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LINEAR TECHNOLOGY REPORTS INCREASED SALES AND PROFITS OVER THE PRIOR  
QUARTER AND ANNOUNCES AN INCREASE IN ITS QUARTERLY DIVIDEND FROM \$0.06 TO  
\$0.08 PER SHARE

Milpitas, California, January 13, 2004, 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 28, 2003, were \$186,021,000, an increase of 28% over net sales of \$145,045,000 for the second quarter of the previous year. The Company also reported net income for the quarter of \$74,335,000 or \$0.23 diluted earnings per share, an increase of 32% from \$56,163,000 or \$0.18 diluted earnings per share reported for the second quarter of last year. During the quarter, the Company generated approximately \$20 million in cash and short-term investments, net of spending approximately \$82 million to purchase 2,000,000 shares of its common stock.

The Company increased its quarterly dividend from \$0.06 to \$0.08 per share. The payment will be made on February 11, 2004 to stockholders of record on January 23, 2004.

According to Robert H. Swanson, Chairman of the Board and CEO, "This was a strong quarter for us. We exceeded our estimates by growing sales and profits 7% sequentially over the September quarter. Demand for our products was particularly strong and increased in each end-market, led by industrial and communications. This broad cross section of strength, which crosses all end-markets and all major geographies, and is widely disbursed over many customers, is very encouraging. We continue to be both strongly profitable, as demonstrated by our 40% return on sales, and strongly cash flow positive from operations, as evidenced by the increase in cash. Looking forward we envision continued strength in our marketplace. Should these current trends continue, we expect to grow both sales and profits in the high single digit range sequentially in the March 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 14, 2004 at 8:30 a.m. Pacific Coast Time. Those investors wishing to listen in may call (913) 981-5522 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 January 14 through January 21, 2004. You may access this post view by calling (719) 457-0820 and entering reservation #793661. 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 January 14, 2004 until the second 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 high performance amplifiers, comparators, voltage references, monolithic filters, linear regulators, DC-DC converters, battery chargers, data converters, communications interface circuits, RF signal conditioning circuits, and many other analog functions. Applications for Linear Technology's high performance circuits include telecommunications, cellular telephones, networking products such as optical switches, notebook and desktop computers, computer peripherals, video/multimedia, industrial instrumentation, security monitoring devices, high-end consumer products such as digital cameras and MP3 players, complex medical devices, automotive electronics, factory automation, process control, and military and space systems.

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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 28, 2003</u>	<u>December 29, 2002</u>	<u>December 28, 2003</u>	<u>December 29, 2002</u>
Net sales	\$ 186,021	\$ 145,045	\$ 360,098	\$ 287,056
Cost of sales	<u>43,777</u>	<u>38,653</u>	<u>85,186</u>	<u>75,221</u>
Gross profit	<u>142,244</u>	<u>106,392</u>	<u>274,912</u>	<u>211,835</u>
Expenses:				
Research & development	24,992	21,331	49,327	44,405
Selling, general and administrative	<u>19,240</u>	<u>16,482</u>	<u>36,811</u>	<u>33,429</u>
	<u>44,232</u>	<u>37,813</u>	<u>86,138</u>	<u>77,834</u>
Operating income	98,012	68,579	188,774	134,001
Interest income, net	<u>6,684</u>	<u>10,524</u>	<u>13,769</u>	<u>20,879</u>
Income before income taxes	104,696	79,103	202,543	154,880
Provision for income taxes	<u>30,361</u>	<u>22,940</u>	<u>58,737</u>	<u>44,915</u>
Net income	<u>\$ 74,335</u>	<u>\$ 56,163</u>	<u>\$ 143,806</u>	<u>\$ 109,965</u>
Basic earnings per share	<u>\$ 0.24</u>	<u>\$ 0.18</u>	<u>\$ 0.46</u>	<u>\$ 0.35</u>
Shares used in the calculation of basic earnings per share	<u>313,369</u>	<u>312,581</u>	<u>313,389</u>	<u>313,386</u>
Diluted earnings per share	<u>\$ 0.23</u>	<u>\$ 0.18</u>	<u>\$ 0.44</u>	<u>\$ 0.34</u>
Shares used in the calculation of diluted earnings per share	<u>323,440</u>	<u>320,556</u>	<u>323,167</u>	<u>321,405</u>

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

	December 28, 2003 <u>(unaudited)</u>	June 29, 2003 <u>(audited)</u>		December 28, 2003 <u>(unaudited)</u>	June 29, 2003 <u>(audited)</u>
ASSETS			LIABILITIES & STOCKHOLDERS' EQUITY		
Current assets:			Current liabilities:		
Cash, cash equivalents and short-term investments	\$1,686,773	\$1,593,567	Accounts payable	\$ 7,875	\$ 7,480
			Accrued income taxes, payroll & other accrued liabilities	124,924	109,871
Accounts receivable, net of allowance for doubtful accounts of \$1,762 (\$1,762 at June 29, 2003)	89,491	80,094	Deferred income on shipments to distributors	<u>43,842</u>	<u>44,678</u>
Inventories	33,067	32,094	Total current liabilities	<u>176,641</u>	<u>162,029</u>
Deferred tax assets and other current assets	<u>71,678</u>	<u>70,245</u>	Deferred tax and other long-term liabilities	75,950	79,921
Total current assets	<u>1,881,009</u>	<u>1,776,000</u>	Stockholders' equity:		
Property, plant & equipment, net	206,008	223,444	Common stock	791,864	740,397
Other non current assets	<u>55,481</u>	<u>57,435</u>	Retained earnings	1,095,091	1,067,582
Total assets	<u>\$2,142,498</u>	<u>\$2,056,879</u>	Accumulated other comprehensive income	<u>2,952</u>	<u>6,950</u>
			Total stockholders' equity	<u>1,889,907</u>	<u>1,814,929</u>
				<u>\$2,142,498</u>	<u>\$2,056,879</u>