



ANALOG EXCELLENCE

## INNOVATION LED RECOVERY





## 2010: Growth Through Innovation

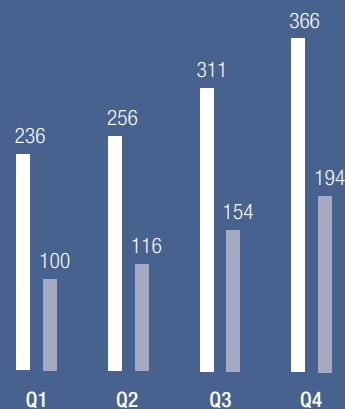
### HIGHLIGHTS

Year ended June 27, 2010

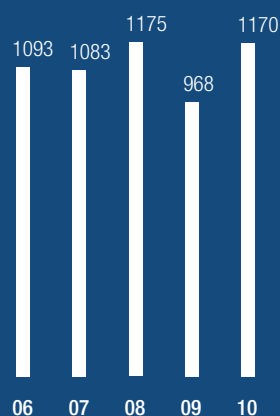
Profitability	DILUTED EARNINGS PER SHARE	\$ 1.58
	OPERATING MARGIN	48.2%
	RETURN ON ASSETS	24%
	RETURN ON SALES	30.9%
Liquidity:	QUICK RATIO	1.9
	CURRENT RATIO	2.2
Asset Turns:	INVENTORY TURNS	5.1
	FIXED ASSETS (ROI)	4.5
Cash Flow:*	AS A % OF REVENUES	22.9%

\*Excludes debt and common stock repurchases.

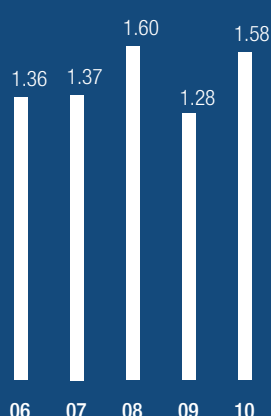
### REVENUE AND OPERATING INCOME (\$ in millions)



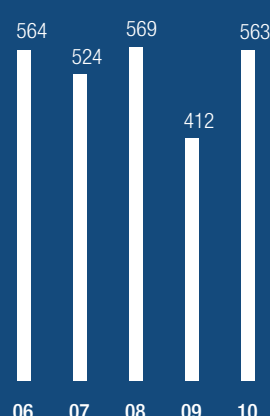
### REVENUES (\$ in millions)



### DILUTED EARNINGS PER SHARE (dollars)



### OPERATING INCOME (\$ in millions)



\$ in thousands, except per share amounts

	2010	2009*	2008*	2007*	2006*
NET REVENUES	\$ 1,169,988	\$ 968,498	\$ 1,175,153	\$ 1,083,078	\$ 1,092,977
OPERATING INCOME	563,411	412,076	568,664	524,318	563,950
NET INCOME	361,341	289,207	367,123	409,010	428,680
RETURN ON SALES	30.9%	29.9%	31.2%	37.8%	39.2%
DILUTED EARNINGS PER SHARE	1.58	1.28	1.60	1.37	1.36
CASH AND SHORT-TERM INVESTMENTS	958,069	868,711	966,701	633,307	1,819,587
WORKING CAPITAL	681,791	963,910	1,070,382	681,235	1,840,310
TOTAL ASSETS	1,590,718	1,421,529	1,583,889	1,218,857	2,390,895
LONG-TERM DEBT	766,960	1,280,617	1,532,640	1,500,545	—
STOCKHOLDERS' EQUITY (DEFICIT)	39,785	(186,337)	(326,680)	(580,237)	2,104,498

\*As adjusted for the adoption of accounting guidance for earnings per share and convertible debentures. Prior results have been retrospectively adjusted in accordance with such guidance.

## To Our Stockholders

Fiscal 2010 was a very good year for us as we recovered quicker than we had anticipated from the global recession. Our quarterly revenues grew sequentially over the prior quarters by 14%, 9%, 21% and 18%, thereby surpassing our previous quarterly sales record prior to the recession. We are now exceeding our revenue and operating profit growth trend lines which began prior to the recession.

### PRODUCTS

Amplifiers  
Data Converters  
Linear Regulators  
Switching Regulators  
 $\mu$ Module® Power Products  
 $\mu$ Module Communications Devices  
Battery Chargers & Monitors  
LED Drivers  
Energy Harvesting Products  
Hot Swap™ Products  
Power over Ethernet  
RF & Wireless Interface  
Filters  
Timing Devices  
Comparators  
Voltage References

This has been an innovation led recovery. Prior to the recession, the seeds were planted for cutting edge products across many end-markets. During the recession, companies continued to invest in the development of these products. Their emergence recently has led the recovery. Innovation in multi-protocol basestations, automotive electronics, energy efficiency, tablet computers and many other products, a few of which are shown on the cover of this annual report, has fueled market recovery across the industrial, telecommunications, automotive and computer end-markets. Linear Technology has been at the forefront of analog innovation, which has played an enabling role in the technological trends driving these products. This innovation leadership has enabled us to be the fastest growing and most profitable major analog supplier as demonstrated by our financial results.

Revenues for fiscal 2010 were \$1,170 million, up from the \$968.5 million reported for fiscal year 2009. This growth was very broad based as we grew in each major geographical area—North America, Europe, Japan and Asia Pacific—and in most major end-markets—industrial, computer and automotive. Net income of \$361.3 million was an increase of \$72.1 million, or 25% over the \$289.2 million reported for fiscal 2009. Diluted EPS was \$1.58, an increase of 23% over \$1.28 in the prior fiscal year. Operating profit as a percent of sales was 48.2%, up from 42.5% last year and is nearly double that of our closest competitor.

## Automotive Electronics >

LINEAR IS ONE OF A SELECT GROUP OF SEMICONDUCTOR SUPPLIERS WHOSE PRODUCTS MEET THE DEMANDING QUALITY AND RELIABILITY REQUIREMENTS OF AUTOMOTIVE MANUFACTURERS. THE COMPANY'S POWER CONVERSION PRODUCTS, USED THROUGHOUT THE MANY AUTOMOTIVE ELECTRONIC SYSTEMS, INCLUDE LED DRIVERS TO POWER CONSOLE BACKLIGHTING AND THE LATEST LED HEADLIGHTS. LINEAR'S BATTERY STACK MONITORS PROVIDE PRECISION VOLTAGE MONITORING, ENABLING THE USE OF LITHIUM-ION BATTERIES IN THE NEXT GENERATION OF HYBRID AND ELECTRIC VEHICLES.





THE EXPLOSION IN VOICE, DATA AND VIDEO TRAFFIC OVER TODAY'S WIRELESS NETWORKS IS CAUSING RAPID EXPANSION OF TELECOMMUNICATIONS INFRASTRUCTURE WORLDWIDE. LINEAR PROVIDES THE KEY SIGNAL CHAIN BUILDING BLOCKS FOR CELLULAR BASESTATIONS, INCLUDING RF DEVICES, HIGH SPEED ANALOG-TO-DIGITAL CONVERTERS AND  $\mu$ MODULE RECEIVERS, WITH THE PRECISION AND QUALITY DEMANDED BY NEXT-GENERATION WIRELESS NETWORKS. LINEAR'S POWER AND MIXED SIGNAL PRODUCTS ARE KEY ELEMENTS IN THE SYSTEMS PRODUCED BY THE FOREMOST NETWORKING COMPANIES.

## < Telecom & Networking

### APPLICATIONS

Automotive  
Wireless Infrastructure  
Display & Video  
Data Storage  
Networking  
Energy Harvesting  
Green Technology Products  
Alternative Energy Systems  
Industrial  
Medical  
Instrumentation  
Computers  
High-End Consumer  
Military & Aerospace

Once again the Company generated positive cash flow from operations, this year's being \$492.5 million versus \$416.6 million in fiscal 2009. Cash flow from operations was positive for the 97th consecutive quarter. During the year the Company reduced the total outstanding principal of its Convertible debt from \$1,405.6 million to \$1,240.9 million as it purchased \$154.9 million of its 3.00% Convertible debt and \$9.8 million of its 3.125% Convertible debt. Presently, the Company intends to retire all of its remaining 3.125% Convertible debt of \$395.8 million in November 2010 when it is putable and callable. During the year the Company increased its quarterly dividend from \$0.22 per share to \$0.23 per share. This marks the 18th consecutive year, encompassing various economic cycles, that the Company has increased the dividend since initially declaring a dividend in 1992.

These industry leading financial results are the culmination of a several year focus on a strategy to optimize our strengths and differentiate the Company from its competitors. Our marketplace is the non-commodity traditional high-performance analog market. In addressing this marketplace, we concentrate on inventing cutting edge products which we market globally through a technical sales force. We have vertically integrated manufacturing capabilities, which emphasize timeliness of delivery and the highest levels of quality and reliability.

With regard to our marketplace, several years ago we fine tuned our strategic direction to increase our presence in industrial and automotive markets; maintain our presence in the computer and telecommunications infrastructure and networking markets; and decrease our exposure in the commodity driven markets of consumer and cell phone products. Accordingly, in fiscal 2010, the industrial end-market was 36% of our bookings, automotive was 11% and military/satellite was 7%, up respectively from 32%, 5% and 3% five years ago. Telecommunications infrastructure and networking



TODAY'S INDUSTRIAL SYSTEMS DEMAND A NEW LEVEL OF PRECISION, RELIABILITY AND ENERGY EFFICIENCY. LINEAR PRODUCES A BROAD RANGE OF POWER, SIGNAL CONDITIONING, DATA CONVERSION AND INTERFACE PRODUCTS FOR INDUSTRIAL, INSTRUMENTATION AND MEDICAL SYSTEMS. LINEAR'S PRODUCTS ENSURE HIGH PRECISION AND POWER EFFICIENCY OF SYSTEMS RANGING FROM FACTORY AUTOMATION AND INDUSTRIAL CONTROL TO MEDICAL INSTRUMENTATION, SECURITY SYSTEMS, INDUSTRIAL ROBOTICS AND LASERS, AND OIL AND GAS EXPLORATION.

## < Industrial, Instrumentation & Medical

### QUALITY & RELIABILITY

Denso Preferred Supplier  
Boeing Satellite Systems  
Gold Supplier Award  
Huawei Quality  
Excellence Award  
Northrop Grumman  
Gold Supplier Award  
Panasonic Automotive Systems  
Europe Quality Award  
Fluke Outstanding Supplier  
Partnership Award  
Cisco Excellence in  
Quality Award  
Siemens Quality  
Supplier Award  
Rockwell Collins Supplier  
of the Year Award  
3M Supplier  
Performance Award  
Sony Green Partnership Award  
Canon Green Procurement  
Standard Award  
Delphi Absolute Zero  
Defect Award

was 22% of our bookings and computer was 15%, similar to 24% and 11% respectively, five years ago. Finally, high-end consumer was 7% and cell phone was 2%, down substantially from 9% and 11%.

Going forward we have an opportunity rich environment. The overall analog market is forecasted to grow to roughly \$45 billion in 2012. We serve approximately one-third of this market and our areas of emphasis are projected to be the fastest growing.

This emphasis on high-performance analog has driven our product direction. We have many unique creative products currently populating sales in this innovation driven recovery in the global marketplace. The latest generation 4G basestations utilize Linear products from many of our business units, including high speed low power A to D converters, signal chain  $\mu$ Module products and high frequency mixers, demodulators and RMS power detectors. Automotive electronics employ our new battery management systems for hybrid and electric vehicles and also use our drivers for LED lighting and various other power products in both gas and electric vehicles. Energy efficiency is particularly prevalent throughout industrial end-markets. Our high efficiency power products with operation up to 100 volts are one example of solutions that mitigate thermal challenges in a wide range of factory applications. Our digital power management products are employed in server farms to monitor and control for optimum performance. Tablet computer products have become very successful this year using several of our latest generation switching power managers and battery charging devices to optimize charging efficiency and run time.

Energy harvesting techniques employing alternative ambient energy sources such as temperature changes, vibration, wind and solar present unique challenges in storing and efficiently converting alternative energy. Our new energy harvesting products and nano-power battery chargers have received wide acceptance in this developing market.



LINEAR'S POWER AND BATTERY MANAGEMENT DEVICES ARE KEY COMPONENTS IN THE LATEST GENERATION OF TABLET COMPUTERS, WHOSE INNOVATIVE TOUCH-SCREEN COMPUTING PROMISES TO REVOLUTIONIZE PORTABLE COMPUTING. IN ADDITION, LINEAR'S  $\mu$ MODULE PRODUCTS ARE USED IN SOLID STATE DRIVES THAT ARE INCREASING MEMORY CAPACITY AND RELIABILITY, WHILE SHRINKING PRODUCT SIZE.



## Tablet Computing & Storage >

Our timely ability to innovate has been matched by our ability to deliver products to our customers. Two important attributes have been distinguishing factors to our success this year as there has been a rapid rebound from a recessionary environment to marketplace growth and limits on the availability of products. First, our comparatively low lead times and performance to schedule have given us a competitive advantage and second, our outstanding quality and reliability have distinguished us as a unique supplier, particularly in the quality conscious automotive market.

In summary, we believe we are well positioned going forward. Analog excellence has been our mantra from product design to marketing to manufacturing to financial performance. We are a good fit for an innovation rich marketplace. We have a very talented and energized workforce and discerning customers and investors. We are grateful to all of them for their efforts, their challenges and their loyalty. This innovation rich environment is the optimum environment for us.

Sincerely,

A handwritten signature in black ink, reading "Paul Coughlan".

**PAUL COUGHLAN**  
Vice President, Finance and  
Chief Financial Officer

A handwritten signature in black ink, reading "R.H. Swanson, Jr.".

**ROBERT H. SWANSON, JR.**  
Executive Chairman

A handwritten signature in black ink, reading "Lothar Maier".

**LOTHAR MAIER**  
Chief Executive Officer



# Corporate Information

## BOARD OF DIRECTORS

**Robert H. Swanson, Jr.**

Director since 1981  
Executive Chairman  
Co-founder and Chief Executive  
Officer from 1981 to January 2005  
Linear Technology Corporation

**Lothar Maier**

Director since 2005  
Chief Executive Officer  
since January 2005  
Linear Technology Corporation

**Arthur C. Agnos<sup>1</sup>**

Director since 2010  
Former Mayor of San Francisco, California

**John J. Gordon<sup>1,2</sup>**

Director since 2010  
Senior Investment Officer  
State Farm Insurance Company

**David S. Lee<sup>2</sup>**

Director since 1988  
Chairman  
eOn Communication Corp.

**Richard M. Moley<sup>1,2</sup>**

Chairman of Compensation Committee  
Director since 1994  
Former President and  
Chief Executive Officer  
StrataCom, Inc.

**Thomas S. Volpe<sup>1,2</sup>**

Chairman of Audit Committee  
Director since 1984  
Former Chief Executive Officer  
Dubai Group LLC

## TRANSFER AGENT AND REGISTRAR

**Computershare Trust Company N.A.**

PO Box 43078  
Providence, Rhode Island 02940-3078

## INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

**Ernst & Young LLP**

San Jose, California

## LEGAL COUNSEL

**Wilson, Sonsini, Goodrich & Rosati**

Professional Corporation

## CORPORATE AND INVESTOR INFORMATION

Please direct inquiries to:

**Paul Coghlan**

Vice President, Finance and CFO  
Linear Technology Corporation  
1630 McCarthy Blvd.  
Milpitas, California 95035-7417

## OFFICERS

**Robert H. Swanson, Jr.**

Co-founder and Executive Chairman

**Lothar Maier**

Chief Executive Officer

**V. Paul Chantalat**

Vice President,  
Quality and Reliability

**Paul Coghlan**

Vice President, Finance,  
Chief Financial Officer, and  
Secretary

**Robert C. Dobkin**

Co-founder, Vice President,  
Engineering, and  
Chief Technical Officer

**Alexander R. McCann**

Vice President and  
Chief Operating Officer

**Richard E. Nickson**

Vice President,  
North American Sales

**Donald E. Paulus**

Vice President,  
Power Management Products

**Steve Pietkiewicz**

Vice President,  
Power Management Products

**David A. Quarles**

Vice President,  
International Sales

**Robert L. Reay**

Vice President,  
Mixed Signal Products


**Erik M. Soule**

Vice President,  
Signal Conditioning Products

Linear Technology Corporation (Nasdaq: LLTC), a member of the S&P 500, designs, manufactures and markets a broad line of high performance analog integrated circuits for major communications, computer and industrial companies worldwide. Linear (or analog) circuits provide an essential bridge between our analog world and the digital microelectronics used in consumer products, wireless communications, networking products, computers, medical electronics, industrial instrumentation, factory automation, and automotive electronics. Linear Technology provides customers with high performance amplifiers, comparators, voltage references, monolithic filters, linear regulators, DC/DC converters, battery chargers, data converters, communications interface circuits, RF signal conditioning circuits,  $\mu$ Module products, and many other analog functions.

<sup>1</sup> Member of the Compensation Committee

<sup>2</sup> Member of the Audit Committee

 LT, LTC, LTM, Linear Technology, the Linear logo and  $\mu$ Module are registered trademarks and Hot Swap is a trademark of Linear Technology Corporation. All other names are trademarks or registered trademarks of their respective companies and manufacturers.

Printed in USA, Copyright 2010, Linear Technology Corporation. 1630 McCarthy Blvd. Milpitas, CA 95035 (408) 432-1900 [www.linear.com](http://www.linear.com)

The Company markets over 7,500 products to more than 15,000 original equipment manufacturers. These products compete in the marketplace based on their performance, functional value, quality and reliability. Linear Technology products are produced using state-of-the-art silicon gate CMOS, BiCMOS, Complementary Bipolar, High Voltage and RF wafer fabrication process technologies.

Linear Technology, headquartered in Milpitas, California, employs 4,200 people worldwide and has technical sales and support locations throughout North America, Europe and Asia. In addition to manufacturing, assembly and test facilities in California, Washington, Singapore and Malaysia, the Company has twelve design centers in Arizona, California (3), Colorado, Vermont, Massachusetts, New Hampshire, North Carolina, Texas, Singapore, and Munich, Germany.



