

A close-up photograph of an industrial robotic welding process. A yellow robotic arm is welding the metal frame of a car, with bright orange sparks flying from the point of contact. The background shows a complex industrial environment with various pipes, cables, and machinery.

Bring Value. We do.

INDUSTRIAL

Industrial applications comprise our largest end-market. We deliver a broad range of products, providing the precision, reliability and energy efficiency required for factory automation, industrial control, instrumentation, medical devices, security, robotics, energy generation and measurement.

HIGHLIGHTS

Year ended July 3, 2011

Profitability	DILUTED EARNINGS PER SHARE	\$ 2.50
	OPERATING MARGIN	51.7%
	RETURN ON ASSETS	36.1%
	RETURN ON SALES	39.1%
Liquidity:	QUICK RATIO	6.0
	CURRENT RATIO	6.8
Asset Turns:	INVENTORY TURNS	5.1
	FIXED ASSETS (ROI)	5.0

QUARTERLY REVENUE AND OPERATING INCOME

(\$ in millions)

Q1		389
		205
Q2		384
		201
Q3		353
		179
Q4		359
		183

Results. We have.

REVENUES (\$ in millions)

07	1083
08	1175
09	968
10	1170
11	1484

DILUTED EARNINGS PER SHARE (dollars)

07	1.37
08	1.60
09	1.28
10	1.58
11	2.50

OPERATING INCOME (\$ in millions)

07	524
08	569
09	412
10	563
11	767

\$ in thousands, except per share amounts

	2011	2010	2009	2008	2007
NET REVENUES	\$ 1,483,962	\$ 1,169,988	\$ 968,498	\$ 1,175,153	\$ 1,083,078
OPERATING INCOME	767,310	563,411	412,076	568,664	524,318
NET INCOME	580,782	361,341	289,207	367,123	409,010
RETURN ON SALES	39.1%	30.9%	29.9%	31.2%	37.8%
DILUTED EARNINGS PER SHARE	2.50	1.58	1.28	1.60	1.37
CASH AND SHORT-TERM INVESTMENTS	922,537	958,069	868,711	966,701	633,307
WORKING CAPITAL	1,063,484	681,791	963,910	1,070,382	681,235
TOTAL ASSETS	1,631,166	1,590,718	1,421,529	1,583,889	1,218,857
LONG-TERM DEBT	785,732	766,960	1,280,617	1,532,640	1,500,545
STOCKHOLDER EQUITY (DEFICIT)	505,611	39,785	(186,337)	(326,680)	(580,237)

30 YEARS OF
ANALOG
EXCELLENCE



1981
LINEAR TECHNOLOGY
FOUNDED

1983
SHIPPED FIRST
PRODUCT, LT1001



1986
LINEAR TECHNOLOGY
BECOMES A PUBLIC
COMPANY, TRADED
ON NASDAQ



Innovative. We are.

COMMUNICATIONS

The communications market increasingly requires innovative analog solutions for wireless network infrastructure and networking applications. Linear provides key components, including high speed data converters, RF devices, μ Module receivers, Hot Swap solutions, Power over Ethernet controllers and DC/DC converters.



Invest. We will.

TO OUR STOCKHOLDERS 2011 was our 30th year and our 25th year as a publicly traded company (NASDAQ-LLTC). Every year as a public company we have been profitable and cash flow positive. 2011 was no exception; it was our best year yet: highest revenue, most profits, and highest earnings per share. Revenues of \$1.484 billion increased \$314.0 million over the prior year. Net profit of \$580.8 million increased \$219.4 million over the prior year and earnings per share of \$2.50 increased \$0.92 over last year. The cash we generated from operations was applied wisely. We purchased \$120.4 million in capital additions to increase our manufacturing capacity; redeemed \$395.8 million of debt; bought back \$38.2 million of our common stock; and paid \$217.2 million in cash dividends. We first started paying a dividend in 1992, the same year we started paying profit sharing, and we have increased the dividend every year since. Currently the dividend is \$0.24 per share per quarter.

Behind the numbers there has been a straightforward strategy consistently applied. Thirty years ago the strategy proposed to our initial investors outlined six elements that today, thirty years later, continue to define our approach to the marketplace.

LIMIT ACTIVITIES TO ANALOG ICs *

For thirty years every product we invent and manufacture is predominantly analog. The digital world needs analog to interface with the “real” non-electronic world of physical properties such as temperature, power, pressure, weight, light, sound or speed. We do analog, only analog.

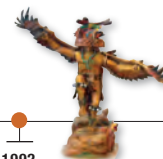


1986
FIRST ANNUAL
REPORT

1989
OPENED SINGAPORE
TEST FACILITY



1991
10 YEAR ANNUAL REPORT:
“SO FAR SO GOOD”



1992
BEST FINANCIALLY MANAGED
SEMICONDUCTOR COMPANY
IN-STAT KACHINA AWARDS
(ALSO IN 1995, 1996, 1997)

1994
OPENED ASSEMBLY
FACILITY IN PENANG,
MALAYSIA

* Note: These headings appeared in Linear Technology's original business plan, dated October 1981.

Growing. We are.



AUTOMOTIVE

The automotive electronics market continues to be a growth driver for Linear, requiring products with outstanding quality and reliability. Our unique products are differentiated by their capability to operate at high voltages, over wide battery voltage ranges, with outstanding precision. Power conversion opportunities continue to proliferate throughout the vehicle and our battery monitoring devices are being designed into hybrid/electric vehicles worldwide.

FOCUS ON THE HIGH PERFORMANCE SEGMENT

We do the tough stuff. Staying at the cutting edge enables our customers to bring differentiated solutions to market. In subsequent pages in this annual report, we list many examples of analog technology breakthroughs first introduced by Linear Technology. This includes levels of precision, ranges of voltage tolerance, speed, conversion and integration previously unachieved in the marketplace.

UNDERSTAND GENERIC TRENDS

Battery powered systems needed buck-boost voltage regulation. Network systems needed Power over Ethernet (PoE). Base stations need very high speed, high precision low power analog-to-digital converters. Electric and hybrid vehicles need complex battery monitoring systems (BMS). The world needs energy harvesting products from alternative energy sources. All of these trends need a breakthrough—Linear Technology is there first.

Analog. We know.

PROVIDE INTEGRATED MORE COMPLETE SOLUTIONS

Time to market is the objective of many customers. Complete solutions, rather than a plethora of IC choices are most valued by customers introducing new technology. μ Module® products, battery monitoring systems, digital power management monitors and controllers and Hot Swap™ controllers all integrate several IC functions into one product and were first offered by Linear.

IN HOUSE MANUFACTURING

Great technology needs to be flawlessly delivered. To do this best we decided to do it ourselves. We are vertically integrated. We do our own wafer fabrication, our own test and our own assembly. This enables us to have industry leading quality and reliability. We offer customers the shortest lead times and the best delivery performance. Short lead times were a distinguishing competitive advantage in contributing to our revenue growth in 2011.

PROFITABLE GROWTH

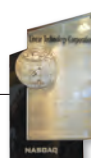
Profitable growth is the result of executing a clear strategy, supplying to a discerning market and employing and retaining talented people.



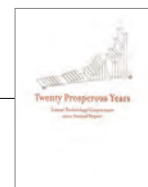
1996
15 YEAR ANNUAL REPORT:
"POISED FOR CONTINUED
GROWTH"

1996
JOINED NASDAQ 100

1996
ACG INTERNATIONAL
EMERGING COMPANY
AWARD



2000
JOINED S&P
500 INDEX



2001
20 YEAR ANNUAL
REPORT: "TWENTY
PROSPEROUS YEARS"

Linear Technology Innovations



2011 EDN INNOVATOR
OF THE YEAR AWARD
TO BOB DOBKIN AND
TOM HACK FOR LT4180
VIRTUAL REMOTE
SENSE CONTROLLER

- 1982** Industry standard precision op amps
- 1986** Highest stability precision voltage reference
- 1986** LT1070 – First 5A single chip easy-to-use switching regulator
- 1989** First CMOS low power RS485 chip (LTC485)
- 1992** Hot Swap family
- 1993** Burst Mode® DC/DC converters
- 1999** High efficiency, multiphase synchronous switching regulators
- 2001** Power over Ethernet (PoE) controllers
- 2002** First buck-boost regulators
- 2005** High linearity active mixers with on-chip transformer
- 2005** First high speed 16-bit ADC with 100dB SFDR
- 2006** µModule DC/DC converters
- 2007** LT3080 – First single resistor adjustable linear regulator
- 2008** First precision battery monitor device for hybrid/ electric vehicles
- 2009** Digital power management monitors & controllers
- 2010** Energy harvesting 20mV boost/power manager
- 2010** Virtual remote sense controller
- 2011** First 18-bit, 1Msps SAR ADC with 102dB SNR

We needed good people to implement this strategy and we have a wealth of talent. Linear is an analog place and we have engineers, sales professionals, manufacturing experts, and support staff who know analog. We have bonded well over thirty years. 55% of the employees who were with us 10 years ago are still with us today. For 19 consecutive years we have shared a significant portion of our profits with our employees. These are the best dollars we spend.

The cover of this annual report shows the end-markets on which we focus our strategy. Our largest end-market is industrial at 41% of our business, which has the most varied technological demands. All of our product families have sales in this area. Communications is 23% of our business, with infrastructure and networking comprising 22% and cell phones a minor 1%. Automotive at 12% is expected to be our fastest growing sector, fueled by the proliferation of electronics throughout vehicles. Computing is 13% and covers a breadth of applications across the computing marketplace. Military and satellite is 7%. By design, consumer at 4% is a small area of concentration for us due to the limited amount of differentiated analog technology required. Conversely, the industrial, communications and automotive end-markets highly value high-performance differentiated analog products and therefore the needs of these end-markets are more closely aligned with our strategy.

In summary, the strategy that we started the Company with has served us well and drives our efforts today. It has been thirty good years, thirty good analog years. We have been successful technologically and financially. We work with talented people, visionary customers, and supportive stockholders. As we look ahead to a marketplace challenged by wireless connectivity, alternative energy needs, medical breakthroughs, and electric vehicles, we are invigorated and ready to invent and deliver the needed analog technology.



Our goal: analog excellence.
Thank you for all your support.

Sincerely,

PAUL COUGHLAN
Vice President, Finance and
Chief Financial Officer

ROBERT H. SWANSON, JR.
Executive Chairman

LOTHAR MAIER
Chief Executive Officer

2005
ACHIEVED \$1 BILLION
IN SALES



2006
25 YEAR ANNUAL REPORT:
"25 YEARS OF RESULTS"

2009
BEST FINANCIALLY MANAGED
SEMICONDUCTOR COMPANY—
GSA AWARD



2011
ACHIEVED \$1.48 BILLION
IN SALES



2011
30 YEAR ANNUAL
REPORT: "30 YEARS OF
ANALOG EXCELLENCE"

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. Agnos¹

Director since 2010
Former Mayor of San Francisco, California

John J. Gordon^{1,2}

Director since 2010
Senior Investment Officer
State Farm Insurance Company

David S. Lee²

Director since 1988
Chairman
eOn Communication Corp.

Richard M. Moley^{1,2}

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

Thomas S. Volpe^{1,2}

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:

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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, has been designing, manufacturing and marketing a broad line of high performance analog integrated circuits for major companies worldwide for three decades. The Company's products provide an essential bridge between our analog world and the digital electronics in communications, networking, industrial, automotive, computer, medical, instrumentation, consumer, and military and aerospace systems. Linear Technology produces power management, data conversion, signal conditioning, RF and interface ICs, and μ Module[®] subsystems.

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 4,500 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 thirteen design centers in Arizona, California (3), Colorado, Vermont, Massachusetts, New Hampshire, North Carolina, Texas, Singapore, Munich, Germany, and Hangzhou, China.

¹ Member of the Compensation Committee ² Member of the Audit Committee



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