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## LINEAR TECHNOLOGY REPORTS ANNUAL AND QUARTERLY INCREASE IN SALES AND PROFITS.

Milpitas, California, July 22, 2003, Linear Technology Corporation (NASDAQ-LLTC), a leading, independent manufacturer of high performance linear integrated circuits, today announced that net sales for its fiscal year ended June 29, 2003, were \$606,573,000, an increase of 18% from net sales of \$512,282,000 for the previous year. The Company also reported net income for the year of \$236,591,000 or \$0.74 diluted earnings per share, an increase of 20% from \$197,629,000 or \$0.60 diluted earnings per share reported for fiscal 2002. Net sales for the fourth quarter ended June 29, 2003 were \$165,767,000, an 18% increase from net sales of \$140,757,000 for the fourth quarter of the previous year. Net income for the quarter was \$66,004,000 or \$0.21 diluted earnings per share, compared with \$55,034,000 or \$0.17 diluted earnings per share, an increase of 20% from the fourth quarter of the previous year. Return on Sales was 40% for the quarter and 39% for the year. A cash dividend of \$0.06 per share will be paid on August 20, 2003 to stockholders of record on August 1, 2003. The Company generated additional cash and short-term investments of \$272 million for the year and \$92 million for the fourth quarter before the purchase of common stock. The Company purchased 8,390,348 shares of its common stock for \$230 million for the year including 1,945,000 shares for \$64 million in the quarter, resulting in a net increase in cash and short-term investments of \$42 million for the year and \$28 million for the quarter.

According to Robert H. Swanson, Chairman of the Board and CEO, "Fiscal 2003 was a successful, but challenging year for Linear, as we reported solid growth in a modestly improving

economic environment. We benefited from the demand for our high-performance analog solutions in many new diverse applications in wireless, high-end consumer, automotive, security, computer, military, industrial/medical and networking. Our sales increased 18%, and operating income improved 31%. We had an increase in net income of 20%, which was impacted by a decrease in interest income due to the dramatic decrease in interest rates.

Although the overall demand for our products is improving, our customers continue to be cautious in their ordering patterns. While accurately forecasting short-term results remains a challenge, we expect low single digit growth in sales and profits in the September quarter, which is in line with our normal summer quarter patterns.”

Except for historical information contained herein, the matters set forth in this press release are forward-looking statements. In particular, the statements regarding the demand for our products, our customers’ ordering patterns and the anticipated growth of our sales and profits are forward-looking statements. The forward-looking statements are dependent on certain risks and uncertainties, including such factors, among others, as the timing, volume and pricing of new orders received and shipped, the timely introduction of new processes and products, general conditions in the world economy and financial markets and other factors described in our 10-K for the fiscal year ended June 30, 2002.

Company officials will be discussing these results in greater detail in a conference call tomorrow, Wednesday, July 23, 2003 at 8:30 a.m. Pacific Coast Time. Those investors wishing to listen in may call (719) 457-2641 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](http://www.linear.com) or [www.streetevents.com](http://www.streetevents.com). A replay of the conference call will be available from July 23 through July 29, 2003. You may access this post view by calling (719) 457-0820 and entering reservation #191442. An archive of the webcast will also be available at [www.linear.com](http://www.linear.com) and [www.streetevents.com](http://www.streetevents.com) as of July 23, 2003 until the fourth quarter earnings release next year.

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.

For further information contact Paul Coghlan at Linear Technology Corporation, 1630 McCarthy Blvd., Milpitas, California 95035-7417, (408) 432-1900.

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

	<u>Three Months Ended</u> (unaudited)		<u>Year Ended</u> (audited)	
	June 29, 2003	June 30, 2002	June 29, 2003	June 30, 2002
Net sales	\$165,767	\$140,757	\$606,573	\$512,282
Cost of sales	<u>40,455</u>	<u>36,821</u>	<u>155,066</u>	<u>144,719</u>
Gross profit	<u>125,312</u>	<u>103,936</u>	<u>451,507</u>	<u>367,563</u>
Expenses:				
Research & development	24,396	21,521	91,410	79,839
Selling, general and administrative	<u>16,241</u>	<u>16,755</u>	<u>65,586</u>	<u>62,625</u>
	<u>40,637</u>	<u>38,276</u>	<u>156,996</u>	<u>142,464</u>
Operating income	84,675	65,660	294,511	225,099
Interest income - net	<u>8,288</u>	<u>11,852</u>	<u>38,715</u>	<u>53,251</u>
Income before income taxes	92,963	77,512	333,226	278,350
Provision for income taxes	<u>26,959</u>	<u>22,478</u>	<u>96,635</u>	<u>80,721</u>
Net income	<u>\$ 66,004</u>	<u>\$ 55,034</u>	<u>\$236,591</u>	<u>\$197,629</u>
Basic earnings per share	<u>\$ 0.21</u>	<u>\$ 0.17</u>	<u>\$ 0.76</u>	<u>\$ 0.62</u>
Shares used in the calculation of basic earnings per share	<u>312,907</u>	<u>316,784</u>	<u>313,115</u>	<u>317,215</u>
Diluted earnings per share	<u>\$ 0.21</u>	<u>\$ 0.17</u>	<u>\$ 0.74</u>	<u>\$ 0.60</u>
Shares used in the calculation of diluted earnings per share	<u>321,847</u>	<u>327,075</u>	<u>321,375</u>	<u>328,538</u>

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

	June 29, 2003 <u>(audited)</u>	June 30, 2002 <u>(audited)</u>		June 29, 2003 <u>(audited)</u>	June 30, 2002 <u>(audited)</u>
ASSETS			LIABILITIES & STOCKHOLDERS' EQUITY		
Current assets:			Current liabilities:		
Cash, cash equivalents and short-term investments	\$1,593,567	\$1,552,030	Accounts payable	\$ 7,480	\$ 5,098
			Accrued income taxes, payroll & other accrued liabilities	109,871	117,731
Accounts receivable, net of allowance for doubtful accounts of \$1,762 (\$1,302 at June 30, 2002)	80,094	81,447	Deferred income on shipments to distributors	<u>44,678</u>	<u>46,168</u>
Inventories	32,094	28,942	Total current liabilities	<u>162,029</u>	<u>168,997</u>
Deferred tax assets and other current assets	<u>70,245</u>	<u>65,162</u>	Deferred tax and other long-term liabilities	79,921	37,982
Total current assets	<u>1,776,000</u>	<u>1,727,581</u>	Stockholders' equity:		
Property, plant & equipment, net	223,444	260,852	Common stock	740,397	672,916
Other non current assets	<u>57,435</u>	<u>--</u>	Retained earnings	1,067,582	1,108,538
	<u>\$2,056,879</u>	<u>\$1,988,433</u>	Accumulated other comprehensive income	<u>6,950</u>	<u>0</u>
			Total stockholders' equity	<u>1,814,929</u>	<u>1,781,454</u>
				<u>\$2,056,879</u>	<u>\$1,988,433</u>