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LINEAR TECHNOLOGY REPORTS IMPROVED SALES AND PROFITS OVER THE PRIOR YEAR

Milpitas, California, January 14, 2003, Linear Technology Corporation (NASDAQ-LLTC), a leading, independent manufacturer of high performance linear integrated circuits, today announced that net sales for its second quarter ended December 29, 2002, were \$145,045,000, an increase of 20% over net sales of \$121,266,000 for the second quarter of the previous year. The Company also reported net income for the quarter of \$56,163,000 or \$0.18 diluted earnings per share, an increase of 22% from \$45,965,000 or \$0.14 diluted earnings per share reported for the second quarter of last year. A cash dividend of \$0.05 per share will be paid on February 12, 2003 to stockholders of record on January 24, 2003. During the quarter, the Company generated \$63 million in cash and short-term investments. In addition, cash and short-term investments at December 29, 2002 include \$16 million in unrealized gains on investments that the Company classifies as available-for-sale, but in practice primarily holds to maturity.

According to Robert H. Swanson, Chairman of the Board and CEO, "We grew this quarter slightly over the previous quarter and significantly over the similar quarter in the prior year. We continue to be strongly profitable as demonstrated by our 39% return on sales and also strongly cash flow positive. We have turned in these good results during difficult economic times. Lead times and backlog are low and customers continue to order only to near term demand. Therefore, confidently and accurately forecasting short-term future results continues to be difficult. However, the March quarter is customarily stronger for us and we expect some improvement in demand. Consequently, we estimate that sales and profits will grow in mid single digits, 3% to 7%, from the December 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, January 15, 2003 at 8:30 a.m. Pacific Coast Time. Those investors wishing to listen in may call (913) 981-5507 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 January 15 through January 22, 2003. You may access this post view by calling (719) 457-0820 and entering reservation #523827. An archive of the webcast will also be available at www.linear.com and www.streetevents.com as of January 15, 2003 until the next earnings release on April 15, 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)
(unaudited)

	<u>Three Months Ended</u>		<u>Six Months Ended</u>	
	<u>December 29, 2002</u>	<u>December 30, 2001</u>	<u>December 29, 2002</u>	<u>December 30, 2001</u>
Net sales	\$145,045	\$121,266	\$287,056	\$241,370
Cost of sales	<u>38,653</u>	<u>36,133</u>	<u>75,221</u>	<u>73,380</u>
Gross profit	<u>106,392</u>	<u>85,133</u>	<u>211,835</u>	<u>167,990</u>
Expenses:				
Research & development	21,331	19,369	44,405	38,191
Selling, general and administrative	<u>16,482</u>	<u>14,147</u>	<u>33,429</u>	<u>30,305</u>
	<u>37,813</u>	<u>33,516</u>	<u>77,834</u>	<u>68,496</u>
Operating income	68,579	51,617	134,001	99,494
Interest income	<u>10,524</u>	<u>13,123</u>	<u>20,879</u>	<u>28,837</u>
Income before income taxes	79,103	64,740	154,880	128,331
Provision for income taxes	<u>22,940</u>	<u>18,775</u>	<u>44,915</u>	<u>37,216</u>
Net income	<u>\$ 56,163</u>	<u>\$ 45,965</u>	<u>\$ 109,965</u>	<u>\$ 91,115</u>
Basic earnings per share	<u>\$ 0.18</u>	<u>\$ 0.15</u>	<u>\$ 0.35</u>	<u>\$ 0.29</u>
Shares used in the calculation of basic earnings per share	<u>312,581</u>	<u>316,749</u>	<u>313,386</u>	<u>317,470</u>
Diluted earnings per share	<u>\$ 0.18</u>	<u>\$ 0.14</u>	<u>\$ 0.34</u>	<u>\$ 0.28</u>
Shares used in the calculation of diluted earnings per share	<u>320,556</u>	<u>328,318</u>	<u>321,405</u>	<u>329,276</u>

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

	December 29, 2002 <u>(unaudited)</u>	June 30, 2002 <u>(audited)</u>		December 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	\$1,548,798	\$1,552,030	Accounts payable	\$ 6,360	\$ 5,098
			Accrued income taxes, payroll & other accrued liabilities	95,935	117,731
Accounts receivable, net of allowance for doubtful accounts of \$1,363 (\$1,302 at June 30, 2002)	91,813	81,447	Deferred income on shipments to distributors	<u>45,799</u>	<u>46,168</u>
Inventories	30,952	28,942	Total current liabilities	<u>148,094</u>	<u>168,997</u>
Deferred tax assets and other current assets	<u>64,870</u>	<u>65,162</u>	Deferred tax liabilities	43,485	37,982
Total current assets	<u>1,736,433</u>	<u>1,727,581</u>	Stockholders' equity:		
Property, plant & equipment, net	<u>241,590</u>	<u>260,852</u>	Common stock	699,670	672,916
	<u>\$1,978,023</u>	<u>\$1,988,433</u>	Retained earnings	1,071,174	1,108,538
			Accumulated other comprehensive income	<u>15,600</u>	<u>--</u>
			Total stockholders' equity	<u>1,786,444</u>	<u>1,781,454</u>
				<u>\$1,978,023</u>	<u>\$1,988,433</u>

