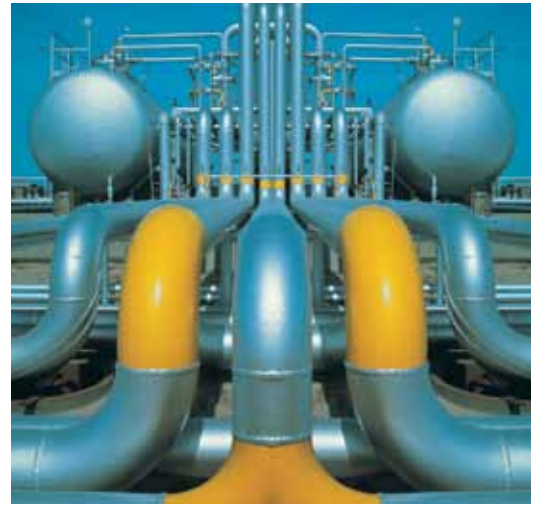
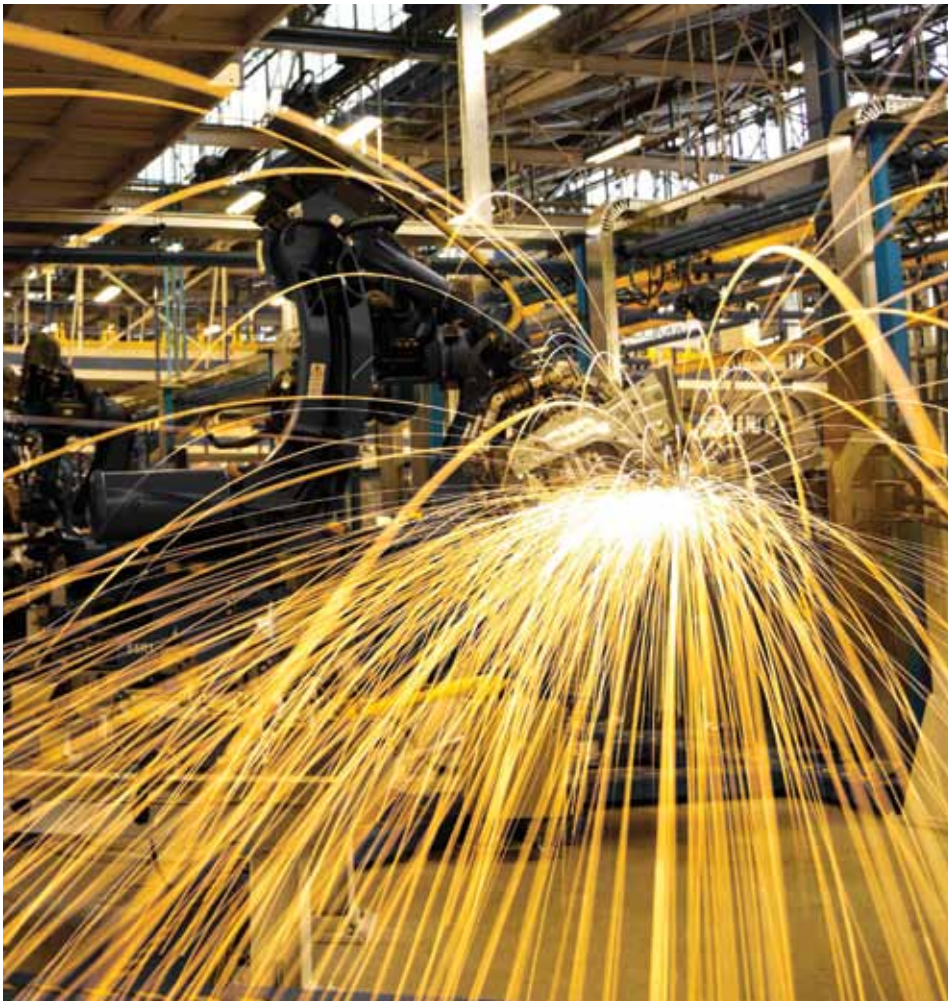




Innovation Drives Growth and Profitability

Focused





Focused on the Fastest Growing End Markets—Industrial and Automotive

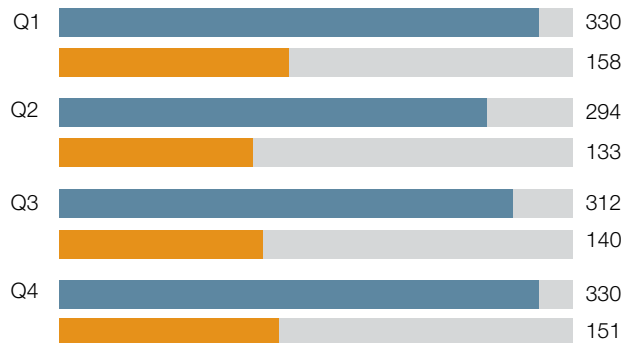
The industrial and automotive end markets, now 57% of our business, value innovation, robustness, quality and reliability. These stable growth markets have longer product life cycles. The industrial market—spanning factory automation, medical, test and measurement, and energy management—continuously demands better performance, greater integration and higher efficiency. Automotive market growth is driven by the increasing electronic content in cars, spurred by requirements for improved safety, fuel efficiency and comfort, and the proliferation of hybrid and all-electric vehicles.

Highlights

Year ended July 1, 2012

Profitability	Diluted Earnings per Share	\$ 1.70
	Operating Margin	46.0%
	Return on Assets	23.1%
	Return on Sales	31.4%
Liquidity:	Quick Ratio	8.0
	Current Ratio	8.8
Asset Turns:	Inventory Turns	4.1
	Fixed Assets (ROI)	3.9

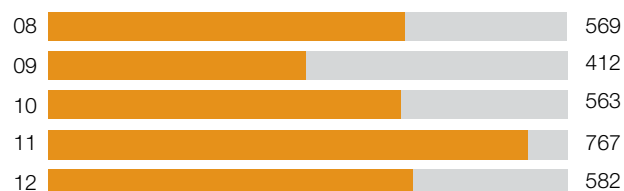
Quarterly Revenue and Operating Income (in millions)



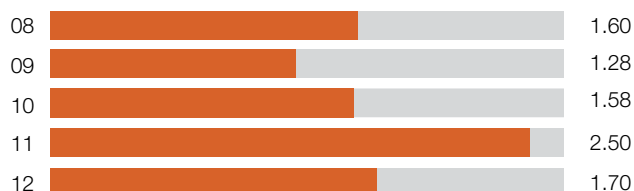
Revenues (in millions)



Operating Income (in millions)



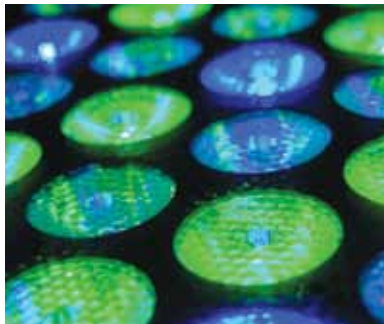
Diluted Earnings Per Share (dollars)



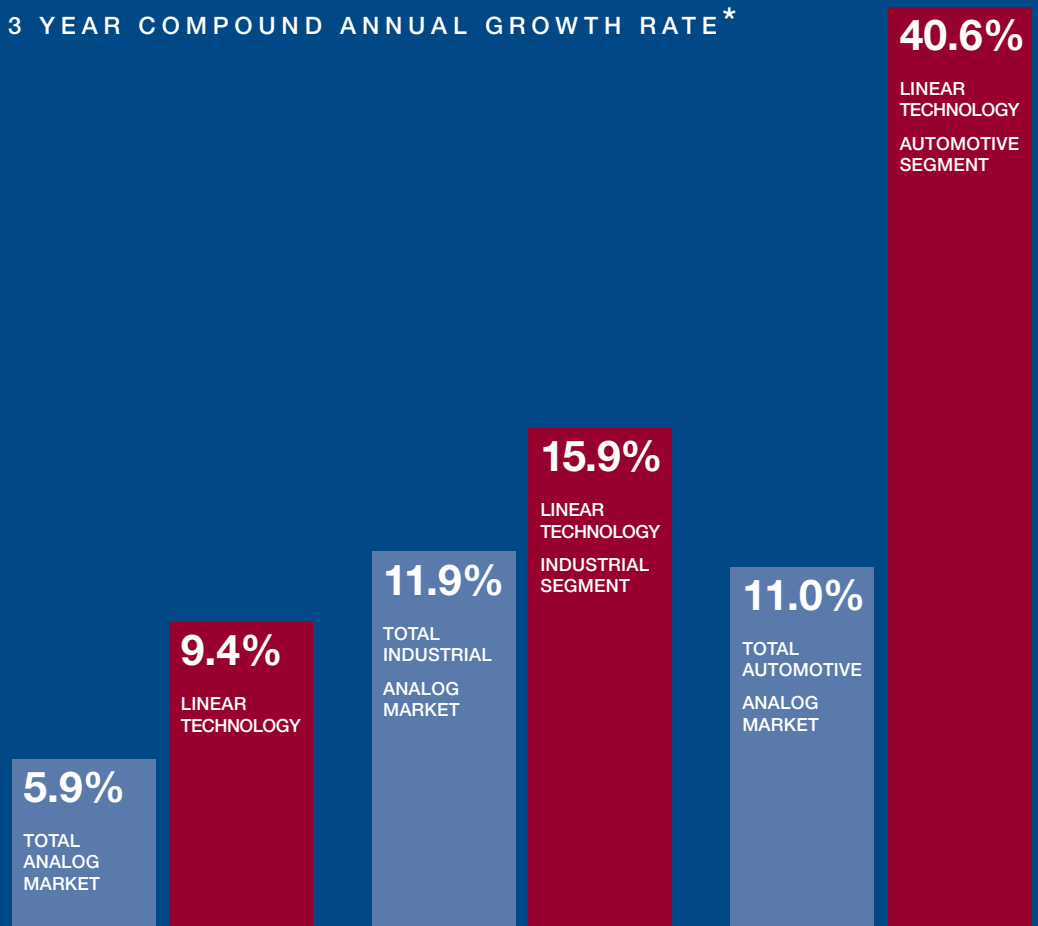
(in thousands, except per share amounts)	2012	2011	2010	2009	2008
NET REVENUES	\$ 1,266,621	\$ 1,483,962	\$ 1,169,988	\$ 968,498	\$ 1,175,153
OPERATING INCOME	582,036	767,310	563,411	412,076	568,664
NET INCOME	398,111	580,782	361,341	289,207	367,123
RETURN ON SALES	31.4%	39.1%	30.9%	29.9%	31.2%
DILUTED EARNINGS PER SHARE	1.70	2.50	1.58	1.28	1.60
CASH AND SHORT-TERM INVESTMENTS	1,203,059	922,537	958,069	868,711	966,701
WORKING CAPITAL	1,334,829	1,063,484	681,791	963,910	1,070,382
TOTAL ASSETS	1,851,068	1,594,066	1,590,718	1,421,529	1,583,889
LONG-TERM DEBT	805,599	785,732	766,960	1,280,617	1,532,640
STOCKHOLDER EQUITY (DEFICIT)	736,508	505,611	39,785	(186,337)	(326,680)

We're Outgrowing the Analog Market in these Key Segments: Industrial & Automotive

The most recently available end-market data from the World Semiconductor Trade Statistics (WSTS) association shows industrial and automotive as the fastest growing end markets for analog semiconductors. Linear has grown industrial at a 3 year compound annual growth rate of 15.9% versus market growth of 11.9% and has grown automotive at a 3 year compound annual growth rate of 40.6% versus market growth of 11.0%.*



3 YEAR COMPOUND ANNUAL GROWTH RATE*



* Latest available 3-year data from both WSTS (End-Use Market Data for CY2009-CY2011) and Linear Technology (FY2010-FY2012).



AUTOMOTIVE & TRANSPORTATION

Automobiles and other vehicles are rapidly evolving to incorporate increasingly complex electronic systems to maximize comfort, safety and performance, while improving efficiency and reducing emissions. Fueling this growth are improved safety systems; engine, drive train and chassis management; electronic braking and steering; navigation and infotainment systems; instrument clusters; and LED lighting. In addition, a new generation of hybrid and all-electric vehicles is emerging, along with direct injection and engine start-stop controls. Our products are differentiated by their ability to operate at high voltages, over wide battery voltage ranges, with outstanding precision.

TO OUR STOCKHOLDERS Focus on the long-term strategy; weather and execute well through short-term challenges; coordinate your strategy with vibrant markets. All demanded our efforts in 2012. In a tough macroeconomic environment we had a respectable year.

From a revenue standpoint, fiscal 2012 was the opposite of fiscal 2011. The Company started off slowly with declining quarterly revenues, but finished strongly with sequential revenue growth in the final two quarters. These rapid changes in revenue direction have characterized the business climate over the last few years. During this time frame, Linear, like other companies, has addressed its markets during times of recession; rapid recovery from recession; market supply constraint due to environmental tragedies from earthquakes and tsunamis in Japan, and flooding in Thailand, all of which led to cross market inventory balancing and correcting. Most recently, concerns over a global macroeconomic slowdown resulting from sovereign debt issues in Europe, high unemployment and stagnating growth in the USA and economic slowing in China combined have put a damper on the global business outlook. Linear's annual sales during this period have been down 18%, up 21%, up further 27% and in fiscal 2012 down 15%, although the last two quarters were each up 6% sequentially.

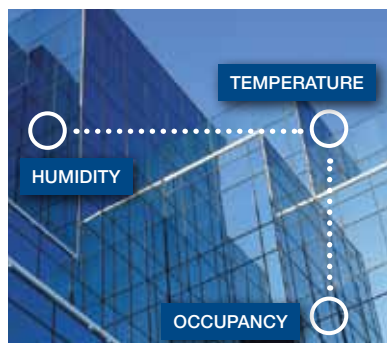
However, underlying this turbulence has been a steady stream of growth in two major end markets: industrial and automotive. The most recently available end-market data from the World Semiconductor Trade Statistics association shows industrial and automotive being the fastest growing end markets for analog semiconductors, with each growing at roughly twice the rate of the overall analog market for the three year period ending in calendar 2011.

Emerging Markets: Machine-to-Machine Connectivity

We're seeing the emergence of a new generation of energy-efficient buildings; safe and reliable transportation; efficient energy systems; and improved industrial control systems. These applications require precise, low-power wireless sensor networks, providing a means to wirelessly interconnect sensor nodes. These nodes enable an "Internet of Things," based on machine-to-machine connectivity. Wireless sensor networks in these applications transmit the data required to measure and track temperature, pressure, vibration, flow rate, power usage and other physical properties. Our expertise in wireless sensor networks, energy harvesting, signal conversion and power management enables this important emerging market.

SMART BUILDINGS

- Energy management
- Climate control
- Power monitoring
- Data center monitoring
- Fire safety



SMART TRANSPORTATION

- Signaling
- Diagnostics
- Predictive maintenance
- Energy management
- Asset tracking



SMART ENERGY

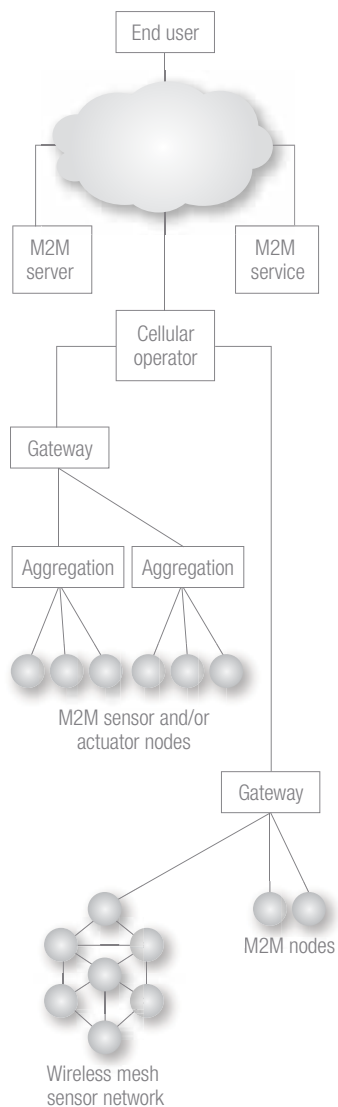
- Energy efficiency
- Grid energy management
- Renewable energy infrastructure
- Energy demand monitoring
- Power outage detection



INDUSTRIAL CONTROL

- Energy management
- Equipment health monitoring
- Process monitoring & control
- Safety systems
- Security systems

MACHINE-TO-MACHINE NETWORK ARCHITECTURE



Finally fiscal 2012, although not as strong as fiscal 2011, still had many positive financial contributions. Revenues of \$1.27 billion decreased 14.6%, or \$217.3 million from the prior year. Net income of \$398.1 million, although a decrease of 31.5% or \$182.7 million, was still a respectable 31.4% of revenues. The prior year benefited from a lower tax rate of 19.8% compared to 25.7% in fiscal 2012. Diluted earnings per share were \$1.70, down from \$2.50 in the prior year. Cash, cash equivalents and marketable securities increased by \$280.5 million from the prior year after paying dividends of \$228.5 million and repurchasing \$76.1 million of common stock. Overall, good profitability and cash generation in a down revenue year.

STRATEGY AND OPPORTUNITY CONVERGE The overall market opportunities in industrial and automotive have coincided with Linear's strategy and Linear has outgrown the analog market in these two fast growing areas in the last three years. Linear has grown industrial at a compound annual growth rate of 16% versus the market growth of 12% and has grown automotive at a compound annual growth rate of 40% versus the market growth of 11%.*

Several years ago we altered our strategy to focus more on these two markets. Combined in 2005 they were 37% of our business; now they are 57%. We redirected our designers from the cell phone and consumer areas, which we believed would become too commoditized and volatile. We refocused our sales force on the industrial and automotive markets. We retooled our factories to further strengthen industry leading levels of quality and reliability.

Many of the products for these markets have a long design cycle. The products are complex, combine many analog functions and often include digital capabilities as well. Having a workforce that is talented, confident and experienced is critical in developing innovative, employable products for the marketplace several years out. We have an experienced team. Over 60% of our employees have remained with us 10 years or longer.

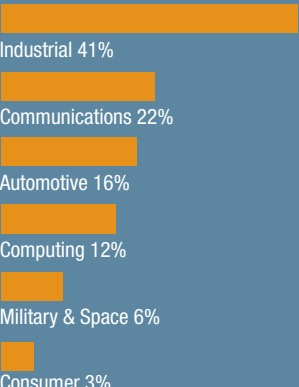
We believe we now have a good distribution of our business by end markets. Although this annual report features the industrial and automotive end markets, the communications, computer and military/space end markets are also important to us. For fiscal 2012, 41% of our business was in the industrial end market, 22% in communication infrastructure and networking, 16% in automotive, 12% in computer, 6% in military/space and 3% in high-end consumer.

During the year we introduced many new products which we expect to help us to grow in each of our end markets.

Analog automotive electronic functions continue to proliferate in all types of vehicles in order to improve fuel economy, reduce emissions and improve safety and comfort. Gas, hybrid and all-electric vehicles utilize start-stop systems to improve efficiency in heavy, stop-and-go traffic. Our new highly integrated multi-topology controllers provide the functions and performance required for these applications to maintain voltage regulation over the entire voltage range of the battery.

The complexity of power systems in high reliability networking, server and base station applications requires digital power management to optimize the hardware design and the system performance including energy usage. Our digital power supply managers and controllers, such as the recently released quad LTC2974, provide the precision, integration and modular architecture required to enable customers to implement these very complex designs.

* Latest available 3-year data from both WSTS (End-Use Market Data for CY2009-CY2011) and Linear Technology (FY2010-FY2012).



Industrial 41%

Communications 22%

Automotive 16%

Computing 12%

Military & Space 6%

Consumer 3%

BROAD MARKET STRATEGY

While focused on the industrial and automotive market segments, Linear is a broad-based supplier to a range of market sectors. Our second largest end market is communications, with products directed toward the wireless and networking infrastructure market segments. Wireless and networking technology play a key role in transforming mobile, business and home user devices, as we demand instant connectivity from any place, all the time. In the computing market, we focus on servers, storage, solid state drives, embedded and tablet computers—all of which demand high performance and reliability. Military and space provide a steady market that rewards the reliability, precision and robustness of Linear products. We believe that this broad-based market strategy provides more stability and helps us capitalize on growth opportunities as they arise.

NETWORK EVERYTHING! The Internet of Things and machine-to-machine (M2M) connectivity are common phrases being used together to describe the ability to connect devices in order to monitor and control virtually anything. One facet is wireless sensor networks (WSN) which is emerging in many industrial applications. Through our acquisition of Dust Networks, the pioneer of reliable, ultra-low power embedded mesh wireless sensor networks, we are well positioned to deliver the technology required. Combined with our low power signal chain, data acquisition, battery and power management products and energy harvesting products we can provide the market complete solutions for industrial process monitoring and control, equipment health monitoring, energy management, data center monitoring and control, and smart city and transportation infrastructure.

Multimode base stations, point-to-point microwave links and military radio applications require high frequency signal chain products with the highest possible performance. Products such as the new LTC5585 wideband I/Q demodulator cover virtually all cellular frequency bands with outstanding linearity performance. Also our growing family of high speed, low power ADCs, such as the 14-bit 310Msps LTC2158-14, provides the performance required for demanding communications applications.

In summary the Company's strategies are well matched with the marketplace's best opportunities. We are grateful to our talented and dedicated employees, to our innovative and demanding customers and to our supportive and discerning stockholders. Looking forward we are both positioned and focused to do very well.

As always our goal is analog excellence.

Thank you for your support.

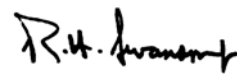
Sincerely,



PAUL COUGHLAN
Vice President, Finance and
Chief Financial Officer



LOTHAR MAIER
Chief Executive Officer



ROBERT H. SWANSON, JR.
Executive Chairman



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
Former 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

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San Jose, California

LEGAL COUNSEL

Wilson, Sonsini, Goodrich & Rosati

Professional Corporation

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Lothar Maier

Chief Executive Officer

V. Paul Chantalat

Vice President,
Quality and Reliability

Paul Coghlan

Vice President, Finance,
Chief Financial Officer, and
Secretary

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Steve Pietkiewicz

Vice President,
Power Management Products

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International Sales

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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, μ Module[®] subsystems and wireless sensor network products.

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 4,400 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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