarters of fiscal year 2009, the Company took advantage of depressed market prices on its outstanding debt and purchased and retired $230 million face value of its 3.125% Convertible Senior Notes, resulting in a gain of approximately $1.7 million and $22.7 million, net of deferred issuance costs, for the third quarter and the first nine month period of fiscal year 2009, respectively.

The Company's tax rate for the third quarter of fiscal year 2009 was 19.5% as compared to 28.5% in the same quarter of fiscal year 2008. The decrease in the tax rate was primarily due to a quarterly discrete tax benefit totaling $5.7 million recognized during the third quarter of fiscal year 2009, primarily related to an increase in domestic manufacturing tax benefits in prior years, as well as the positive impact of the reinstatement of the R&D tax credit in the second quarter of fiscal 2009 on the estimated annual effective tax rate. The Company's estimated annual effective tax rate excluding discrete items and other quarterly adjustments is approximately 28%.

The Company's tax rate for the nine months ended March 29, 2009 was 23% as compared to 29.2% in the corresponding period of fiscal year 2008. The Company's tax rate for this period is lower primarily due to quarterly discrete tax benefits recognized in each of the first three quarters related to ETI export benefit settlement with the IRS, the reinstatement of the R&D tax benefit and the increase in domestic manufacturing tax benefits from prior years.

The Company's effective tax rate is lower than the federal statutory rate of 35% as a result of lower tax rates on the earnings of its wholly-owned foreign subsidiaries, principally in Singapore and Malaysia. The Company has a partial tax holiday through July 2015 in Malaysia and a partial tax holiday in Singapore through August 2011. In addition, the Company receives tax benefits from non-taxable interest income, domestic manufacturing and R&D tax credits.

Factors Affecting Future Operating Results

Except for historical information contained herein, the matters set forth in this Form 10-Q, including the statements in the following paragraphs, are forward-looking statements that are dependent on certain risks and uncertainties including such factors, among others, as the timing, volume and pricing of new orders received and shipped during the quarter, the timely introduction of new processes and products; increases in costs associated with utilities, transportation and raw materials; currency fluctuations; the effects of adverse economic conditions in the United States and international markets and other factors described below and in "Item 1A – Risk Factors" section of this Quarterly Report on Form 10-Q.

As the Company enters its June quarter, there is continued uncertainty forecasting operating results due to the global recession. Forecasting operating results in the current environment is difficult, particularly since lead times are shorter than usual as customers tend to order only what they urgently need. However, the Company's book to bill ratio was slightly positive in the March quarter and the Company is encouraged going into the fourth quarter as it expects to see some stability in customer bookings. The Company currently anticipates that its fourth quarter revenues will be down 2% to up 4% over the third quarter. In order to meet these expectations, turns business, or bookings that are recorded and shipped during the quarter, will need to remain at a high level as customers order to current demand.

The Company will continue to control costs where possible. Subsequent to the end of the third quarter, the Company reduced its workforce by approximately 130 employees to further reduce its cost structure. As a result of the reduction in workforce the Company anticipates incurring a restructuring charge of approximately $2.0 million during the fourth quarter of fiscal year 2009. Over the past few quarters in addition to workforce reductions the Company has substantially reduced variable compensation benefits. In addition, during the fourth quarter the Company will require employees to take one week of vacation or unpaid time and will implement a temporary reduction in base pay of 10% for all employees. The Company expects these tight expense controls will allow the Company to maintain pre-tax profits in the low to mid thirties range as a percentage of net sales.

Although the Company believes that it has the product lines, manufacturing facilities and technical and financial resources for its current operations, sales and profitability could be significantly affected by factors described above and other factors. Additionally, the Company's common stock could be subject to significant price volatility should sales and/or earnings fail to meet expectations of the investment community. Furthermore, stocks of high technology companies are subject to extreme price and volume fluctuations that are often unrelated or disproportionate to the operating performance of these companies.

Liquidity and Capital Resources

At March 29, 2009, cash, cash equivalents and marketable securities totaled $920.0 million and working capital was $995.5 million. The Company's cash, cash equivalents and marketable securities balance decreased $46.7 million as compared to June 29, 2008 primarily due to the following cash outflows: $207.3 million to retire $230.0 million face value of its 3.125% Convertible Senior Notes; $144.8 million for the payment of cash dividends, representing $0.64 per share; $35.5 million for capital asset additions and $25.8 million to purchase its common stock. These cash outflows were offset by positive cashflow from operating activities of $350.0 million.

Accounts receivable totaled $103.8 million at the end of the third quarter of fiscal year 2009, a decrease of $57.6 million from the end of the fourth quarter of fiscal year 2008. The decrease was primarily due to lower shipments in the second and the third quarter of fiscal year 2009 compared to the third and fourth quarters of fiscal year 2008.

Inventory totaled $53.2 million at the end of the third quarter of fiscal year 2009, a decrease of $2.8 million from the end of the fourth quarter of fiscal year 2008. The decrease was due to lower sales in the recent two quarters.

Deferred income on shipments to distributors decreased by $6.5 million from the fourth quarter of fiscal year 2008 primarily due to distributors managing their inventories more tightly in response to the economic slowdown. Accrued payroll and related benefits decreased $28.6 million from the fourth quarter of fiscal year 2008 primarily due to the payment of profit sharing as well as a decrease in the quarterly profit sharing charge. The Company accrues for profit sharing on a quarterly basis while distributing payouts to employees on a semi-annual basis during the first and third quarters.

Deferred tax liabilities increased $16.3 million over the fourth quarter of fiscal year 2008 mainly due to an increase in deferred taxes related to interest deductions for the Company's Convertible Senior Notes.

Convertible Senior Notes decreased $230.0 million from the fourth quarter of fiscal year 2008 due to the purchase and retirement of $230.0 million face value of its 3.125% Convertible Senior Notes.

Other long-term liabilities of $93.8 million decreased $6.9 million from the fourth quarter of fiscal year 2008 primarily due to the reduction in liability for unrecognized tax benefits related to the Company's agreement with the IRS to settle certain disputed ETI tax benefits.

During the first nine months of fiscal year 2009, the Company generated $350.0 million of cash from operating activities; $114.7 million of net proceeds from sales and maturities of available-for-sale securities; and $9.6 million in proceeds from common stock issued under employee stock plans.

In April 2009, the Company's Board of Directors declared a cash dividend of $0.22 per share. The $0.22 per share dividend will be paid on May 27, 2009 to shareholders of record on May 15, 2009. The payment of future dividends will be based on the Company's financial performance.

Historically, the Company has satisfied its liquidity needs through cash generated from operations. Given its financial condition and historical operating performance, the Company believes that current capital resources and cash generated from operating activities will be sufficient to meet its liquidity, capital expenditures requirements, and debt retirement for the foreseeable future.

Recently Issued Accounting Pronouncements

In May 2008, the Financial Accounting Standards Board ("FASB") issued FASB Staff Position ("FSP") No. APB 14-1, *Accounting for Convertible Debt Instruments That May Be Settled in Cash upon Conversion (Including Partial Cash Settlement)* ("FSP APB 14-1"). The Company's $1.5 billion convertible senior notes will be affected by this FSP. FSP APB 14-1 will require the Company to separately account for the liability and equity components of the instrument in a manner that reflects the issuer's nonconvertible debt borrowing rate when interest cost is recognized in subsequent periods. Further, the FSP will require bifurcation of a component of the debt, classification of that component in equity, and then accretion of the resulting discount on the debt as part of interest expense being reflected in the statement of income. FSP APB 14-1 is effective for fiscal years beginning after December 15, 2008 and will be required to be applied retrospectively to all periods presented. The Company will be required to implement the standard during the first quarter of fiscal year 2010, which begins on June 29, 2009. The Company currently estimates that the adoption of FSP APB 14-1 will have a noncash charge which will have a negative impact of approximately $0.02 per share on the Company's quarterly diluted earnings per share.

In June 2008, the FASB issued FSP No. EITF 03-6-1, *Determining Whether Instruments Granted in Share-Based Payment Transactions Are Participating Securities* ("FSP EITF 03-6-1"), which classifies unvested share-based payment awards that contain

nonforfeitable rights to dividends or dividend equivalents (whether paid or unpaid) as participating securities and requires them to be included in the computation of earnings per share pursuant to the two-class method described in SFAS No. 128, *Earnings per Share*. The Company will be required to implement FSP EITF 03-6-1 during the first quarter of fiscal year 2010, which begins on June 29, 2009. All prior-period earnings per share data presented are to be adjusted retrospectively (including interim financial statements, summaries of earnings, and selected financial data) to conform with the provisions of the standard, with early application not permitted. The Company currently estimates that the adoption of FSP EITF 03-6-1 will have a negative impact of $0.01 per share on the Company's quarterly diluted earnings per share.

Off Balance-Sheet Arrangements

As of March 29, 2009, the Company had no off-balance sheet financing arrangements.

Contractual Obligations

In April 2007, the Company issued $1.0 billion principal amount of 3.0% debentures due May 1, 2027 and $0.7 billion principal amount of 3.125% debentures due May 1, 2027. During the first nine months of fiscal year 2009, the Company purchased and retired $230.0 million face value of its 3.125% Convertible Senior Notes. The Company pays cash interest at an annual rate of 3.0% and 3.125%, respectively, payable semiannually on November 1 and May 1 of each year, beginning November 1, 2007. See Note 8. to the consolidated financial statements, included in Part 1. "Financial Information," for additional information about the debentures.

Fair Value

As of March 29, 2009, the Company's cash and cash equivalents, and marketable securities investment portfolio had a fair value of $855.2 million. The Company's cash and cash equivalents, and marketable securities investment portfolio consists of money-market funds, U.S. Treasury securities, obligations of U.S. government-sponsored enterprises, municipal bonds, commercial debt and corporate debt securities. The Company currently does not hold any investments in auction rate securities or asset backed securities. Most of the Company's investments in debt instruments have an investment rating of AAA. As of March 29, 2009, the Company's cash and cash equivalents, and marketable securities investment portfolio had a remaining maturity of approximately one year.

Beginning in the first quarter of fiscal year 2009, the assessment of fair value for the Company's financial instruments mentioned above are based on the provisions of SFAS 157. SFAS No. 157 establishes a fair value hierarchy that is based on three levels of inputs and requires the Company to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Refer to *"Note 4. Fair Value"* of Notes to Consolidated Financial Statements for a further discussion of SFAS 157. As of March 29, 2009, the Company's financial instruments measured at fair value on a recurring basis included $855.2 million of assets. All of these assets were classified as Level 1 or Level 2 instruments.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

For additional quantitative and qualitative disclosures about market risk affecting the Company, see item 7A of the Company's Form 10-K for the fiscal year ended June 29, 2008. There have been no material changes in the market risk affecting the Company since the filing of the Company's Form 10-K for fiscal year 2008. At March 29, 2009, the Company's cash and cash equivalents, and marketable securities consisted money-market funds, U.S. Treasury securities, obligations of U.S. government sponsored enterprises, municipal bonds, commercial debt and corporate debt securities. The Company did not hold any derivative financial instruments. The Company's interest income is sensitive to changes in the general level of interest rates. In this regard, changes in interest rates can affect the interest earned on cash and cash equivalents and short-term investments.

The Company's revenues outside the United States are transacted in U.S. dollars; accordingly the Company's revenues are not impacted by foreign currency rate changes. To date, fluctuations in foreign currency exchange rates have not had a material impact on the results of operations.

Item 4. Controls and Procedures

(a)*Evaluation of Disclosure Controls and Procedures*.
The Company's management, with the participation of its Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the Company's disclosure controls and procedures as of the end of the period covered by this Quarterly Report on Form 10-Q. For purposes of this section, the term *disclosure controls and procedures* means controls and other procedures of an issuer that are designed to ensure that information required to be disclosed by the issuer in the reports that it files or submits under the Securities Exchange Act of 1934 (15 U.S.C. 78a *et seq.*) is recorded, processed, summarized and reported within the time periods

specified in the Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Securities Exchange Act of 1934 is accumulated and communicated to the issuer's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

The Company's management evaluated, with the participation of its Chief Executive Officer and Chief Financial Officer, the effectiveness of the Company's disclosure controls and procedures for the quarter ended March 29, 2009. Based on this evaluation, the Company's Chief Executive Officer and Chief Financial Officer have concluded that the Company's disclosure controls and procedures are effective to ensure that information it is required to disclose in reports that it files or submits under the Securities Exchange Act of 1934 is accumulated and communicated to the Company's management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure, and that such information is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms.

(b)*Changes in Internal Control over Financial Reporting.*
No change in the Company's internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934) occurred during the quarter ended March 29, 2009 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

The Company is subject to various legal proceedings and claims that arise in the ordinary course of business on a wide range of matters, including, among others, patent suits and employment claims. The Company does not believe that any such current suits will have a material impact on its business or financial condition. However, current lawsuits and any future lawsuits will divert resources and could result in the payment of substantial damages.

Certain current and former directors and officers of the Company have been named as defendants in two shareholder derivative actions filed in the United States District Court for the Northern District of California, which have been consolidated under the caption *In re Linear Technology Corporation Shareholder Derivative Litigation* (the "Federal Action"), in three consolidated shareholder derivative actions filed in the Superior Court for Santa Clara County, California, also captioned *In re Linear Technology Corporation Shareholder Derivative Litigation* (the "California State Action"), and in a shareholder derivative action filed in Delaware Chancery Court, captioned *Weiss v. Swanson* (the "Delaware Action"). The Company has been named in each of these Actions as a nominal defendant against which no recovery is sought.

In the Federal Action, the plaintiffs alleged that the individual defendants breached their fiduciary duties to the Company in connection with the alleged backdating of stock option grants during the period from 1995 through 2002, and asserted derivative claims against the individual defendants based on alleged violations of Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") and Rule 10b-5 promulgated thereunder. On December 7, 2006, the Court granted Linear's motion to dismiss the complaint for failure to make a pre-suit demand or to demonstrate that such a demand would have been futile. The plaintiffs filed an amended complaint on January 5, 2007 asserting derivative claims against the individual defendants for alleged violations of Sections 10(b), 14(a), and 20(a) of the Exchange Act, and Rules 10b-5 and 14a-9 promulgated thereunder. Pursuant to the parties' stipulation, on February 14, 2007, the District Court entered an order staying the Federal Action in favor of permitting the California State Action to proceed.

In the California State Action, the plaintiffs initially asserted claims against the individual defendants for breaching, and aiding and abetting breaches of, their fiduciary duty in connection with the alleged backdating of stock option grants during the period from 1995 through 2002. The plaintiffs also alleged that certain defendants were unjustly enriched, that defendants wasted corporate assets, and that the officer defendants engaged in insider trading in violation of California law. The plaintiffs sought to recover unspecified money damages, disgorgement of profits and benefits, restitution, rescission of option contracts, imposition of a constructive trust over option contracts, and attorneys' fees and costs. Following a hearing on July 13, 2007, the Court sustained the Company's demurrer, and granted the plaintiffs leave to amend the complaint. The Court did not address the individual defendants' demurrer.

On August 13, 2007, the plaintiffs in the California State Action filed an amended complaint, asserting claims against the individual defendants for breaching, and aiding and abetting breaches of, their fiduciary duty in connection with the grant of allegedly "spring-loaded" and "bullet-dodged" stock options during the period from 1995 through 2005. The amended complaint also alleged that the individual defendants were unjustly enriched, and engaged in insider trading in violation of the California Corporations Code,

and that the director defendants wasted corporate assets. The amended complaint sought recovery from the individual defendants of unspecified damages, disgorgement of profits and benefits, restitution, rescission of option contracts and imposition of a constructive trust over executory option contracts, in addition to attorneys' fees and costs. On September 12, 2007, the Company filed a demurrer to the amended complaint on the ground that the plaintiffs had failed to make a pre-suit demand or to demonstrate that such a demand would have been futile. The individual defendants filed demurrers on the ground that the amended complaint failed to state a cause of action as to each of them. Before the demurrers were fully briefed, the parties stipulated to stay the California State Action pending the resolution of the motion to dismiss the complaint in the Delaware Action.

On May 5, 2008, the individual defendants moved to stay the California State Action; Linear joined in that motion. That same day, the plaintiffs filed a motion to coordinate discovery in the California State Action and the Delaware Action. The individual defendants opposed that motion and Linear joined in their opposition. In a June 18, 2008 order, the court granted the motion to stay the California State Action, and rejected, in part, the plaintiffs' request to coordinate discovery. The court ordered the defendants to supply the California plaintiffs with copies of documents produced and transcripts of depositions conducted in the Delaware Action. The court is continuing to monitor the progress of the Delaware Action. A case management conference is scheduled for May 15, 2009.

In the Delaware Action, filed on March 23, 2007, the plaintiff alleges that the defendant directors breached their duty by granting "spring-loaded" and "bullet-dodged" stock options to certain of the Company's officers and directors during the period from 1996 through 2005. The plaintiff also asserts claims for unjust enrichment against those defendants who received the challenged option grants. The plaintiff seeks to recover unspecified money damages, disgorgement of profits and benefits, restitution, rescission of certain defendants' option contracts, imposition of a constructive trust over the option contracts, and attorneys' fees and costs. The defendants moved to dismiss the Delaware Action on May 25, 2007. Rather than respond to the motions, the plaintiff filed an amended complaint on August 10, 2007, making substantially the same allegations as those in the original complaint. On September 19, 2007, the Company and the individual defendants filed a Motion to Dismiss the amended complaint on the grounds that the plaintiff had failed to make a pre-suit demand on the Board or to plead facts demonstrating that such a demand would have been futile, and that the amended complaint failed to state a claim against each of the individual defendants. On March 7, 2008, the Court denied the motion. Linear answered the amended complaint on April 7, 2008. The parties are actively engaged in discovery. No trial date has been set.

Item 1A. Risk Factors

A description of the risk factors associated with the Company's business is set forth below. In addition to the risk factors discussed below, see "Factors Affecting Future Operating Results" included in "Management's Discussion and Analysis" for further discussion of other risks and uncertainties that may affect the Company.

Reduced consumer and/or corporate spending due to uncertainties in the macroeconomic environment will adversely affect our revenues and profitability.

We depend on demand from the industrial, communication, computer, consumer and automotive end-markets we serve. Our revenues and profitability are based on certain levels of consumer and corporate spending. Reductions in consumer and/or corporate spending as a result of uncertain conditions in the macroeconomic environment, such as global credit conditions, mortgage failures, fluctuations in interest rates, higher energy prices, or otherwise, will adversely affect our revenues and profitability.

Downturns in the business cycle could adversely affect our revenues and profitability.

The semiconductor market has historically been cyclical and subject to significant economic downturns at various times. The cyclical nature of the semiconductor industry may cause us to experience substantial period-to-period fluctuations in our results of operations. The growth rate of the global economy is one of the factors affecting demand for semiconductor components. Many factors could adversely affect regional or global economic growth including increased price inflation for goods, services or materials, rising interest rates in the United States and the rest of the world, a significant act of terrorism which disrupts global trade or consumer confidence, geopolitical tensions including war and civil unrest, reduced levels of economic activity, or disruptions of international transportation. In particular, the present economic downturn has caused the Company's revenues to decline 20% on a sequential basis from the first quarter of fiscal year 2009, and another 19% from the second quarter to the third quarter of fiscal 2009.

Typically, our ability to meet our revenue goals and projections is dependent to a large extent on the orders we receive from our customers within the period and by our ability to match inventory and current production mix with the product mix required to fulfill orders on hand and orders received within a period for delivery in that period. Because of this complexity in our business, no

assurance can be given that we will achieve a match of inventory on hand, production units, and shippable orders sufficient to realize quarterly or annual revenue and net income goals.

Volatility in customer demand in the semiconductor industry could affect future levels of sales and profitability and limit our ability to predict such levels.

Historically, we have maintained low lead times, which has enabled customers to place orders close to their true needs for product. In defining our financial goals and projections, we consider inventory on hand, backlog, production cycles and expected order patterns from customers. If our estimates in these areas become inaccurate, we may not be able to meet our revenue goals and projections. In addition, some customers require us to manufacture product and have it available for shipment, even though the customer is unwilling to make a binding commitment to purchase all, or even some, of the products. As a result, in any quarterly fiscal period we are subject to the risk of cancellation of orders leading to a fall-off of sales and backlog. Further, those orders may be for products that meet the customer's unique requirements so that those cancelled orders would, in addition, result in an inventory of unsaleable products, and thus potential inventory write-offs. We routinely estimate inventory reserves required for such products, but actual results may differ from these reserve estimates.

We generate revenue from thousands of customers worldwide and our revenues are diversified by end-market and geographical region. However, the loss of, or a significant reduction of purchases by a portion of our customer base could adversely affect our results of operations. We can lose a customer due to a change in the customer's design or purchasing practices. In addition, the timing of customers' inventory adjustments may adversely affect our results of operations.

We may be unsuccessful in developing and selling new products required to maintain or expand our business.

The markets for our products depend on continued demand for our products in the communications, industrial, computer, high-end consumer and automotive end-markets. The semiconductor industry is characterized by rapid technological change, variations in manufacturing efficiencies of new products, and significant expenditures for capital equipment and product development. New product introductions are a critical factor for future sales growth and sustained profitability and can present significant business challenges because product development commitments and expenditures must be made well in advance of the related revenues. The success of a new product depends on a variety of factors including accurate forecasts of long-term market demand and future technological developments, timely and efficient completion of process design and development, timely and efficient implementation of manufacturing and assembly processes, product performance, quality and reliability of the product, and effective marketing, sales and service.

Although we believe that the high performance segment of the linear integrated circuit market is generally less affected by price erosion or by significant expenditures for capital equipment and product development than other semiconductor market sectors, future operating results may reflect substantial period-to-period fluctuations due to these or other factors.

Our manufacturing operations may be interrupted or suffer yield problems.

We rely on our internal manufacturing facilities located in California and Washington to fabricate most of our wafers, although we depend on outside silicon foundries for a small portion (less than 5%) of our wafer fabrication. We could be adversely affected in the event of a major earthquake, which could cause temporary loss of capacity, loss of raw materials, and damage to manufacturing equipment. Additionally, we rely on our internal and external assembly and testing facilities located in Singapore and Malaysia. We are subject to economic and political risks inherent to international operations, including changes in local governmental policies, currency fluctuations, transportation delays and the imposition of export controls or increased import tariffs. We could be adversely affected if any such changes are applicable to our foreign operations.

Our manufacturing yields are a function of product design and process technology, both of which are developed by us. The manufacture and design of integrated circuits is highly complex. We may experience manufacturing problems in achieving acceptable yields or experience product delivery delays in the future as a result of, among other things, capacity constraints, equipment malfunctioning, construction delays, upgrading or expanding existing facilities or changing our process technologies, any of which could result in a loss of future revenues or increases in fixed costs. To the extent we do not achieve acceptable manufacturing yields or there are delays in wafer fabrication, our results of operations could be adversely affected. In addition, operating expenses related to increases in production capacity may adversely affect our operating results if revenues do not increase proportionately.

Our dependence on third party foundries and other manufacturing subcontractors may cause delays beyond our control in delivering our products to our customers.

A portion of our wafers (approximately 15% to 20%) are processed offshore by independent assembly subcontractors located in Malaysia and Thailand. These subcontractors separate wafers into individual circuits and assemble them into various finished package types. Reliability problems experienced by our assemblers could cause problems in delivery and quality, resulting in potential product liability to us. We could also be adversely affected by political disorders, labor disruptions, and natural disasters in these locations.

We are dependent on outside silicon foundries for a small portion (less than 5%) of our wafer fabrication. As a result, we cannot directly control delivery schedules for these products, which could lead to product shortages, quality assurance problems and increases in the cost of our products. We may experience delays in delivering our products to our customers. If these foundries are unable or unwilling to produce adequate supplies of processed wafers conforming to our quality standards, our business and relationships with our customers for the limited quantities of products produced by these foundries could be adversely affected. Finding alternate sources of supply or initiating internal wafer processing for these products may not be economically feasible. In addition, the manufacture of our products is a highly complex and precise process, requiring production in a highly controlled environment. Changes in manufacturing processes or the inadvertent use of defective or contaminated materials by a third party foundry could adversely affect the foundry's ability to achieve acceptable manufacturing yields and product reliability.

We rely on third party suppliers for materials, supplies, and subcontract services that may not have adequate capacity to meet our product delivery requirements.

The semiconductor industry has experienced a very large expansion of fabrication capacity and production worldwide over time. As a result of increasing demand from semiconductor and other manufacturers, availability of certain basic materials and supplies, such as chemicals, gases, polysilicon, silicon wafers, ultra-pure metals, lead frames and molding compounds, and of subcontract services, like epitaxial growth, ion implantation and assembly of integrated circuits into packages, have from time to time, over the past several years, been in short supply and could come into short supply again if overall industry demand continues to increase in the future. In addition, from time to time natural disasters can lead to a shortage of some of the above materials due to disruption of the manufacturer's production. We do not have long-term agreements providing for all of these materials, supplies, and services, and shortages could occur as a result of capacity limitations or production constraints on suppliers that could have a materially adverse effect on our ability to achieve our planned production.

A number of our products use components that are purchased from third parties. Supplies of these components may not be sufficient to meet all customer requested delivery dates for products containing the components, which could adversely affect future sales and earnings. Additionally, significant fluctuations in the purchase price for these components could affect gross margins for the products involved. Suppliers could also discontinue the manufacture of such purchased products or could have quality problems that could affect our ability to meet customer commitments. In addition, suppliers of semiconductor manufacturing equipment are sometimes unable to deliver test and/or fabrication equipment to a schedule or equipment performance specification that meets our requirements. Delays in delivery of equipment needed for growth could adversely affect our ability to achieve our manufacturing and revenue plans in the future.

We are exposed to business, economic, political and other risks through our significant worldwide operations.

During the first nine months of fiscal year 2009, 70% of our revenues were derived from customers in international markets. Also, the Company has test and assembly facilities in Singapore and Malaysia. Accordingly, we are subject to the economic and political risks inherent in international operations and their impact on the United States economy in general, including the risks associated with ongoing uncertainties and political and economic instability in many countries around the world as well as the economic disruption from acts of terrorism, and the response to them by the United States and its allies.

We are a party to private litigation and governmental investigations related to our historical stock option granting practices, in which an unfavorable outcome could have a material adverse effect on our financial results for a particular period or the trading price for our securities.

Several lawsuits have been filed against current and former directors and officers relating to our historical stock option granting practices. The Company is named as a nominal defendant in those lawsuits. These actions are in the preliminary stages, and their ultimate outcome could have a material adverse effect on our results of operations or cash flows for a particular period or the trading price for our securities. Litigation is time-consuming, expensive and disruptive to our normal business operations, and outcomes are difficult to predict. The defense of these lawsuits has resulted and will continue to result in significant legal expenditures and diversion of our management's time and attention from business operations. In addition, we have entered into indemnification agreements with our current and former directors and officers, under which we are required to indemnify those persons against expenses, including attorneys' fees, judgments, fines and settlements, payable by them in connection with this litigation, subject to applicable law. If we were required to pay any amounts to satisfy a judgment or in settlement of any of these claims, these amounts may not be covered by insurance.

We have also been the subject of informal investigations and inquiries by the Securities and Exchange Commission ("SEC"), the Department of Justice ("DOJ") and the Internal Revenue Service ("IRS"). The SEC has informed us that its investigation concerning our historical stock option grant practices has been completed and that no enforcement action has been recommended. The Company has not been subsequently contacted by the DOJ or IRS. All agencies could seek additional information or documents from us in the future. The Company could also in the future become the subject of additional private or government actions regarding these matters.

For a further discussion on legal matters see "*Legal Proceedings*" in Part II, Item 1 of this Form 10-Q.

We may be unable to adequately protect our proprietary rights, which may impact our ability to compete effectively.

Our success depends in part on our proprietary technology. While we attempt to protect our proprietary technology through patents, copyrights and trade secret protection, we believe that our success also depends on increasing our technological expertise, continuing our development of new products and providing comprehensive support and service to our customers. However, we may be unable to protect our technology in all instances, or our competitors may develop similar or more competitive technology independently. We currently hold a number of United States and foreign patents and pending patent applications. However, other parties may challenge or attempt to invalidate or circumvent any patents the United States or foreign governments issue to us or these governments may fail to issue patents for pending applications. In addition, the rights granted or anticipated under any of these patents or pending patent applications may be narrower than we expect or, in fact provide no competitive advantages. Furthermore, effective patent, trademark, copyright, maskwork and trade secret protection may be unavailable, limited or not applied for in certain foreign countries. We may incur significant legal costs to protect our intellectual property.

We also seek to protect our proprietary technology, including technology that may not be patented or patentable, in part by confidentiality agreements and, if applicable, inventors' rights agreements with our collaborators, advisors, employees and consultants. We cannot assure you that these agreements will always be undertaken or will not be breached or that we will have adequate remedies for any breach.

We have received, and may receive in the future, notices of claims of infringement and misappropriation of other parties' proprietary rights. In the event of an adverse decision in a patent, trademark, copyright, maskwork or trade secret action, we could be required to withdraw the product or products found to be infringing from the market or redesign products offered for sale or under development. Whether or not these infringement claims are successfully asserted, we would likely incur significant costs and diversion of our resources with respect to the defense of these claims. In the event of an adverse outcome in any litigation, we may be required to pay substantial damages, including enhanced damages for willful infringement, and incur significant attorneys' fees, as well as indemnify customers for damages they might suffer if the products they purchase from us infringe intellectual property rights of others. We could also be required to stop our manufacture, use, sale or importation of infringing products, expend significant resources to develop or acquire non-infringing technology, discontinue the use of some processes, or obtain licenses to intellectual property rights covering products and technology that we may, or have been found to, infringe or misappropriate such intellectual property rights.

Our products may contain defects that could affect our results of operations.

Our products may contain undetected errors or defects. Such problems may cause delays in product introductions and shipments, result in increased costs and diversion of development resources, cause us to incur increased charges due to obsolete or unusable inventory, require design modifications, or decrease market acceptance or customer satisfaction with these products, which could result in product returns. In addition, we may not find defects or failures in our products until after commencement of commercial shipments, which may result in loss or delay in market acceptance and could significantly harm our operating results. Our current or potential customers also might seek to recover from us any losses resulting from defects or failures in our products; further, such claims might be significantly higher than the revenues and profits we receive from our products involved as we are usually a component supplier with limited value content relative to the value of a complete system or sub-system. Liability claims could require us to spend significant time and money in litigation or to pay significant damages for which we may have insufficient insurance coverage. Any of these claims, whether or not successful, could seriously damage our reputation and business.

If we fail to attract and retain qualified personnel, our business may be harmed.

Our performance is substantially dependent on the performance of our executive officers and key employees. The loss of the services of key officers, technical personnel or other key employees could harm the business. Our success depends on our ability to identify, hire, train, develop and retain highly qualified technical and managerial personnel. Failure to attract and retain the necessary technical and managerial personnel could harm us.

We may not be able to compete successfully in markets within the semiconductor industry in the future.

We compete in the high performance segment of the linear market. Our competitors include among others, Analog Devices, Inc., Intersil, Maxim Integrated Products, Inc., National Semiconductor Corporation and Texas Instruments, Inc. Competition among manufacturers of linear integrated circuits is intense, and certain of our competitors may have significantly greater financial, technical, manufacturing and marketing resources than us. The principal elements of competition include product performance, functional value, quality and reliability, technical service and support, price, diversity of product line and delivery capabilities. We believe we compete favorably with respect to these factors, although we may be at a disadvantage in comparison to larger companies with broader product lines and greater technical service and support capabilities.

Environmental liabilities could force us to expend significant capital and incur substantial costs.

Federal, state and local regulations impose various environmental controls on the storage, use, discharge and disposal of certain chemicals and gases used in semiconductor processing. Our facilities have been designed to comply with these regulations, and we believe that our activities conform to present environmental regulations. Increasing public attention has, however, been focused on the environmental impact of electronics manufacturing operations. While we to date have not experienced any materially adverse business effects from environmental regulations, there can be no assurance that changes in such regulations will not require us to acquire costly remediation equipment or to incur substantial expenses to comply with such regulations. Any failure by us to control the storage, use or disposal of, or adequately restrict the discharge of hazardous substances could subject us to significant liabilities.

Our financial results may be adversely affected by increased tax rates and exposure to additional tax liabilities.

As a global company, our effective tax rate is highly dependent upon the geographic composition of worldwide earnings and tax regulations governing each region. We are subject to income taxes in both the United States and various foreign jurisdictions, and significant judgment is required to determine worldwide tax liabilities. Our effective tax rate as well as the actual tax ultimately payable could be adversely affected by changes in the split of earnings between countries with differing statutory tax rates, in the valuation of deferred tax assets, in tax laws or by material audit assessments, which could affect our profitability. In addition, the amount of income taxes we pay is subject to ongoing audits in various jurisdictions, and a material assessment by a governing tax authority could affect our profitability.

We are leveraged, and our debt obligations may affect our business, operating results and financial condition.

As of March 29, 2009, we have debt outstanding of $1.0 billion aggregate principal amount of our 3.00% Convertible Senior Notes due May 1, 2027 and $470.0 million aggregate principal amount of our 3.125% Convertible Senior Notes due May 1, 2027 (collectively, the "Notes"). Debt service obligations arising from the Notes could adversely affect us in a number of ways, including by:

- limiting our ability to obtain in the future, if needed, financing for working capital, capital expenditures, debt service requirements or other corporate purposes;
- limiting our flexibility in implementing our business strategy and in planning for, or reacting to, changes in our business;
- placing us at a competitive disadvantage relative to any of our competitors who have lower levels of debt;
- decreasing our debt ratings and increasing our cost of borrowed funds;
- making us more vulnerable to a downturn in our business or the economy generally;
- subjecting us to the risk of being forced to refinance at higher interest rates these amounts when due; and
- requiring us to use a substantial portion of our cash to pay principal and interest on our debt instead of contributing those funds to other purposes such as working capital, capital expenditures or other corporate purposes.

Our stock price may be volatile.

The trading price of our common stock may be subject to wide fluctuations. Our stock price may fluctuate in response to a number of events and factors, such as quarterly variations in operating results, announcements of technological innovations or new products by us or our competitors, changes in financial estimates and recommendations by securities analysts, the operating and stock price performance of other companies that investors may deem comparable to us, the hedging of our common stock and other

derivative transactions by third parties, and new reports relating to trends in our markets or general economic conditions. Additionally, lack of positive performance in our stock price may adversely affect our ability to retain key employees.

The stock market in general, and prices for companies in our industry in particular, has experienced extreme volatility that often has been unrelated to the operating performance of a particular company. These broad market and industry fluctuations may adversely affect the price of our common stock, regardless of our operating performance. As our Notes are convertible into shares of our common stock, volatility or depressed prices of our common stock could have a similar effect on the trading price of our Notes. In addition, to the extent we deliver common stock on conversion of the Notes, the ownership interests of our existing stockholders may be diluted. Sales in the public market of common stock issuable upon such conversion could adversely affect prevailing market prices of our common stock, as could the anticipated conversion of the Notes.

***We may not have the ability to repurchase the Notes or to pay cash upon their conversion if and as required by the indentures governing the Notes*.**

Holders of the Notes have the right to require us to repurchase, and we intend to repurchase, the Notes for cash on specified dates or upon the occurrence of a fundamental change. However, we may not have sufficient funds to repurchase the Notes in cash or to make the required repayment at such time or have the ability to arrange necessary financing on acceptable terms. In addition, upon conversion of the Notes we will be required to make cash payments to the holders of the Notes equal to the lesser of the principal amount of the Notes being converted and the conversion value of those Notes. Such payments could be significant, and we may not have sufficient funds to make them at such time.

Our failure to repurchase the Notes or convert the Notes into cash or a combination of cash and shares upon exercise of a holder's conversion right in accordance with the provisions of the indentures would constitute a default under the applicable indenture. In addition, a default under either indenture could lead to a default under existing and future agreements governing our indebtedness. If, due to a default, the repayment of the related indebtedness were to be accelerated after any applicable notice or grace periods, we may not have sufficient funds to repay such indebtedness and the Notes.

A fundamental change may also constitute an event of default under, or result in the acceleration of the maturity of, our then-existing indebtedness. In addition, our ability to repurchase the Notes in cash or make any other required payments may be limited by law or the terms of other agreements relating to our indebtedness outstanding at the time.

The terms of the Notes and related provisions in the indentures subject noteholders to risks. Noteholders should be aware of the following risks, in addition to those described for holders of our common stock:

- We are not restricted from taking actions or incurring additional debt (including secured debt) which may affect our ability to make payments under the Notes;

- The Notes are not secured by any of our assets or those of our subsidiaries and are effectively subordinated to any secured debt we may incur. In any liquidation, dissolution, bankruptcy or other similar proceeding, holders of our secured debt may assert rights against any assets securing such debt in order to receive full payment of their debt before those assets may be used to pay the holders of the Notes. In such an event, we may not have sufficient assets remaining to pay amounts due on any or all of the Notes. In addition, none of our subsidiaries have guaranteed our obligations under, or have any obligation to pay any amounts due on, the Notes. As a result, the Notes are effectively subordinated to all liabilities of our subsidiaries, including trade payables;

- The fundamental change provisions in the Notes and the indentures may not require us to offer to repurchase the Notes in the event of certain transactions. For example, any leveraged recapitalization, refinancing, restructuring, or acquisition initiated by us will generally not constitute a fundamental change requiring us to repurchase the Notes;

- The liquidity of the trading market in the Notes, and the market price quoted for these Notes, may be adversely affected by, among other things, changes in, or other factors affecting, the market prices of our common stock, changes in the overall market for debt securities, and prevailing interest rates;

- The conversion rates of the Notes may not adjust for certain events, such as a third-party tender or exchange offer or an issuance of our common stock for cash. In addition, adjustments in conversion rates may not adequately compensate noteholders for any lost value in the Notes as a result of a particular transaction;

- The Notes may not be rated or may receive a lower rating than anticipated, which may impact the market price of the Notes and our common stock. In addition, the sale of the Notes and the shares of common stock issuable upon conversion of the Notes depends upon the continued maintenance of a registration statement filed with the SEC covering the resale of the Notes, or an exemption from the registration requirements of the Securities Act and any applicable state securities laws; and,

- Noteholders are not entitled to any rights with respect to our common stock, but if they subsequently convert their Notes and receive common stock upon such conversion, they will be subject to all changes affecting the common stock;

Our certificate of incorporation and by-laws include anti-takeover provisions that may enable our management to resist an unwelcome takeover attempt by a third party.

Our organizational documents and Delaware law contain provisions that might discourage, delay or prevent a change in control of our company or a change in our management. Our Board of Directors may also choose to adopt further anti-takeover measures without stockholder approval. The existence and adoption of these provisions could adversely affect the voting power of holders of common stock and limit the price that investors might be willing to pay in the future for shares of our common stock.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

c) Stock Repurchases

Period	**Total Number of Shares Purchased**	**Average Price Paid per Share**	**Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs**	**Maximum Number of Shares that May Yet be purchased Under the Plans or Programs (1)**
Month #1 (December 29, 2008 – January 25, 2009)				-
Month #2 (January 26, 2009 – February 22, 2009)	49,182	$22.96	49,182	19,133,545
Month #3 (February 23, 2009 – March 29, 2009)	-	-	-	-
Total	49,182	$22.96	49,182	19,133,545

1) On July 29, 2008, the Company's Board of Directors authorized the Company to purchase up to 20.0 million shares of its outstanding common stock in the open market over a two year time period as the previous program had expired.

Item 3. Defaults Upon Senior Securities

N/A

Item 4. Submission of Matter to a Vote or Security Holder

N/A

Item 5. Other Information

N/A

Item 6. Exhibits

Exhibit Number	Description
31.1	Certification of Principal Executive Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Principal Financial Officer and Principal Accounting Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

LINEAR TECHNOLOGY CORPORATION

DATE: May 6, 2009

BY /s/Paul Coghlan

Paul Coghlan
Vice President, Finance &
Chief Financial Officer
(Duly Authorized Officer and
Principal Financial Officer)

Exhibit 31.1

CERTIFICATION PURSUANT TO EXCHANGE ACT RULES 13a-14(a) AND 15d-14(a), AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACTOF 2002

Principal Executive Officer

I, Lothar Maier, certify that:

1) I have reviewed this Quarterly Report on Form 10-Q of Linear Technology Corporation;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses, in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

DATE: May 6, 2009

/s/ Lothar Maier
Lothar Maier
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION PURSUANT TO EXCHANGE ACT RULES 13a-14(a) AND 15d-14(a), AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACTOF 2002

Principal Financial Officer and Principal Accounting Officer

I, Paul Coghlan, certify that:

1) I have reviewed this Quarterly Report on Form 10-Q of Linear Technology Corporation;

2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses, in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

DATE: May 6, 2009

/s/ Paul Coghlan
Paul Coghlan
Vice President of Finance and Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Lothar Maier, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report of Linear Technology Corporation on Form 10-Q for the quarterly period ended March 29, 2009 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Quarterly Report on Form 10-Q fairly presents in all material respects the financial condition and results of operations of Linear Technology Corporation.

DATE: May 6, 2009

By: /s/ Lothar Maier
Name: Lothar Maier
Title: Chief Executive Officer

I, Paul Coghlan, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report of Linear Technology Corporation on Form 10-Q for the quarterly period ended March 29, 2009 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Quarterly Report on Form 10-Q fairly presents in all material respects the financial condition and results of operations of Linear Technology Corporation.

DATE: May 6, 2009

By: /s/ Paul Coghlan
Name: Paul Coghlan
Title: Chief Financial Officer