UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)
X Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended September 27, 1997

or

____ Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Commission File Number 0-11438

BURR-BROWN CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	**86-0445468**
(State of Incorporation)	(IRS Employer I.D. No.)

6730 South Tucson Boulevard
Tucson, Arizona 85706
(Address of principle executive offices)

(520) 746-1111
(Registrant's telephone number)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No __

Indicate the number of shares outstanding of each of the issuer's classes of common stock, not including shares held in treasury, as of the close of the period covered by this report.

Common Stock, $0.01 par value 24,156,000 Shares

BURR-BROWN CORPORATION AND SUBSIDIARIES

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PART I. FINANCIAL INFORMATION

BURR-BROWN CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)
(In thousands except per share amounts)

	Three Months Ended		Nine Months Ended	
	Sep. 27, 1997	**Sep. 28, 1996**	**Sep. 27, 1997**	**Sep. 28, 1996**
Net Revenue	$65,928	$50,109	$183,205	$169,464
% increase (decrease) in revenue over prior year	32%	(29%)	8%	(15%)
Cost of Goods Sold	32,669	25,017	91,306	83,941
Gross Margin	33,259	25,092	91,899	85,523
% of revenue	50%	50%	50%	50%
Expenses:				
Research & Development	9,248	6,452	24,419	21,088
% of revenue	14%	13%	13%	12%
Sales, Marketing, General and Administrative	12,761	12,137	37,378	41,027
% of revenue	19%	24%	20%	24%
Total Operating Expenses	22,009	18,589	61,797	62,115
% of revenue	33%	37%	34%	37%
Income from Operations	11,250	6,503	30,102	23,408
% of revenue	17%	13%	16%	14%
Interest Expense	108	132	323	502
(Gain) from Sale of Subsidiary	-	(500)	-	(7,180)
Other (Income) Expense	(1,078)	(590)	(2,897)	(2,660)
Income Before Income Taxes	12,220	7,461	32,676	32,746
% of revenue	19%	15%	18%	19%
Provision for Income Taxes	3,666	1,761	9,803	8,841
Effective Tax Rate	30%	24%	30%	27%
Net Income	$8,554	$5,700	$22,873	$23,905
% of revenue	13%	11%	12%	14%
Earnings per Common Share	$0.34	$0.23 [(1)]	$0.90	$0.95 [(1)]
Shares used in per common share calculation	25,468	24,753 [(1)]	25,334	25,067 [(1)]

[(1)] Common share information was adjusted to reflect a 3 for 2 stock split effective April, 1997.

See Notes to Consolidated Financial Statements.

BURR-BROWN CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In thousands of dollars)

	Sep. 27, 1997	Dec. 31, 1996
ASSETS	(Unaudited)	
Current Assets		
Cash and Cash Equivalents	$43,654	$38,433
Short-Term Investments	-	14,407
Trade Receivables	57,999	39,546
Inventories	45,951	49,570
Deferred Income Taxes	7,743	6,705
Other	12,577	4,867
Total Current Assets	167,924	153,528
Long-Term Investments	41,060	36,537
Land, Buildings, and Equipment		
Land	3,067	3,427
Buildings and Improvements	26,218	25,344
Equipment	142,030	122,726
	171,315	151,497
Less Accumulated Depreciation	(92,313)	(83,967)
	79,002	67,530
Other Assets	2,733	3,993
	$290,719	$261,588
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Notes Payable	$13,102	$14,533
Accounts Payable	23,084	17,641
Accrued Expenses	4,934	3,568
Accrued Employee Compensation and Payroll Taxes	7,858	8,194
Deferred Profit from Distributors	7,243	7,462
Income Taxes Payable	6,342	3,129
Current Portion of Long-Term Debt	757	1,087
Total Current Liabilities	63,320	55,614
Long-Term Debt	1,521	1,830
Deferred Gain	-	1,122
Deferred Income Taxes	1,848	1,709
Other Long-Term Liabilities	693	1,907
Stockholders' Equity		
Preferred Stock	-	-
Common Stock	253	166
Additional Paid-In Capital	93,147	90,326
Retained Earnings	140,132	117,467
Equity Adjustment From Foreign Currency Translation	1,596	2,881
Unrealized Loss on Investments	(288)	-
Treasury Stock	(11,503)	(11,434)
	223,337	199,406
	$290,719	$261,588

See Notes to Consolidated Financial Statements.

BURR-BROWN CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(In thousands of dollars)

	Nine Months Ended	
	Sep. 27, 1997	Sep. 28, 1996
OPERATING ACTIVITIES:		
Net Income	$ 22,873	$ 23,905
Adjustments to Reconcile Net Income to		
Net Cash Provided by Operating Activities:		
Depreciation and Amortization	10,121	9,974
Amortization of Deferred Gain	(1,122)	(1,122)
Provision for Inventory Reserves	1,279	1,632
Benefit from Deferred Income Taxes	(698)	(2,380)
Increase (Decrease) in Deferred Profit from Distributors	(219)	428
Gain from Sale of Subsidiary	-	(7,180)
Other	70	(69)
Changes in Operating Assets and Liabilities:		
(Increase) Decrease in Trade Receivables	(20,261)	7,798
(Increase) Decrease in Inventories	1,543	(5,890)
(Increase) Decrease in Other Assets	(6,770)	(4,158)
Increase (Decrease) in Accounts Payable	5,797	(362)
Increase (Decrease) in Accrued Expenses and Other Liabilities	3,600	(6,233)
Net Cash Provided By Operating Activities	16,213	16,343
INVESTING ACTIVITIES:		
Purchases of Investments	(31,867)	(19,186)
Maturities of Investments	41,267	38,880
Purchases of Land, Buildings, and Equipment	(21,559)	(19,970)
Proceeds from Sale of Equipment	40	388
Proceeds from Sale of Subsidiary	-	12,804
Net Cash Provided by (Used in) Investing Activities	(12,119)	12,916
FINANCING ACTIVITIES:		
Proceeds from Short-Term and Long-Term Borrowings	-	4,713
Payments on Short-Term and Long-Term Borrowings	(1,677)	(788)
Proceeds from (Payments for) Capital Stock Activity, Net	2,631	(9,330)
Net Cash Provided by (Used in) Financing Activities	954	(5,405)
Effect of Exchange Rate Changes	173	(63)
Increase in Cash and Cash Equivalents	5,221	23,791
Cash and Cash Equivalents at Beginning of Year	38,433	42,477
Cash and Cash Equivalents at End of Nine Months	$ 43,654	$ 66,268

See Notes to Consolidated Financial Statements.

BURR-BROWN CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(In thousands except per share amounts)

1. BASIS OF PRESENTATION

The consolidated financial statements included herein have been prepared by the Company, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three months and nine months ended September 27, 1997, are not necessarily indicative of the results to be expected for the year ending December 31, 1997. For further information, refer to the consolidated financial statements and footnotes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 1996, filed with the Securities and Exchange Commission.

In February, 1997, the Financial Accounting Standards Board issued Statement No. 128, *Earnings per Share*, which is required to be adopted on December 31, 1997. At that time, the Company will be required to change the method currently used to compute earnings per share and to restate all prior periods. Under the new requirements for calculating primary earnings per share, the dilutive effect of stock options will be excluded. The impact is expected to result in an increase in primary earnings per share in both the third quarters ended September 27, 1997, and September 28, 1996 of $0.01 per share, and an increase in primary earnings per share in the first nine months ended September 27, 1997, and September 28, 1996, of $0.05 and $0.04 per share, respectively. The impact of Statement 128 on the calculation of fully diluted earnings per share for these periods is not expected to be material.

2. INVENTORIES

Inventories consist of the following:

	Sep. 27, 1997	Dec. 31, 1996
Raw Material	$8,810	$10,960
Work-in-Process	21,483	20,227
Finished Goods	15,658	18,383
	$45,951	$49,570

3. TAX RATE

The effective tax rate for 1997 is estimated to be 30%. The Company’s effective tax rate is lower than the U.S. statutory rate due to expected benefits from tax exempt investment income, a foreign sales corporation, and tax credits.

4. STOCK SPLIT

On March 4, 1997, the Company’s Board of Directors declared a three for two stock distribution to stockholders of record on March 18, 1997, payable in April, 1997. Fractional shares were paid in cash to those stockholders whose shares on the record date were not evenly divisible by two.

5. CONTINGENCIES

Subsequent to March 29, 1997, the Company settled a patent infringement case that had been outstanding at December 31, 1996. The plaintiff had alleged that Burr-Brown had infringed upon its Small Computer System Interface (SCSI) terminator patents. The terms of the settlement agreement, which are confidential, are not expected to materially impact the Company’s financial condition, results of operations, or cash flows.

BURR-BROWN CORPORATION AND SUBSIDIARIES
MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis may contain forward-looking statements that involve risks and uncertainties. Factors that might cause actual results to differ from those currently anticipated include, but are not limited to, those discussed under "Factors Affecting Future Results."

RESULTS OF OPERATIONS

Net income for the third quarter of 1997 was $8.6 million or $.34 per share. This compares to net income of $7.7 million or $.31 per share for the preceding quarter and to net income of $5.7 million or $.23 per share for the year ago quarter. Net income for the first nine months of 1997 was $22.9 million or $.90 per share. This compares to $23.9 million or $.95 per share for the same period in 1996. The first nine months' net income of 1996 is comprised of income from recurring operations of $18.7 million or $.74 per share and a non-recurring gain of $5.2 million or $.21 per share relating to the sale of Power Convertibles Corporation (PCC), a subsidiary sold in the first quarter of 1996. Excluding this gain, compared to the first nine months of 1996, net income increased by 22.6%.

Third quarter new order bookings were up significantly from the third quarter of 1996. For the first nine months of 1997, new order bookings have increased substantially from the same period last year.

Revenue for the third quarter of $65.9 million was up 31.6% from the same quarter last year and up 5.5% sequentially. Revenue in all regions was up significantly over last year. Sequentially, all regions were up except Europe which was impacted by the summer quarter seasonality. Although all product lines experienced growth, those selling into the communications and digital audio and video markets were especially strong. Revenue for the first nine months of 1997 was $183.2 million. Net of 1996 PCC activity, this was $16.7 million or 10% greater than 1996 revenue for the same period.

Third quarter gross margin improved to 50.4% of sales from 50.0% in the prior quarter, reflecting a higher level of internal factory utilization and increased operating leverage from higher total sales. Mix continues to shift toward higher volume products with lower average selling prices without having an adverse effect on aggregate gross margin. Factory yields remained steady at record levels. Year-to-date gross margin at 50.2% of sales was slightly lower than the same period last year, primarily the result of product mix changes and lower level of factory utilization. Modest gross margin expansion is expected in the near term. Gross margin improvements are expected to accelerate as revenue growth accelerates.

Operating expenses declined, as a percentage of sales from the preceding quarter, to 33.4% from 33.6% although increasing in absolute terms. Research and Development (R&D) expenses increased to $9.2 million or 14.0% of revenue as new product introduction efforts gained momentum. R&D expenses for the first nine months of 1997 were 13.3% of revenue as compared to 12.4% for the same period last year. This increase reflects management's strategy to increase R&D investment as a primary driver of future revenue growth. The Company's model ratio for R&D is 14% of revenue and the Company expects to be near that level for the remainder of the current year in order to support a record number of new product introductions during 1997 and to continue development of next generation proprietary wafer fab processes.

Sales, Marketing and General & Administrative (SMG&A) expenses declined to 19.4% of revenue from 20.9% in the preceding quarter and from 24.2% in the same quarter of last year. SMG&A expense actually declined in absolute dollars during the quarter. Much of this was the result of consolidation of selling, logistics and administration activity in Europe. For the first nine months of 1997, SMG&A expenses were $3.6 million or 8.9% lower than those of the comparable period of 1996. For the same periods, SMG&A expense declined from 24.2% of revenue to 20.4% of revenue. To continue to lower SMG&A expenses, the Company is continuing to consolidate all administrative, logistics and inventory functions in three regional service centers worldwide. The adoption of a common worldwide information system is also expected to reduce administrative costs. An increase in the proportion of large order opportunities inherent in an application specific standard products strategy is expected to reduce the overall cost of selling.

Operating income at 17.1% of revenue was up from 16.4% in the second quarter of 1997 and from 13.0% in the third quarter of last year. On an absolute dollar basis, this improvement is primarily due to increased operating leverage brought about by revenue growth and by operating expense control. As compared to third quarter of last year, operating income improved by 73.0% while devoting 43.3% more resources to new product development activities. The Company plans to improve profit performance through continued gross margin expansion, by continued constraint on SMG&A expenses and by revenue growth. Revenue growth is expected to be driven by R&D investments, increased penetration of traditional markets such as industrial process control and test and instrumentation, and expanded participation in new, emerging markets such as communications, digital audio and video, and computing and multimedia.

Despite the strengthening of the dollar throughout the quarter, dollar pricing, price indexing, and natural and financial hedges minimized the impact of foreign exchange rate changes on the quarter's financial performance.

The 1997 tax rate continues to be 30%. This is up from the 25.5% tax rate of 1996 due to the absence of any one-time favorable tax events similar to those which occurred last year. Although it is expected that this rate will hold for all of 1997, this rate will be reviewed during the fourth quarter as 1996 filings are concluded. Long term expectations are that the tax rate will trend toward the federal statutory rate of 35% over the next few years.

Net income for the quarter was $8.6 million or 13.0% of sales, up from $7.7 million or 12.4% of sales last quarter and up from $5.7 million or 11.4% of sales in the third quarter of last year. Sequentially, net income was up 10.4% on a revenue increase of 5.5%. As compared to same quarter last year, net income was up 50.1% on a revenue increase of 31.6%. The Company's long term operating model for profit after tax is 15%.

FOREIGN OPERATIONS

International markets constitute a majority source of the Company's revenues. The resulting transactions have exchange rate fluctuation risk associated with them. Exchange rate risk is reduced through the natural hedges afforded by the Company's foreign operations, dollar-based or dollar-indexed sales transactions whenever possible and by the purchase of forward foreign exchange and option contracts to hedge its foreign currency net accounts receivable due from the international subsidiaries. In addition, the Company has entered into forward contracts and option contracts against anticipated foreign exchange cash flows. These contracts are in three primary currencies: Japanese Yen, British Pounds and German Marks. Exchange rate fluctuations can also affect the Company's reported revenue to the extent that the international subsidiaries' sales are in non-indexed foreign currencies but reported in the consolidated financial statements in U.S. dollars using a weighted average exchange rate. When compared to the first nine months of 1996, the effect of foreign exchange rate changes had approximately a 5% unfavorable impact on 1997 year to date revenue. Hedging activity resulted in a much smaller unfavorable impact on net income.

FACTORS AFFECTING FUTURE RESULTS

The foregoing plans are subject to a number of risks and uncertainties, including the following: Factors that could materially and adversely affect net revenue, gross margin, and profitability include the volume and timing of orders, changes in product mix, market acceptance of the Company's and its customers' products, competitive pricing pressures, fluctuations in foreign currency exchange rates, new product introductions, and fluctuations in manufacturing yields. Average selling prices typically decrease over the life of particular products. If the Company is unable to introduce new products with higher average selling prices or reduce manufacturing costs to offset decreases in the prices of its existing products, the Company's operating results will be adversely affected. In addition, the Company is limited in its ability to reduce costs quickly in response to any revenue shortfalls. To meet anticipated future demand and to utilize a broader range of fabrication processes, the Company intends to increase its manufacturing capacity. Given the complexity and expense of designing and constructing a significant expansion of a semiconductor fabrication plant, during the construction of the additions, the Company's manufacturing yields could be materially and adversely impacted. The Company is subject to several risks associated with its international operations; including unexpected changes in regulatory requirements, delays resulting from difficulty in obtaining export licenses for certain technology, foreign exchange fluctuations, tariffs and other barriers and restrictions, and the burdens of complying with a variety of foreign laws. The semiconductor industry is intensely competitive. Many of the Company's competitors have substantially greater financial, technical, marketing, distribution, and other resources than the Company. In the event of a downturn in the market for analog circuits, companies that have broader product lines may be in a stronger competitive position than the Company. Other risks potentially affecting future operating results are set forth in the Company's filings with the Securities and Exchange Commission.

FINANCIAL CONDITION

The Company's financial position remains very sound. Cash, cash equivalents and investments at $84.7 million increased $8.2 million on the quarter primarily driven by operating results and a decline in inventory.

Inventories declined by $4.5 million during the quarter. Inventory to quarterly sales ratio declined to 69.7% from 80.7% in the prior quarter. The Company is continuing to see the benefits of an inventory reduction program which includes cost and cycle time reductions, increased use of the distribution channel, consolidation of inventories in regional service centers and improvements in manufacturing planning. Management's expectation for the remainder of the year is for inventory to remain relatively flat in absolute terms and further decline as a percent of sales. Currently, annual inventory turns are nearing 3, up from 2 at this time last year. The Company's near-term objective is to improve this to more than 3 turns.

Sequentially, accounts receivable increased by 10.0% on a revenue increase of 5.5%. Days sales outstanding increased to 80 days from 77 days. The slow summer quarter adversely affected shipment linearity, especially in international markets. Expectations are that accounts receivable will increase with revenue in the fourth quarter but days sales outstanding are expected to decline.

Capital expenditures were approximately $9.4 million in the third quarter, bringing the total to $21.6 million year to date. Modernization and standardization of manufacturing equipment was a significant driver to capital spending as was next generation technology development and development of information systems. In addition, the Company purchased the residual value of wafer fabrication and test assets previously held under operating leases. Plans call for a total of about $24 million to be invested in 1997.

Debt increased from the preceding quarter by $1.4 million. As of September 27, 1997, total debt was $15.4 million, of which $2.3 million was term debt. Most of this debt represents interest rate arbitrage in Japan. In addition to term debt, credit facilities of approximately $50.2 million with both domestic and international banks were available to the Company of which approximately $13.1 million or 26% was utilized. The current ratio decreased slightly from 2.76 at year end to 2.65 at September 27, 1997. Total debt declined by $2.1 million or 11.9% from 1996 year end. Accounts payable increased by $7.0 million during the third quarter, reflecting increased purchases of capital items and foundry wafers. From 1996 year end, accounts payable increased by $5.5 million.

Stockholders' equity increased by $8.7 million or 4.1% on the quarter and $23.9 million or 12% from year end.

Given both the current cash position and available credit facilities, Management believes the Company has sufficient capital resources available to meet its requirements for the foreseeable future.

PART II. OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

Exhibit 11

BURR-BROWN CORPORATION AND SUBSIDIARIES
COMPUTATION OF CONSOLIDATED EARNINGS PER SHARE
(Unaudited)

Earnings per share are computed using the weighed average number of shares outstanding plus incremental shares issuable upon exercise of outstanding options under the treasury stock method.

	Three Months Ended		Nine Months Ended	
	Sep. 27, 1997	**Sep. 28, 1996 (1)**	**Sep. 27, 1997**	**Sep. 28, 1996 (1)**
INCOME:				
Net Income	$ 8,554,000	$ 5,700,000	$ 22,873,000	$ 23,905,000
PRIMARY EARNINGS PER SHARE:				
Weighted Average Number of Shares Outstanding	24,111,000	23,854,000	23,987,000	24,071,000
Net Effect of Dilutive Stock Options Based on the Treasury Stock Method Using the Average Market Price of Common Stock	1,357,000	899,000	1,347,000	996,000
Common Stock and Common Stock Equivalents	25,468,000	24,753,000	25,334,000	25,067,000
Primary Earnings Per Share	$0.34	$0.23	$0.90	$0.95
FULLY DILUTED EARNINGS PER SHARE:				
Weighted Average Number of Shares Outstanding	24,111,000	23,854,000	23,987,000	24,071,000
Net Effect of Dilutive Stock Options Based on the Treasury Stock Method Using the End of Period Market Price of Common Stock, if Higher Than Average	1,357,000	943,000	1,398,000	996,000
Common Stock and Common Stock Equivalents	25,468,000	24,797,000	25,385,000	25,067,000
Fully Diluted Earnings Per Share	$0.34	$0.23	$0.90	$0.95

(1) Common share information was adjusted to reflect a 3 for 2 stock split effective April, 1997.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities and Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BURR-BROWN CORPORATION
Registrant

By: J. SCOTT BLOUIN
J. Scott Blouin
Chief Financial Officer
Principal Accounting Officer

Date: November 7, 1997