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LINEAR TECHNOLOGY REPORTS IMPROVED SALES AND PROFITS OVER THE PRIOR YEAR

Milpitas, California, October 15, 2002, Linear Technology Corporation (NASDAQ-LLTC), a leading, independent manufacturer of high performance linear integrated circuits, today announced that net sales for its first quarter ended September 29, 2002, were \$142,011,000, an increase of 18% over net sales of \$120,104,000 for the first quarter of the previous year. The Company also reported net income for the quarter of \$53,802,000 or \$0.17 diluted earnings per share, an increase of 19% from \$45,150,000 or \$0.14 diluted earnings per share reported for the first quarter of last year. A cash dividend of \$0.05 per share will be paid on November 13, 2002 to stockholders of record on October 25, 2002. During the quarter the Company purchased 4,870,448 shares of its common stock for approximately \$125 million. Before the impact of these common stock purchases, the Company generated approximately \$43 million in additional cash and short-term investments. The Company has purchased approximately 7 million of the 10 million shares previously authorized by the Board of Directors. It has been authorized to purchase up to an additional 10 million shares of its outstanding common stock in the open market over the next two years.

According to Robert H. Swanson, Chairman of the Board and CEO, "Due to uncertainties surrounding worldwide economies, particularly in the United States, our sales and profits, while improving year over year, have been largely unchanged from the prior quarter. We continue to be strongly profitable, as demonstrated by our 38% return on sales, and also strongly cash flow positive from operations.

Looking forward, general economic conditions do not appear that they will improve significantly in the short-term. Nevertheless, we are well positioned, especially internationally, in some new programs at customers, which should ramp up during the December quarter. However, within the quarter, it is likely that December will be a slow month, particularly in the United States, as many customers will have plant shutdowns this calendar year-end around the holiday season. Therefore, confidently and accurately forecasting short-term future results is difficult. In summary, we estimate that sales and profits will be similar to or slightly up from the September quarter.”

Except for historical information contained herein, the matters set forth in this news release are forward-looking statements that are dependent on certain risks and uncertainties including such factors, among others, as new orders received and shipped during the quarter, timely ramp-up of new facilities, and the timely introduction of new processes and products.

Company officials will be discussing these results in greater detail in a conference call tomorrow, Wednesday, October 16, 2002 at 8:30 a.m. Pacific Coast Time. Those investors wishing to listen in may call (719) 457-2658 before 8:15 a.m. to be included in the audience. There will be a live webcast of this conference call that can be accessed through www.linear.com or www.streetevents.com. A replay of the conference call will be available October 16 through October 23, 2002. You may access this post view by calling (719) 457-0820 and entering reservation #558507. An archive of the webcast will also be available at www.linear.com and www.streetevents.com as of October 16, 2002 until the next earnings release on January 14, 2003.

Linear Technology Corporation was founded in 1981 as a manufacturer of high performance linear integrated circuits. Linear Technology products include operational, instrumentation and audio amplifiers; voltage regulators, power management devices, DC-DC converters and voltage references; comparators; monolithic filters; communications interface circuits; one-chip data acquisition sub-systems; pulse-width modulators and sample-and-hold

devices; and high frequency devices. Applications for Linear Technology's high performance circuits include wireless and broadband telecommunications infrastructure, cellular telephones, networking products and satellite systems, notebook and desk top computers, computer peripherals, video/multimedia, industrial and medical instrumentation, automotive electronics, factory automation, process control, military and space systems, and high-end consumer products including digital cameras, MP3 players and other electronic products.

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

	<u>Three Months Ended</u> (unaudited)	
	<u>September 29, 2002</u>	<u>September 30, 2001</u>
Net sales	\$ 142,011	\$ 120,104
Cost of sales	<u>36,568</u>	<u>37,247</u>
Gross profit	<u>105,443</u>	<u>82,857</u>
Expenses:		
Research & development	23,074	18,822
Selling, general and administrative	<u>16,947</u>	<u>16,158</u>
	<u>40,021</u>	<u>34,980</u>
Operating income	65,422	47,877
Interest income	<u>10,355</u>	<u>15,714</u>
Income before income taxes	75,777	63,591
Provision for income taxes	<u>21,975</u>	<u>18,441</u>
Net income	<u>\$ 53,802</u>	<u>\$ 45,150</u>
Earnings per share:		
Basic	<u>\$ 0.17</u>	<u>\$ 0.14</u>
Diluted	<u>\$ 0.17</u>	<u>\$ 0.14</u>
Shares used in the calculation of earnings per share:		
Basic	<u>314,190</u>	<u>318,191</u>
Diluted	<u>322,253</u>	<u>330,234</u>

LINEAR TECHNOLOGY CORPORATION
CONSOLIDATED CONDENSED BALANCE SHEETS
(Dollars in thousands)

	September 29, 2002 <u>(unaudited)</u>	June 30, 2002 <u>(audited)</u>		September 29, 2002 <u>(unaudited)</u>	June 30, 2002 <u>(audited)</u>
ASSETS			LIABILITIES & STOCKHOLDERS' EQUITY		
Current assets:			Current liabilities:		
Cash, cash equivalents and short-term investments	\$1,469,932	\$1,552,030	Accounts payable	\$ 6,614	\$ 5,098
			Accrued income taxes, payroll & other accrued liabilities	112,414	117,731
Accounts receivable, net of allowance for doubtful accounts of \$1,602 (\$1,302 at June 30, 2002)	93,075	81,447	Deferred income on shipments to distributors	<u>47,364</u>	<u>46,168</u>
Inventories	30,760	28,942	Total current liabilities	<u>166,392</u>	<u>168,997</u>
Deferred tax assets and other current assets	<u>61,703</u>	<u>65,162</u>	Deferred tax liabilities	37,982	37,982
Total current assets	<u>1,655,470</u>	<u>1,727,581</u>	Stockholders' equity:		
Property, plant & equipment, net	<u>250,721</u>	<u>260,852</u>	Common stock	669,878	672,916
	<u>\$1,906,191</u>	<u>\$1,988,433</u>	Retained earnings	<u>1,031,939</u>	<u>1,108,538</u>
			Total stockholders' equity	<u>1,701,817</u>	<u>1,781,454</u>
				<u>\$1,906,191</u>	<u>\$1,988,433</u>