

Contact: Paul Coghlan
Vice President, Finance
(408) 432-1900

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LINEAR TECHNOLOGY REPORTS INCREASED SALES AND PROFITS OVER BOTH THE PRIOR YEAR AND THE PRIOR QUARTER

Milpitas, California, October 14, 2003, Linear Technology Corporation (NASDAQ-LLTC), a leading, independent manufacturer of high performance linear integrated circuits, today announced that net sales for its first quarter ended September 28, 2003, were \$174,077,000, an increase of 23% over net sales of \$142,011,000 for the first quarter of the previous year. The Company also reported net income for the quarter of \$69,471,000 or \$0.22 diluted earnings per share, an increase of 29% from \$53,802,000 or \$0.17 diluted earnings per share reported for the first quarter of last year. During the quarter, the Company generated approximately \$74 million in additional cash and short-term investments. A cash dividend of \$0.06 per share will be paid on November 12, 2003 to stockholders of record on October 24, 2003.

According to Robert H. Swanson, Chairman of the Board and CEO, "The September quarter was a strong summer quarter for us as we grew both sales and profits 5% sequentially over the June quarter. Demand for our products improved particularly in portable product areas such as cell phones, notebook computers and high-end portable consumer products. 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, the overall demand for our products is improving in all geographic markets with international business being the strongest. Consequently, should these trends continue, we expect similar percentage growth sequentially in sales and profits in the December quarter."

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, October 15, 2003 at 8:30 a.m. Pacific Coast Time. Those investors wishing to listen in may call (913) 981-4901 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 October 15 through October 21, 2003. You may access this post view by calling (719) 457-0820 and entering reservation #290953. An archive of the webcast will also be available at www.linear.com and www.streetevents.com as of October 15, 2003 until the first 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.

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>September 28,</u> <u>2003</u>	<u>September 29,</u> <u>2002</u>
Net sales	\$ 174,077	\$ 142,011
Cost of sales	<u>41,409</u>	<u>36,568</u>
Gross profit	<u>132,668</u>	<u>105,443</u>
Expenses:		
Research & development	24,335	23,074
Selling, general and administrative	<u>17,571</u>	<u>16,947</u>
	<u>41,906</u>	<u>40,021</u>
Operating income	90,762	65,422
Interest income, net	<u>7,085</u>	<u>10,355</u>
Income before income taxes	97,847	75,777
Provision for income taxes	<u>28,376</u>	<u>21,975</u>
Net income	<u>\$ 69,471</u>	<u>\$ 53,802</u>
Earnings per share:		
Basic	<u>\$ 0.22</u>	<u>\$ 0.17</u>
Diluted	<u>\$ 0.22</u>	<u>\$ 0.17</u>
Shares used in the calculation of earnings per share:		
Basic	<u>313,409</u>	<u>314,190</u>
Diluted	<u>322,894</u>	<u>322,253</u>

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

	September 28, 2003 <u>(unaudited)</u>	June 29, 2003 <u>(audited)</u>		September 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	\$1,667,116	\$1,593,567	Accounts payable	\$ 7,158	\$ 7,480
			Accrued income taxes, payroll & other accrued liabilities	107,437	109,871
Accounts receivable, net of allowance for doubtful accounts of \$1,762 (\$1,762 at June 29, 2003)	95,709	80,094	Deferred income on shipments to distributors	<u>46,198</u>	<u>44,678</u>
Inventories	32,906	32,094	Total current liabilities	<u>160,793</u>	<u>162,029</u>
Deferred tax assets and other current assets	<u>69,842</u>	<u>70,245</u>	Deferred tax and other long-term liabilities	77,958	79,921
Total current assets	<u>1,865,573</u>	<u>1,776,000</u>	Stockholders' equity:		
Property, plant & equipment, net	213,797	223,444	Common stock	775,014	740,397
Other non current assets	<u>56,020</u>	<u>57,435</u>	Retained earnings	1,116,644	1,067,582
Total assets	<u>\$2,135,390</u>	<u>\$2,056,879</u>	Accumulated other comprehensive income	<u>4,981</u>	<u>6,950</u>
			Total stockholders' equity	<u>1,896,639</u>	<u>1,814,929</u>
				<u>\$2,135,390</u>	<u>\$2,056,879</u>