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LINEAR TECHNOLOGY REPORTS A STRONG YEAR WITH ANNUAL AND QUARTERLY
INCREASES IN SALES AND PROFITS.

Milpitas, California, July 20, 2004, 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 27, 2004, were \$807,281,000, an increase of 33% over net sales of \$606,573,000 for the previous year. The Company also reported net income for the year of \$328,171,000 or \$1.02 diluted earnings per share, an increase of 39% from \$236,591,000 or \$0.74 diluted earnings per share reported for fiscal 2003. Net sales for the fourth quarter ended June 27, 2004 were \$238,050,000, a 44% increase from net sales of \$165,767,000 for the fourth quarter of the previous year. Net income for the quarter was \$98,816,000 or \$0.31 diluted earnings per share, compared with \$66,004,000 or \$0.21 diluted earnings per share, an increase of 50% from the fourth quarter of the previous year. Return on Sales was 42% for the quarter and 41% for the year. A cash dividend of \$0.08 per share will be paid on August 18, 2004 to stockholders of record on July 30, 2004. The Company generated additional cash and short-term investments of \$395 million for the year and \$135 million for the fourth quarter before the purchase of common stock. The Company purchased 8,411,200 shares of its common stock for \$332 million for the year including 3,406,200 shares for \$127 million in the quarter, resulting in a net increase in cash and short-term investments of \$63 million for the year and \$8 million for the quarter.

The Board of Directors authorized the Company to purchase up to 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, "Fiscal 2004 was a very strong year for Linear with momentum building steadily as each of the quarters had accelerated year over year growth in sales and profits. Accordingly, we closed the year with our strongest quarter growing sales 14% and profits 16% sequentially over the March quarter. Typically the summer

quarter, which we are entering, is the quarter with the lowest sequential growth, generally low single digits. However, this year, given the broad based strength we are experiencing in our marketplace, should these current trends continue, we expect to have a seasonally strong start to our new fiscal year with sales growing roughly 5% to 7% sequentially from the quarter just completed.”

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 29, 2003.

Company officials will be discussing these results in greater detail in a conference call tomorrow, Wednesday, July 21, 2004 at 8:30 a.m. Pacific Coast Time. Those investors wishing to listen in may call (913) 981-4900 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 from July 21 through July 27, 2004. You may access this post view by calling (719) 457-0820 and entering reservation #522791. An archive of the webcast will also be available at www.linear.com and www.streetevents.com as of July 21, 2004 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 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)

	<u>Three Months Ended</u> (unaudited)		<u>Year Ended</u> (audited)	
	<u>June 27, 2004</u>	<u>June 29, 2003</u>	<u>June 27, 2004</u>	<u>June 29, 2003</u>
Net sales	\$238,050	\$165,767	\$807,281	\$606,573
Cost of sales	<u>53,178</u>	<u>40,455</u>	<u>185,960</u>	<u>155,066</u>
Gross profit	<u>184,872</u>	<u>125,312</u>	<u>621,321</u>	<u>451,507</u>
Expenses:				
Research & development	28,660	24,396	104,620	91,410
Selling, general and administrative	<u>22,607</u>	<u>16,241</u>	<u>79,971</u>	<u>65,586</u>
	<u>51,267</u>	<u>40,637</u>	<u>184,591</u>	<u>156,996</u>
Operating income	133,605	84,675	436,730	294,511
Interest income, net	<u>5,574</u>	<u>8,288</u>	<u>25,483</u>	<u>38,715</u>
Income before income taxes	139,179	92,963	462,213	333,226
Provision for income taxes	<u>40,363</u>	<u>26,959</u>	<u>134,042</u>	<u>96,635</u>
Net income	<u>\$ 98,816</u>	<u>\$ 66,004</u>	<u>\$328,171</u>	<u>\$236,591</u>
Basic earnings per share	<u>\$ 0.32</u>	<u>\$ 0.21</u>	<u>\$ 1.05</u>	<u>\$ 0.76</u>
Shares used in the calculation of basic earnings per share	<u>309,479</u>	<u>312,907</u>	<u>312,063</u>	<u>313,115</u>
Diluted earnings per share	<u>\$ 0.31</u>	<u>\$ 0.21</u>	<u>\$ 1.02</u>	<u>\$ 0.74</u>
Shares used in the calculation of diluted earnings per share	<u>317,984</u>	<u>321,847</u>	<u>321,456</u>	<u>321,375</u>

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

	June 27, 2004 <u>(audited)</u>	June 29, 2003 <u>(audited)</u>		June 27, 2004 <u>(audited)</u>	June 29, 2003 <u>(audited)</u>
ASSETS			LIABILITIES & STOCKHOLDERS' EQUITY		
Current assets:			Current liabilities:		
Cash, cash equivalents and short-term investments	\$1,656,540	\$1,593,567	Accounts payable	\$ 14,410	\$ 7,480
			Accrued income taxes, payroll & other accrued liabilities	146,342	109,871
Accounts receivable, net of allowance for doubtful accounts of \$1,762 (\$1,762 at June 29, 2003)	79,142	80,094	Deferred income on shipments to distributors	<u>41,862</u>	<u>44,678</u>
Inventories	32,704	32,094	Total current liabilities	<u>202,614</u>	<u>162,029</u>
Deferred tax assets and other current assets	<u>63,709</u>	<u>70,245</u>	Deferred tax and other long-term liabilities	74,484	79,921
Total current assets	<u>1,832,095</u>	<u>1,776,000</u>	Stockholders' equity:		
Property, plant & equipment, net	201,080	223,444	Common stock	815,472	740,397
Other non current assets	<u>54,528</u>	<u>57,435</u>	Retained earnings	997,593	1,067,582
Total assets	<u>\$2,087,703</u>	<u>\$2,056,879</u>	Accumulated other comprehensive income	<u>(2,460)</u>	<u>6,950</u>
			Total stockholders' equity	<u>1,810,605</u>	<u>1,814,929</u>
				<u>\$2,087,703</u>	<u>\$2,056,879</u>