UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

Form 10-Q

(Mark One)

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended January 29, 2005

OR

o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from______________ to _______________

Commission File No. 1-7819

Analog Devices, Inc .

(Exact name of registrant as specified in its charter)

Massachusetts *(State or other jurisdiction of incorporation or organization)*	**04-2348234** *(I.R.S. Employer Identification No.)*
One Technology Way, Norwood, MA *(Address of principal executive offices)*	**02062-9106** *(Zip Code)*

(781) 329-4700
(Registrant's telephone number, including area code)

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 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 ☑ NO o

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). YES ☑ NO o

As of January 29, 2005 there were 372,512,755 shares of Common Stock, $0.16 2/3 par value per share, outstanding.

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PART I — FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

ANALOG DEVICES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)
(thousands, except per share amounts)

	Three Months Ended	
	January 29, 2005	January 31, 2004
Net sales	$ 580,536	$ 605,353
Cost of sales	245,008	259,888
Gross margin	335,528	345,465
Operating expenses:		
Research and development	127,534	120,630
Selling, marketing, general and administrative	83,341	79,238
	210,875	199,868
Operating income	124,653	145,597
Nonoperating (income) expenses:		
Interest expense	12	12
Interest income	(14,563)	(6,421)
Other, net	568	2,212
	(13,983)	(4,197)
Income before income taxes	138,636	149,794
Provision for income taxes	31,193	32,955
Net income	$ 107,443	$ 116,839
Shares used to compute earnings per share — basic	375,561	372,052
Shares used to compute earnings per share — diluted	388,107	392,904
Earnings per share — basic	$ 0.29	$ 0.31
Earnings per share — diluted	$ 0.28	$ 0.30
Dividends declared per share	$ 0.06	$ 0.04

See accompanying notes.

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ANALOG DEVICES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)
(thousands)

	January 29, 2005	October 30, 2004
Assets		
Cash and cash equivalents	$ 409,336	$ 518,940
Short-term investments	2,189,036	2,166,030
Accounts receivable, net	324,033	329,499
Inventories:		
Raw materials	14,157	11,281
Work in process	244,506	226,106
Finished goods	94,628	108,516
	353,291	345,903
Deferred tax assets	108,000	111,585
Prepaid expenses and other current assets	56,796	56,654
Total current assets	3,440,492	3,528,611
Property, plant and equipment, at cost:		
Land and buildings	315,670	301,439
Machinery and equipment	1,317,705	1,317,874
Office equipment	86,251	89,205
Leasehold improvements	107,815	106,826
	1,827,441	1,815,344
Less accumulated depreciation and amortization	1,173,833	1,147,565
Net property, plant and equipment	653,608	667,779
Deferred compensation plan investments	315,415	318,551
Other investments	3,398	3,854
Goodwill	163,373	163,373
Intangible assets, net	5,350	6,009
Other assets	30,499	31,906
Total other assets	518,035	523,693
	$ 4,612,135	$ 4,720,083

See accompanying notes.

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ANALOG DEVICES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)
(thousands, except share amounts)

	January 29, 2005	October 30, 2004
Liabilities and Shareholders' Equity		
Accounts payable	$ 94,969	$ 126,845
Deferred income on shipments to distributors	152,112	157,951
Income taxes payable	178,020	157,511
Accrued liabilities	108,029	124,695
Total current liabilities	533,130	567,002
Deferred income taxes	4,000	10,716
Deferred compensation plan liability	319,013	322,304
Other non-current liabilities	21,562	20,489
Total non-current liabilities	344,575	353,509
Commitments and Contingencies		
Shareholders' Equity		
Preferred stock, $1.00 par value, 471,934 shares authorized, none outstanding	—	—
Common stock, $0.16 2/3 par value, 1,200,000,000 shares authorized, 372,512,755 shares issued and outstanding (375,840,444 on October 30, 2004)	62,087	62,641
Capital in excess of par value	614,716	759,551
Retained earnings	3,058,495	2,973,631
Accumulated other comprehensive (loss) income	(868)	3,749
Total shareholders' equity	3,734,430	3,799,572
	$ 4,612,135	$ 4,720,083

See accompanying notes.

ANALOG DEVICES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(thousands)

	Three Months Ended	
	January 29, 2005	January 31, 2004
Cash flows from operating activities:		
Net income	$ 107,443	$ 116,839
Adjustments to reconcile net income to net cash provided by operations:		
Depreciation	38,313	37,565
Amortization of intangibles	684	677
Deferred income taxes	778	8,363
Other non-cash expense	2,516	4,172
Changes in operating assets and liabilities	(32,860)	24,032
Total adjustments	9,431	74,809
Net cash provided by operating activities	116,874	191,648
Cash flows from investing activities:		
Purchases of short-term available-for-sale investments	(797,655)	(898,815)
Maturities of short-term available-for-sale investments	763,960	1,201,964
Additions to property, plant and equipment, net	(23,884)	(27,073)
Decrease (increase) in other assets	1,559	(556)
Net cash (used for) provided by investing activities	(56,020)	275,520
Cash flows from financing activities:		
Repurchase of common stock	(161,204)	—
Net proceeds from employee stock plans	13,611	40,376
Dividend payments to shareholders	(22,579)	(14,869)
Net cash (used for) provided by financing activities	(170,172)	25,507
Effect of exchange rate changes on cash	(286)	256
Net (decrease) increase in cash and cash equivalents	(109,604)	492,931
Cash and cash equivalents at beginning of period	518,940	517,874
Cash and cash equivalents at end of period	$ 409,336	$ 1,010,805

See accompanying notes.

ANALOG DEVICES, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED JANUARY 29, 2005
(all tabular amounts in thousands except per share amounts and percentages)

Note 1 — Basis of Presentation

In the opinion of management, the information furnished in the accompanying condensed consolidated financial statements reflects all normal recurring adjustments that are necessary to fairly state the results for these interim periods and should be read in conjunction with the Company's Annual Report on Form 10-K for the fiscal year ended October 30, 2004 and related notes. The results of operations for the interim periods shown in this report are not necessarily indicative of the results that may be expected for the fiscal year ending October 29, 2005 or any future period.

The Company has a 52-53 week fiscal year that ends on the Saturday closest to the last day in October. Fiscal 2005 and fiscal 2004 are 52-week fiscal years.

Note 2 — Stock-Based Compensation

As permitted by FAS 148 and FAS 123, the Company applies the accounting provisions of Accounting Principle Board Opinion No. 25, "Accounting for Stock Issued to Employees," and related interpretations, with regard to the measurement of compensation cost for options granted under the Company's equity compensation plans, consisting of the 2001 Broad-Based Stock Option Plan, the 1998 Stock Option Plan, the Restated 1994 Director Option Plan, the Restated 1988 Stock Option Plan, the 1992 Employee Stock Purchase Plan and the 1998 International Employee Stock Purchase Plan. Had expense been recognized using the fair value method described in FAS 123, using the Black-Scholes option-pricing model, the Company would have reported the following results of operations:

	Three Months Ended	
	January 29, 2005	January 31, 2004
Net income, as reported	$ 107,443	$ 116,839
Add: stock-based employee compensation expense included in reported net income, net of related tax effects	1,000	1,583
Deduct: total stock-based compensation expense determined under the fair value based method for all awards, net of related tax effects	(45,294)	(48,883)
Pro forma net income	$ 63,149	$ 69,539
Earnings per share:		
Basic — as reported	$ 0.29	$ 0.31
Basic — pro forma	$ 0.17	$ 0.19
Diluted — as reported	$ 0.28	$ 0.30
Diluted — pro forma	$ 0.16	$ 0.18

Note 3 — Comprehensive Income

Components of comprehensive income include net income and certain transactions that have generally been reported in the consolidated statement of shareholders' equity and consists of the following:

	Three Months Ended	
	January 29, 2005	January 31, 2004
Net income	$ 107,443	$ 116,839
Foreign currency translation	859	874
Unrealized holding losses (net of taxes of $3,741 in fiscal 2005) on securities classified as Short-term Investments	(6,948)	—
Unrealized holding gains (losses) (net of taxes of $160 and $757, respectively) on securities classified as Other Investments	(297)	1,405
Less: reclassification adjustment for losses included in net income	—	1,219
Net unrealized holding (losses) gains on securities classified as Other Investments	(297)	2,624
Change in unrealized gains on derivative instruments designated as cash flow hedges	1,769	1,637
Other comprehensive (loss) income	(4,617)	5,135
Comprehensive income	$ 102,826	$ 121,974

The components of accumulated other comprehensive (loss) income at January 29, 2005 and October 30, 2004 consisted of the following:

	January 29, 2005	October 30, 2004
Unrealized (losses) gains on available-for-sale securities	$ (7,156)	$ 89
Unrealized gains on derivative instruments	3,864	2,095
Minimum pension liability adjustments	(3,606)	(3,606)
Foreign currency translation adjustments	6,030	5,171
Total accumulated other comprehensive (loss) income	$ (868)	$ 3,749

Note 4 — Short-term investments

The Company's short-term investments are adjusted to fair value at the end of each quarter. Unrealized gains and losses, net of tax, on these securities, are included in accumulated other comprehensive (loss) income, which is a separate component of shareholders' equity.

Note 5 — Earnings Per Share

Basic earnings per share is computed based only on the weighted average number of common shares outstanding during the period. Diluted earnings per share is computed using the weighted average number of common shares outstanding during the period, plus the dilutive effect of potential future issuances of common stock relating to stock option programs and other potentially dilutive securities. In calculating diluted earnings per share, the dilutive effect of stock options is computed using the average market price for the respective period. Potential shares related to certain of the Company's outstanding stock options were excluded because they were anti-dilutive. Those potential shares related to the Company's outstanding stock options could be dilutive in the future. The following table sets forth the computation of basic and diluted earnings per share:

	Three Months Ended	
	January 29, 2005	January 31, 2004
Basic:		
Net income	$ 107,443	$ 116,839
Weighted shares outstanding	375,561	372,052
Earnings per share	$ 0.29	$ 0.31
Diluted:		
Net income	$ 107,443	$ 116,839
Weighted shares outstanding	375,561	372,052
Assumed exercise of common stock equivalents	12,546	20,852
Weighted average common and common equivalent shares	388,107	392,904
Earnings per share	$ 0.28	$ 0.30
Anti-dilutive common stock equivalents related to:		
Outstanding stock options	46,101	1,345

Note 6 — Segment Information

The Company operates and tracks its results in one reportable segment. The Company designs, develops, manufactures and markets a broad range of integrated circuits. The Chief Executive Officer has been identified as the Chief Operating Decision Maker as defined by Statement of Financial Accounting Standards No. 131, "Disclosures about Segments of an Enterprise and Related Information."

Note 7 — New Accounting Standards

Inventory Costs

In November 2004, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 151, *Inventory Costs, an amendment of Accounting Research Bulletin (ARB) No. 43, Chapter 4* ("SFAS 151"). SFAS 151 amends the guidance in ARB No 43, Chapter 4, "Inventory Pricing" to clarify that abnormal amounts of idle facility expense, freight, handling costs, and wasted material (spoilage) should be recognized as current-period charges. In addition, SFAS 151 requires that allocation of fixed production overhead to the costs of conversion be based on the normal capacity of the production facilities. The provisions of SFAS 151 are effective for fiscal years beginning after June 15, 2005. The Company is currently evaluating the provisions of SFAS 151 and does not believe that its adoption will have a material impact on the Company's financial condition, results of operations or liquidity.

Stock-Based Compensation

On December 16, 2004, the FASB issued SFAS 123 (revised 2004), *Share-Based Payment*, which is a revision of SFAS No. 123, *Accounting for Stock-Based Compensation*. SFAS 123(R) supersedes APB Opinion No. 25, *Accounting for Stock Issued to Employees*, and amends SFAS No. 95, *Statement of Cash Flows*. Generally, the approach in Statement 123(R) is similar to the approach described in SFAS 123. However, SFAS 123(R) requires all share-based payments to employees, including grants of employee stock options, to be recognized in the income statement based on their fair values at the date of grant. Pro forma disclosure is no longer an alternative. SFAS 123(R) must be adopted in fiscal periods beginning after June 15, 2005. Early adoption will be permitted in periods in which financial statements have not yet been issued. The Company expects to adopt Statement 123(R) on July 31, 2005, the commencement of its fourth quarter of fiscal 2005.

Statement 123(R) permits public companies to adopt its requirements using one of two methods. A “modified prospective” method in which compensation cost is recognized beginning with the effective date (a) based on the requirements of Statement 123(R) for all share-based payments granted after the effective date and (b) based on the requirements of Statement 123 for all awards granted to employees prior to the effective date of Statement 123(R) that remain unvested on the effective date. A “modified retrospective” method which includes the requirements of the modified prospective method described above, but also permits entities to restate based on the amounts previously recognized under Statement 123 for purposes of pro forma disclosures either (a) all prior periods presented or (b) prior interim periods of the year of adoption. The Company has yet to determine which method to use in adopting Statement 123(R).

As permitted by Statement 123, the Company currently accounts for share-based payments to employees using APB Opinion No. 25’s intrinsic value method and, as such, generally recognizes no compensation cost for employee stock options. Accordingly, the adoption of Statement 123(R)’s fair value method will have a significant impact on the Company’s results of operations, although it will have no impact on the Company’s overall financial position. The Company is evaluating Statement 123(R) and has not yet determined the amount of stock option expense which will be incurred in future periods.

Note 8 — Goodwill and Other Intangible Assets

Beginning in fiscal 2003, the Company adopted SFAS No. 142, *Goodwill and Other Intangible Assets*. As a result, the Company discontinued amortizing the remaining balances of goodwill effective November 3, 2002. Instead, the Company annually evaluates goodwill for impairment as well as whenever events or changes in circumstances suggest that the carrying amount may not be recoverable. Because the Company has one reporting segment under SFAS No. 142, the Company utilizes the entity-wide approach for assessing goodwill for impairment and compares its market value to its net book value to determine if an impairment exists. No impairment of goodwill resulted from the Company’s most recent evaluation of goodwill for impairment.

Other intangible assets, which will continue to be amortized, consisted of the following:

	January 29, 2005		October 30, 2004	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Technology-based	$ 16,923	$ 11,985	$ 16,923	$ 11,387
Tradename	1,167	727	1,167	696
Other	6,147	6,175	6,147	6,145
Total	$ 24,237	$ 18,887	$ 24,237	$ 18,228

Intangible assets’ lives range from five to ten years and are amortized on the straight-line basis over their estimated useful lives. Amortization expense related to intangibles was $0.7 million for each of the three month periods ended January 29, 2005 and January 31, 2004.

The Company expects annual amortization expense for these intangible assets to be:

Fiscal Years	Amortization Expense
2005	$ 2,306
2006	1,312
2007	1,312
2008	938
2009	141

Note 9 — Pension Plans

The Company has various defined benefit pension and other retirement plans for certain non-U.S. employees that are consistent with local statutory requirements and practices. The Company's funding policy for its foreign defined benefit pension plans is consistent with the local requirements of each country. The plans' assets consist primarily of U.S. and non-U.S. equity securities, bonds, property and cash.

Net periodic pension cost of non-U.S. plans is presented in the following table:

	Three Months Ended	
	January 29, 2005	January 31, 2004
Service cost	$ 2,135	$ 1,772
Interest cost	1,684	1,418
Expected return on plan assets	(1,888)	(1,625)
Amortization of prior service cost	48	45
Amortization of transitional obligation or (asset)	18	(8)
Recognized actuarial loss	166	86
Net periodic pension cost	$ 2,163	$ 1,688

Contributions of $1.6 million were made during the three months ended January 29, 2005. The Company presently anticipates contributing an additional $5.6 million to fund its defined benefit pension plans in fiscal year 2005 for a total of $7.2 million.

Note 10 — Product Warranties

The Company generally offers a 12-month warranty for its products. The Company's warranty policy provides for replacement of the defective product. Specific accruals are recorded for known product warranty issues. Product warranty expenses were not material during the three month periods ended January 29, 2005 and January 31, 2004.

Note 11 — Commitments and Contingencies

Litigation

On June 17, 2002, the Company received a letter from Plasma Physics Corporation ("Plasma Physics") attaching a courtesy copy of a complaint it had filed against the Company in the Eastern District of New York alleging infringement by certain of the Company's products of two patents held by Plasma Physics. In the letter, Plasma Physics indicated that it would like to license the patents to the Company. The letter further stated that Plasma Physics would forego service of the complaint for a period of 120 days, provided that the Company would agree to undertake negotiations over terms for licensing the above-referenced patents. On October 17, 2002, Plasma Physics served the complaint. On or about January 17, 2005, the Company and Plasma Physics signed a settlement agreement and license and filed a stipulation dismissing the claims and counterclaims. This settlement did not have a material impact on the Company's financial position or results of operations.

On November 6, 2003, Enron Corporation commenced a proceeding in the United States Bankruptcy Court for the Southern District of New York. On December 1, 2003, Enron filed an amended complaint to add the Company as a defendant in such proceeding. The amended complaint alleges that transfers made by Enron in satisfaction of obligations it had under commercial

paper are recoverable as preferential transfers and fraudulent transfers and are subject to avoidance under the United States Bankruptcy Code. It is alleged that payments made in premature satisfaction of obligations under commercial paper totaling approximately $20 million are recoverable from J.P. Morgan Securities, Inc., Fleet Capital Markets, Fleet National Bank and/or the Company. The Company sold $20 million of Enron commercial paper to Fleet and did not enter into any direct transactions with Enron. The Company filed a motion to dismiss the adversary proceeding. The motion to dismiss was argued at a hearing on September 21, 2004. The court took the matter under advisement and the Company is awaiting a decision. The Company intends to vigorously defend against these claims. Although the Company believes it has meritorious defenses to the asserted claims, it is unable at this time to predict the outcome of this proceeding.

The Company is currently under routine audit by the United States Internal Revenue Service (the “IRS”) for fiscal years 2001, 2002 and 2003. The audit has not been completed and the IRS has not issued a report on its audit.

The Company received notice that the SEC is conducting an inquiry into the Company’s granting of stock options over the last five years to officers and directors. The Company believes that other companies have received similar inquiries. Each year, the Company grants stock options to a broad base of employees (including officers and directors) and in some years those grants have occurred shortly before Analog’s issuance of favorable annual financial results. The SEC has requested information regarding Analog’s stock option grants, and the Company intends to cooperate with the SEC. The Company is unable to predict the outcome of the inquiry.

From time to time as a normal incidence of the nature of the Company’s business, various claims, charges and litigation are asserted or commenced against the Company arising from, or related to, contractual matters, patents, trademarks, personal injury, environmental matters, product liability, insurance coverage and personnel and employment disputes. As to such claims and litigation, including those items discussed above, the Company can give no assurance that it will prevail. However, the Company does not believe that these matters will have a material adverse effect on the Company’s consolidated financial position, although an adverse outcome of any of these matters could have a material adverse effect on the Company’s consolidated results of operations or cash flows in the quarter or annual period in which one or more of these matters are resolved.

Note 12 — Common Stock Repurchase

On August 12, 2004, the Company’s Board of Directors approved the repurchase of up to an aggregate of $500 million of common stock. Under the repurchase program, the Company may repurchase outstanding shares of its common stock from time to time in the open market and through privately negotiated transactions. Unless terminated earlier by resolution of the Company’s Board of Directors, the repurchase program will expire when the Company has repurchased all shares authorized under the program. The company purchased 4.5 million shares of its common stock for approximately $161 million during the first quarter of fiscal 2005. As of January 29, 2005 the Company had purchased 8.4 million shares of its common stock for approximately $298 million under this program. The repurchased shares are held as authorized but unissued shares of common stock.

Note 13 — Related Party Transactions

Certain of the Company’s directors are affiliated with companies that sell products to the Company. One of the Company’s directors, who has been a director since 1988, became a director of Taiwan Semiconductor Manufacturing Company, or TSMC, in fiscal 2002. The Company purchased approximately $71 million of products from TSMC in each of the three month periods ended January 29, 2005 and January 31, 2004. Approximately $15 million was payable to TSMC as of January 29, 2005 and October 30, 2004. We anticipate that we will make significant purchases from TSMC in the remaining quarters of fiscal year 2005.

Note 14 — Income Taxes

On October 22, 2004, the American Jobs Creation Act of 2004 (“AJCA”) was signed into law. The AJCA creates a temporary incentive for US multinational corporations to repatriate accumulated income abroad by providing an 85% dividends received deduction for certain dividends from controlled foreign corporations. In December 2004, the FASB issued Financial Staff Position (FSP) No. FAS 109-2, *Accounting and Disclosure Guidance for the Foreign Earnings Repatriation Provision within the American Jobs Creation Act of* 2004 (FSP 109-2). FSP 109-2 is effective immediately and provides accounting and disclosure guidance for the repatriation provision. FSP 109-2 allows companies additional time to evaluate the effects of the law on its unremitted earnings for the purpose of applying the “indefinite reversal criteria” under APB 23, *Accounting for Income Taxes-Special Areas,* and requires explanatory disclosures from companies that have not yet completed the evaluation. The Company is currently evaluating the effects of the repatriation provision and their impact on the consolidated financial statements. The minimum amount of dividend distribution of foreign earnings that could potentially be subject to the provisions of the AJCA would be $0 and the maximum would be $1,055 million, which is the amount reported as indefinitely reinvested earnings on the Company’s 2002 Annual Report on Form 10-K. Since the Company has not yet completed their evaluation of the AJCA, a range of income tax effects cannot be reasonably estimated at this time.

Note 15 — Subsequent Events

On February 9, 2005, the Company’s Board of Directors declared a cash dividend of $0.06 per outstanding share of common stock. The dividend will be paid on March 16, 2005 to all shareholders of record at the close of business on February 25, 2005.

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

This information should be read in conjunction with the unaudited condensed consolidated financial statements and related notes included in Item 1 of this Quarterly Report on Form 10-Q and the audited consolidated financial statements and related notes and Management's Discussion and Analysis of Financial Condition and Results of Operations contained in our Annual Report on Form 10-K for the fiscal year ended October 30, 2004.

This Quarterly Report on Form 10-Q, including the section entitled "Outlook," contains or incorporates forward-looking statements within the meaning of section 27A of the Securities Act of 1933 and section 21E of the Securities Exchange Act of 1934. These forward-looking statements are based on current expectations, estimates, forecasts and projections about the industry and markets in which we operate and management's beliefs and assumptions. In addition, other written or oral statements that constitute forward-looking statements may be made by or on our behalf. Words such as "expect," "anticipate," "intend," "plan," "believe," "seek," "estimate," variations of such words and similar expressions are intended to identify such forward-looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. We have included important factors in the cautionary statements below under the heading "Factors That May Affect Future Results" that we believe could cause our actual results to differ materially from the forward-looking statements we make. We do not intend to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

Results of Operations

Overview

	Three Months Ended	
	January 29, 2005	January 31, 2004
Net Sales	$ 580,536	$ 605,353
Gross Margin %	57.8%	57.1%
Diluted EPS	$ 0.28	$ 0.30
Net Income	$ 107,443	$ 116,839
Net Income as a % of Sales	18.5%	19.3%

Sales

Net sales were lower by $24.8 million, or 4%, in the first quarter of fiscal 2005 than in the first quarter of fiscal 2004. This was primarily the result of decreases in orders and sales of our products into the communications and automatic test equipment markets partially offset by an increase in orders and sales of our products into the consumer market.

Approximately 80% of our net sales were from analog products and approximately 20% of our net sales were from digital signal processing, or DSP, products in the first quarter of fiscal 2005. Our analog product sales were 3% lower in the first quarter of fiscal 2005 than in the first quarter of fiscal 2004, primarily as a result of a decrease in automatic test equipment sales. Our DSP product sales were 9% lower in the first quarter of fiscal 2005 as compared to the first quarter of fiscal 2004, primarily as a result of a decrease in wireless handset sales.

The percentage of sales by geographic region, based upon point of sale, for the first three months of fiscal 2005 and fiscal 2004 is as follows:

	Three Months Ended	
Region	January 29, 2005	January 31, 2004
North America	25%	23%
Europe	24%	19%
Japan	18%	20%
China	13%	13%
Rest of Asia	20%	25%

The decrease in net sales in dollars in the first quarter of fiscal 2005 compared to the first quarter of fiscal 2004 was primarily related to the decline in sales in Japan and the Rest of Asia. The decrease in these regions was partially offset by net sales increases in North America and Europe.

Gross Margin

Gross margin improved in the first quarter of fiscal 2005 to 57.8% of net sales, up 70 basis points from the first quarter of fiscal 2004 when gross margin was 57.1% of net sales. The increase in gross margin was the result of lower manufacturing costs per unit in the first quarter of fiscal 2005 as compared to the first quarter of fiscal 2004, partially offset by a decrease in factory utilization in the first quarter of fiscal 2005 that had the effect of lowering the gross margin.

Research and Development

	Three Months Ended	
	January 29, 2005	January 31, 2004
R&D Expenses	$ 127,534	$ 120,630
R&D Expenses as a % of Net Sales	22.0%	19.9%

Research and development, or R&D, expenses increased $6.9 million or 6% in the first quarter of fiscal 2005 as compared to the first quarter of fiscal 2004. The increase in R&D expenses in dollars in the three month period ended January 29, 2005 compared to the same period in the prior year was primarily the result of increased salary expense associated with an increase in headcount and salary increases, and increased legal costs associated with intellectual property litigation. This increase was partially offset by a decrease in bonus expense. R&D expense as a percentage of net sales will fluctuate from quarter to quarter depending on the amount of net sales and the success of new product development efforts, which we view as critical to our future growth. At any point in time we have hundreds of R&D projects underway, and we believe that none of these projects is material on an individual basis. We expect to continue the development of innovative technologies and processes for new products and we believe that a continued commitment to R&D is essential in order to maintain product leadership with our existing products and to provide innovative new product offerings. Therefore, we expect to continue to make significant R&D investments in the future.

Selling, Marketing, General and Administrative

	Three Months Ended	
	January 29, 2005	January 31, 2004
SMG&A Expenses	$ 83,341	$ 79,238
SMG&A Expenses as a % of Net Sales	14.4%	13.1%

Selling, marketing, general and administrative, or SMG&A, expenses increased $4.1 million or 5% in the first quarter of fiscal 2005 as compared to the first quarter of fiscal 2004. The increase in SMG&A expenses in dollars in the three month period ended January 29, 2005 compared to the same period in the prior year was primarily the result of increased salary expense associated with an increase in headcount and salary increases, which was partially offset by a decrease in bonus expense. These factors combined with the decrease in sales were the reason for the increase in SMG&A as a percentage of sales in the three month period ended January 29, 2005 compared to the same period in the prior year.

Nonoperating Income and Expense

Interest income was $14.6 million in the first quarter of fiscal 2005 compared to $6.4 million in the first quarter of fiscal 2004. The increase in interest income was primarily attributable to higher interest rates in the first quarter of fiscal 2005 as compared to the first quarter of fiscal 2004.

Provision for Income Taxes

Our effective income tax rate for the first quarter of fiscal 2005 increased to 22.5% from 22% for the first quarter of fiscal 2004.

Net Income

	Three Months Ended	
	January 29, 2005	January 31, 2004
Net Income	$ 107,443	$ 116,839
Net Income as a % of Net Sales	18.5%	19.3%
Diluted EPS	$ 0.28	$ 0.30

Net income for the first quarter of fiscal 2005 was lower than the first quarter of fiscal 2004 by approximately $9.4 million. This decline in net income was the result of an approximately $9.9 million decline in gross margin and an approximately $11.0 million increase in operating expenses offset by an approximately $9.8 million increase in non-operating income.

Outlook

We are currently planning for revenue in the second quarter of fiscal 2005 to increase by 2% to 6% from that recorded in the first quarter of fiscal 2005. Order rates increased in January and this momentum has continued into early February. At these revenue levels, we expect gross margin percentage to decline slightly during the second quarter of fiscal 2005 from the percentage recorded during the first quarter of fiscal 2005, as factory utilization will remain low in line with our plan for inventory to be flat in dollars and down in days on hand compared to the first quarter of fiscal 2005. Actual gross margins are dependent on the mix of business and utilization rates in our factories, but we expect gross margins to remain strong and above 57% during the second quarter of fiscal 2005. As demand increases and utilization rates of our factories improve, we expect to realize gross margin leverage. We are planning for operating expenses in the second quarter of fiscal 2005 to be approximately flat to the first quarter of fiscal 2005. Based on these assumptions, we expect diluted EPS to be approximately $0.29 to $0.31 for the second quarter of fiscal 2005.

Related Party Transactions

One of our directors, who has been a director since 1988, became a director of Taiwan Semiconductor Manufacturing Company, or TSMC, in fiscal 2002. We purchased approximately $71 million of products from TSMC in each of the three month periods ended January 29, 2005 and January 31, 2004. Approximately $15 million was payable to TSMC as of January 29, 2005 and October 30, 2004. We anticipate that we will make significant purchases from TSMC in the remaining quarters of fiscal year 2005.

Liquidity and Capital Resources

At January 29, 2005, cash, cash equivalents and short-term investments totaled $2,598 million, a decline of $86.6 million from the fourth quarter of fiscal 2004. The primary sources of funds for the first three months of fiscal 2005 were net cash generated from operating activities of $116.9 million and proceeds of $13.6 million from our various employee stock plans. The principal uses of funds for the first three months of fiscal 2005 were the repurchase of $161.2 million of our common stock, capital expenditures of $23.9 million and dividend payments of $22.6 million.

Accounts receivable of $324.0 million at the end of the first quarter of fiscal 2005 decreased $5.5 million, or 1.7%, from $329.5 million at the end of the fourth quarter of fiscal 2004. The decrease in accounts receivable in the first quarter of fiscal 2005 from the fourth quarter of fiscal 2004 was the result of a decrease in net sales partially offset by an increase in accounts receivable attributable to customers in Japan. Our fiscal quarter ended on January 29, 2005 and the sales terms with customers in Japan allow them to pay on the last day of the calendar month. The receipt of payment for these customers did not occur until after our quarter end, which caused days sales outstanding to increase to 51 days at January 29, 2005 from 48 days as of October 30, 2004. These customers paid in accordance with the sales terms on January 31, 2005.

Inventories increased by $7.4 million, or 2.1%, from $345.9 million at the end of fiscal 2004, to $353.3 million at the end of the first quarter of fiscal 2005. Days cost of sales in inventory was 132 days at January 29, 2005, an increase of 9 days from the 123 days at October 30, 2004. The increase in inventory in dollars was below the $15 to $20 million increase we had forecasted at the beginning of the quarter because we adjusted manufacturing levels and reduced external wafer purchases during the quarter.

Current liabilities decreased to $533.1 million at the end of the first quarter of fiscal 2005, a decrease of $33.9 million, or 6%, from the $567.0 million at the end of fiscal 2004. The decrease in current liabilities was primarily the result of the decreased bonus accrual and a decrease in accruals associated with lower capital expenditures and tight control over discretionary manufacturing costs.

Net additions to property, plant and equipment were $23.9 million in the first quarter of fiscal 2005 and were funded with a combination of cash on hand and cash generated from operations. Fiscal 2005 capital expenditures are expected to be approximately $110 million to $120 million.

On February 9, 2005, our Board of Directors declared a cash dividend of $0.06 per outstanding share of our common stock. The dividend is payable on March 16, 2005 to shareholders of record on February 25, 2005 and is expected to be approximately $22 million. The payment of future dividends, if any, will be based on our future financial performance.

During the first quarter of fiscal 2005, we distributed $12 million from our amended and restated deferred compensation plan (the "Deferred Compensation Plan") as a result of participant terminations. This amount represented compensation and/or stock option gains previously deferred by those participants pursuant to the terms of our Deferred Compensation Plan. Since the completion of the quarter ended January 29, 2005, we distributed $18 million from our Deferred Compensation Plan at the direction of participants. This amount represented compensation and/or stock option gains previously deferred by those participants pursuant to the terms of the Deferred Compensation Plan. The amounts of all these payment obligations were previously reflected in the "More than 5 Years" column of the contractual obligations table contained in the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" of the Analog Devices Annual Report on Form 10-K for the fiscal year ended October 30, 2004.

At January 29, 2005, our principal source of liquidity was $2,598 million of cash and cash equivalents and short-term investments. We believe that our existing sources of liquidity and cash expected to be generated from future operations, together with anticipated available long-term financing, will be sufficient to fund operations, capital expenditures and research and development efforts for at least the next twelve months and thereafter for the foreseeable future.

New Accounting Pronouncements

Inventory Costs

In November 2004, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 151, *Inventory Costs, an amendment of Accounting Research Bulletin (ARB) No. 43, Chapter 4* ("SFAS 151"). SFAS 151 amends the guidance in ARB No 43, Chapter 4, "Inventory Pricing" to clarify that abnormal amounts of idle facility expense, freight, handling costs, and wasted material (spoilage) should be recognized as current-period charges. In addition, SFAS 151 requires that allocation of fixed production overhead to the costs of conversion be based on the normal capacity of the production facilities. The provisions of SFAS 151 are effective for fiscal years beginning after June 15, 2005. We are currently evaluating the provisions of SFAS 151 and do not believe that its adoption will have a material impact on our financial condition, results of operations or liquidity.

Stock-Based Compensation

On December 16, 2004, the FASB issued SFAS 123 (revised 2004), *Share-Based Payment*, which is a revision of SFAS No. 123, *Accounting for Stock-Based Compensation*. SFAS 123(R) supersedes APB Opinion No. 25, *Accounting for Stock Issued to Employees*, and amends SFAS No. 95, *Statement of Cash Flows*. Generally, the approach in SFAS 123(R) is similar to the approach described in SFAS 123. However, SFAS 123(R) requires all share-based payments to employees, including grants of employee stock options, to be recognized in the income statement based on their fair values at the date of grant. Pro forma disclosure is no longer an alternative. Statement 123(R) must be adopted in the fiscal period beginning after June 15, 2005. Early adoption will be permitted in periods in which financial statements have not yet been issued. We expect to adopt Statement 123(R) on July 31, 2005, the commencement of our fourth quarter of fiscal 2005.

Statement 123(R) permits public companies to adopt its requirements using one of two methods. A "modified prospective" method in which compensation cost is recognized beginning with the effective date (a) based on the requirements of Statement

123(R) for all share-based payments granted after the effective date and (b) based on the requirements of Statement 123 for all awards granted to employees prior to the effective date of Statement 123(R) that remain unvested on the effective date. A "modified retrospective" method which includes the requirements of the modified prospective method described above, but also permits entities to restate based on the amounts previously recognized under Statement 123 for purposes of pro forma disclosures either (a) all prior periods presented or (b) prior interim periods of the year of adoption. We have yet to determine which method to use in adopting Statement 123(R).

As permitted by Statement 123, we currently account for share-based payments to employees using APB Opinion No. 25's intrinsic value method and, as such, generally recognize no compensation cost for employee stock options. Accordingly, the adoption of Statement 123(R)'s fair value method will have a significant impact on our results of operations, although it will have no impact on our overall financial position. We are evaluating Statement 123(R) and have not yet determined the amount of stock option expense which will be incurred in future periods.

Critical Accounting Policies and Estimates

Management's discussion and analysis of the financial condition and results of operations is based upon the consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. We base our estimates and judgments on historical experience, knowledge of current conditions and beliefs of what could occur in the future given available information. We consider the following accounting policies to be both those most important to the portrayal of our financial condition and those that require the most subjective judgment. If actual results differ significantly from management's estimates and projections, there could be a material effect on our financial statements. We also have other policies that we consider key accounting policies, such as our policy for revenue recognition, including the deferral of revenue on sales to distributors until the products are sold to the end user; however, the application of these policies does not require us to make estimates or judgments that are difficult or subjective.

Inventory Valuation

Inventories are valued at the lower of cost (first-in, first-out method) or market. Because of the cyclical nature of the semiconductor industry, changes in inventory levels, obsolescence of technology, and product life cycles, we write down inventories to net realizable value. We employ a variety of methodologies to determine the amount of inventory reserves necessary. While a portion of the reserve is determined via reference to the age of inventory and lower of cost or market calculations, an element of the reserve is subject to significant judgments made by us about future demand for our inventory. If actual demand for our products is less than our estimates, additional reserves for existing inventories may need to be recorded in future periods.

Allowance for Doubtful Accounts

We maintain allowances for doubtful accounts, when appropriate, for estimated losses resulting from the inability of our customers to make required payments. If the financial condition of our customers were to deteriorate, our actual losses may exceed our estimates, and additional allowances would be required.

Long-Lived Assets

We review property, plant, and equipment for impairment whenever events or changes in circumstances indicate that the carrying value of assets may not be recoverable. Recoverability of these assets is measured by comparison of their carrying value to future undiscounted cash flows the assets are expected to generate over their remaining economic life. If such assets are considered to be impaired, the impairment to be recognized in earnings equals the amount by which the carrying value of the assets exceeds their fair market value determined by either a quoted market price, if any, or a value determined by utilizing a discounted cash flow technique. Although we have recognized no material impairment adjustments related to our property, plant, and equipment during the past three fiscal years, except those made in conjunction with restructuring actions, deterioration in our business in the future could lead to such impairment adjustments in future periods. Evaluation of impairment of long-lived assets requires estimates of future operating results that are used in the preparation of the expected future undiscounted cash flows. Actual future operating results and the remaining economic lives of our long-lived assets could

differ from the estimates used in assessing the recoverability of these assets. These differences could result in impairment charges, which could have a material adverse impact on our results of operations.

Goodwill

In June 2001, the FASB issued Statement of Financial Accounting Standards No. 142, or FAS 142, *Goodwill and Other Intangible Assets*. In the first quarter of fiscal 2003, we adopted the new rules of FAS 142 for measuring and assessing goodwill for impairment. As required by FAS 142, all remaining and future acquired goodwill is subject to annual impairment tests, or earlier if indicators of potential impairment exist and suggest that the carrying value of goodwill may not be recoverable. Because we have one reporting segment under FAS 142, we utilize the entity-wide approach to assess goodwill for impairment and compare our market value to our net book value to determine if an impairment exists. These impairment tests may result in impairment losses that could have a material adverse impact on our results of operations.

Accounting for Income Taxes

We account for income taxes in accordance with Statement of Financial Accounting Standards No. 109, or FAS 109, *Accounting for Income Taxes*, which requires that deferred tax assets and liabilities be recognized using enacted tax rates for the effect of temporary differences between the book and tax bases of recorded assets and liabilities. FAS 109 also requires that deferred tax assets be reduced by a valuation allowance if it is more likely than not that some portion or all of the deferred tax asset will not be realized. We evaluate the realizability of our deferred tax assets quarterly. At January 29, 2005, we had gross deferred tax assets of $141 million primarily resulting from temporary differences between the book and tax bases of assets and liabilities. We have conducted an assessment of the likelihood of realization of those deferred tax assets and concluded that a $33 million valuation allowance is needed to reserve the amount of the deferred tax assets that may not be realized due to the expiration of state credit carryovers. In reaching our conclusion, we evaluated certain relevant criteria including the existence of deferred tax liabilities that can be used to absorb deferred tax assets, the taxable income in prior carryback years that can be used to absorb net operating losses and taxable income in future years. Our judgments regarding future profitability may change due to future market conditions, changes in U.S. or international tax laws and other factors. These changes, if any, may require material adjustments to these deferred tax assets, resulting in a reduction in net income or an increase in net loss in the period such determinations are made.

In addition, we have provided for potential liabilities due in various jurisdictions. Judgment is required in determining our worldwide income tax expense provision. In the ordinary course of global business, there are many transactions and calculations where the ultimate tax outcome is uncertain. Some of these uncertainties arise as a consequence of cost reimbursement arrangements among related entities. Although we believe our estimates are reasonable, no assurance can be given that the final tax outcome of these matters will not be different than that which is reflected in our historical income tax provisions and accruals. Such differences could have a material impact on our income tax provision and operating results in the period such determination are made.

Contingencies

From time to time, we receive notices that our products or manufacturing processes may be infringing the patent or intellectual property rights of others. We periodically assess each matter to determine if a contingent liability should be recorded in accordance with Statement of Financial Accounting Standards No. 5, or FAS 5, *Accounting for Contingencies*. In making this determination, we may, depending on the nature of the matter, consult with internal and external legal counsel and technical experts. Based on the information we obtain, combined with our judgment regarding all the facts and circumstances of each matter, we determine whether it is probable that a contingent loss may be incurred and whether the amount of such loss can be reasonably estimated. Should a loss be probable and reasonably estimable, we record a contingent loss in accordance with FAS 5. In determining the amount of a contingent loss, we consider advice received from experts in the specific matter, current status of legal proceedings, settlement negotiations that may be ongoing, prior case history and other factors. Should the judgments and estimates made by us be incorrect, we may need to record additional contingent losses that could materially adversely impact our results of operations. See Note 11 to our Consolidated Financial Statements contained in Item 1 of this Quarterly Report on Form 10-Q.

Factors That May Affect Future Results

Our future operating results are difficult to predict and may materially fluctuate.

Our future operating results are difficult to predict and may be materially affected by a number of factors, including the timing of new product announcements or introductions by us or our competitors, competitive pricing pressures, fluctuations in manufacturing yields, adequate availability of wafers and manufacturing capacity, the risk that our backlog could decline significantly, our ability to hire, retain and motivate adequate numbers of engineers and other qualified employees to meet the demands of our customers, changes in product mix, and the effect of adverse changes in economic conditions in the United States and international markets. In addition, the semiconductor market has historically been cyclical and subject to significant economic downturns. Our business is subject to rapid technological changes and there can be no assurance, depending on the mix of future business, that products stocked in inventory will not be rendered obsolete before we ship them. As a result of these and other factors, there can be no assurance that we will not experience material fluctuations in future operating results on a quarterly or annual basis.

Long-term contracts are not typical for us and reductions, cancelations or delays in orders for our products could adversely affect our operating results.

In certain markets where end-user demand may be particularly volatile and difficult to predict, some customers place orders that require us to manufacture product and have it available for shipment, even though the customer is unwilling to make a binding commitment to purchase all, or even any, of the product. At any given time, this situation could affect a portion of our backlog. As a result, we are subject to the risk of cancelation of orders leading to a sharp fall-off of sales and backlog. Further, those orders may be for products that meet the customer’s unique requirements so that those canceled orders would, in addition, result in an inventory of unsaleable products, resulting in potential inventory write-offs. As a result of lengthy manufacturing cycles for certain of the products subject to these uncertainties, the amount of unsaleable product could be substantial. Reductions, cancelations or delays in orders for our products could adversely affect our operating results.

Our future success depends upon our ability to develop and market new products and enter new markets.

Our success significantly depends on our continued ability to develop and market new products. There can be no assurance that we will be able to develop and introduce new products in a timely manner or that new products, if developed, will achieve market acceptance. In addition, our growth is dependent on our continued ability to penetrate new markets where we have limited experience and competition is intense. There can be no assurance that the markets we serve will grow in the future, that our existing and new products will meet the requirements of these markets, that our products will achieve customer acceptance in these markets, that competitors will not force prices to an unacceptably low level or take market share from us, or that we can achieve or maintain profits in these markets. Furthermore, a decline in demand in one or several of our end-user markets could have a material adverse effect on the demand for our products and our results of operations. Also, some of our customers in these markets are less established, which could subject us to increased credit risk.

We may not be able to compete successfully in the semiconductor industry in the future.

Many other companies offer products that compete with our products. Some have greater financial, manufacturing, technical and marketing resources than we have. Additionally, some formerly independent competitors have been purchased by larger companies. Our competitors also include emerging companies selling specialized products to markets we serve. There can be no assurance that we will be able to compete successfully in the future against existing or new competitors, or that our operating results will not be adversely affected by increased price competition.

We rely on third-party subcontractors and manufacturers for some industry-standard wafers and assembly/test services, and therefore cannot control their availability or conditions of supply.

We rely, and plan to continue to rely, on assembly and test subcontractors and on third-party wafer fabricators to supply most of our wafers that can be manufactured using industry-standard submicron processes. This reliance involves several risks, including reduced control over delivery schedules, manufacturing yields and costs. Additionally, we utilize third-party wafer fabricators as sole-source suppliers, primarily Taiwan Semiconductor Manufacturing Company. These suppliers manufacture components in accordance with our proprietary designs and specifications. We have no written supply agreements with these sole-source suppliers and purchase our custom components through individual purchase orders. If these sole-source suppliers are unable or unwilling to manufacture and deliver sufficient quantities of components to us, on the time schedule and of the quality that we require, we may be forced to seek to engage additional or replacement suppliers, which could result in additional expenses and delays in product development or shipment of product to our customers.

We may not be able to satisfy increasing demand for our products, and increased production may lead to overcapacity and lower prices.

The cyclical nature of the semiconductor industry has resulted in sustained and short-term periods when demand for our products has increased or decreased rapidly. During these periods of rapid increases in demand, our available capacity may not be sufficient to satisfy the available demand. We, and the semiconductor industry generally, expand production facilities and access to third-party foundries in response to these periods of increased demand. These capacity expansions by us and other semiconductor manufacturers could lead to overcapacity in our target markets, which could lead to price erosion that would adversely impact our operating results.

Our revenue may not increase enough to offset the expense of additional capacity.

We, and the semiconductor industry generally, expand production facilities and access to third-party foundries in response to periods of increased demand which can cause operating expenses to increase. Should customer demand fail to increase or should the semiconductor industry enter a period of reduced customer demand, our financial position and results of operations could be adversely impacted as a result of underutilization of capacity or asset impairment charges.

We may be unable to adequately protect our proprietary rights, which may limit our ability to compete effectively.

We rely primarily upon know-how, rather than on patents, to develop and maintain our competitive position. There can be no assurance that others will not develop or patent similar technology or reverse engineer our products or that the confidentiality agreements upon which we rely will be adequate to protect our interests. Other companies have obtained patents covering a variety of semiconductor designs and processes, and we might be required to obtain licenses under some of these patents or be precluded from making and selling the infringing products, if such patents are found to be valid. There can be no assurance that we would be able to obtain licenses, if required, upon commercially reasonable terms, or at all. Moreover, the laws of foreign countries in which we design, manufacture and market our products may afford little or no effective protection of our proprietary technology.

We are involved in frequent litigation regarding intellectual property rights, which could be costly to defend and could require us to redesign products or pay significant royalties.

There can be no assurance that any patent will issue on pending applications or that any patent issued will provide substantive protection for the technology or product covered by it. We believe that patent and mask set protection is of less significance in our business than experience, innovation and management skill. There also can be no assurance that others will not develop or patent similar technology, or reverse engineer our products, or that our confidentiality agreements with employees, consultants, silicon foundries and other suppliers and vendors will be adequate to protect our interests.

The semiconductor industry is characterized by frequent claims and litigation involving patent and other intellectual property rights, including claims arising under our contractual indemnification of our customers. We have received from time to time, and may receive in the future, claims from third parties asserting that our products or processes infringe their patents or other intellectual property rights. In the event a third party makes a valid intellectual property claim against us and a license is not available to us on commercially reasonable terms, or at all, we could be forced either to redesign or to stop production of products incorporating that intellectual property, and our operating results could be materially and adversely affected. Litigation may be necessary to enforce our patents or other of our intellectual property rights or to defend us against claims of infringement, and this litigation could be costly and divert the attention of our key personnel. See Note 11 in the Notes to our Consolidated Financial Statements contained in Item 1 of this Quarterly Report on Form 10-Q for information concerning pending litigation that involves us. An adverse outcome in this or other litigation could have a material adverse effect on our consolidated financial position or on our consolidated results of operations or cash flows in the period in which the litigation is resolved.

If we do not retain our key personnel, our ability to execute our business strategy will be limited.

Our success depends to a significant extent upon the continued service of our executive officers and key management and technical personnel, particularly our experienced engineers, and on our ability to continue to attract, retain, and motivate qualified personnel. The competition for these employees is intense. The loss of the services of one or more of our key

personnel could have a material adverse effect on our operating results. In addition, there could be a material adverse effect on us should the turnover rates for engineers and other key personnel increase significantly or if we are unable to continue to attract qualified personnel. We do not maintain any key person life insurance policy on any of our officers or employees.

We rely on manufacturing capacity located in geologically unstable areas, which could affect the availability of supplies and services.

We, and many companies in the semiconductor industry, rely on internal manufacturing capacity located in California as well as wafer fabrication foundries in Taiwan and other sub-contractors in geologically unstable locations around the world. This reliance involves risks associated with the impact of earthquakes on us and the semiconductor industry, including temporary loss of capacity, availability and cost of key raw materials and equipment and availability of key services including transport. In addition, California has experienced intermittent interruption in the availability of electricity. To date, the impact on us has been negligible. However, electricity is a critical resource for us, without which our products could not be manufactured at factories exposed to continued lengthy power interruptions. Any prolonged inability to utilize one of our manufacturing facilities as a result of fire, natural disaster, unavailability of electric power or otherwise, would have a material adverse effect on our results of operations and financial condition.

We are exposed to economic, political and other risks through our significant worldwide operations.

During the first quarter of fiscal 2005, approximately 75% of our revenues were derived from customers in international markets. Although we engage in hedging transactions to reduce our exposure to currency exchange rate fluctuations, there can be no assurance that our competitive position will not be adversely affected by changes in the exchange rate of the United States dollar against other currencies. Potential interest rate increases, particularly in the United States and China, as well as high energy costs could have an adverse impact on industrial and consumer spending patterns and could adversely impact demand for our products. We have manufacturing facilities outside the United States in Ireland and the Philippines. In addition to being exposed to the ongoing economic cycles in the semiconductor industry, we are also subject to the economic and political risks inherent in international operations and their impact on the United States economy in general, including the risks associated with ongoing uncertainties and political and economic instability in many countries around the world as well as the economic disruption from acts of terrorism, and the response to them by the United States and its allies. These risks include air transportation disruptions, expropriation, currency controls, currency exchange rate movement, and additional costs related to tax, tariff and freight rate increases.

Our future operating results are dependent on the performance of independent distributors and sales representatives.

A significant portion of our sales are through independent distributors that are not under our control. These independent distributors generally represent product lines offered by several companies and thus could reduce their sales efforts applied to our products or terminate their representation of us. We generally do not require letters of credit from our distributors and are not protected against accounts receivable default or bankruptcy by these distributors. Our inability to collect open accounts receivable could adversely affect our results of operations. Termination of a significant distributor, whether at our initiative or the distributor's initiative, could disrupt our current business. If we are unable to find suitable replacements in the event of terminations by significant distributors or sales representatives, our operating results could be adversely affected.

Our manufacturing processes are highly complex and may be interrupted.

We have manufacturing processes that utilize a substantial amount of technology as the fabrication of integrated circuits is a highly complex and precise process. Minute impurities, contaminants in the manufacturing environment, difficulties in the fabrication process, defects in the masks used in the wafer manufacturing process, manufacturing equipment failures, wafer breakage or other factors can cause a substantial percentage of wafers to be rejected or numerous dice on each wafer to be nonfunctional. While we have significant expertise in semiconductor manufacturing, it is possible that some processes could become unstable. This instability could result in manufacturing delays and product shortages, which could have a material adverse effect on our financial position or results of operations.

ITEM 3. Quantitative and Qualitative Disclosures About Market Risk

There have been no material changes in the information provided under ITEM 7A. "Qualitative and Quantitative Disclosures about Market Risk" set forth on pages 29-30 of our Annual Report on Form 10-K for the year ended October 30, 2004.

ITEM 4. Controls and Procedures

(a) *Evaluation of Disclosure Controls and Procedures.* Our management, with the participation of our Chief Executive Officer, or CEO, and Chief Financial Officer, or CFO, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act) as of January 29, 2005. In designing and evaluating our disclosure controls and procedures, our management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives, and our management necessarily applied its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on this evaluation, our CEO and CFO concluded that, as of January 29, 2005, our disclosure controls and procedures were (1) designed to ensure that material information relating to us, including our consolidated subsidiaries, is made known to our CEO and CFO by others within those entities, particularly during the period in which this report was being prepared and (2) effective, in that they provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms.

(b) *Changes in Internal Controls.* No change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act) occurred during the first quarter ended January 29, 2005 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

ITEM 1. Legal Proceedings

On June 17, 2002, the Company received a letter from Plasma Physics Corporation (“Plasma Physics”) attaching a courtesy copy of a complaint it had filed against the Company in the Eastern District of New York alleging infringement by certain of the Company’s products of two patents held by Plasma Physics. In the letter, Plasma Physics indicated that it would like to license the patents to the Company. The letter further stated that Plasma Physics would forego service of the complaint for a period of 120 days, provided that the Company would agree to undertake negotiations over terms for licensing the above-referenced patents. On October 17, 2002, Plasma Physics served the complaint. On or about January 17, 2005, the Company and Plasma Physics signed a settlement agreement and license and filed a stipulation dismissing the claims and counterclaims. This settlement did not have a material impact on the Company’s financial position or results of operations.

ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Purchase of Equity Securities

Period	Total Number of Shares Purchased		Average Price Paid Per Share (c)	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (d)	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs
October 31, 2004 through November 28, 2004	1,044	(a)	$ 38.91	—	$ 362,917,348
November 28, 2004 through December 25, 2004	754,562	(b)	$ 36.47	750,000	$ 335,568,724
December 26, 2004 through January 29, 2005	3,747,900		$ 35.71	3,747,900	$ 201,713,013
Total	4,503,506		$ 35.84	4,497,900	$ 201,713,013

(a) The 1,044 shares (valued at the closing price per share of Analog Devices common stock as reported on the NYSE on the date immediately preceding the date of each such exercise) were shares that were surrendered to Analog in payment of the exercise price of options to purchase shares of our common stock granted under our 1988 Stock Option Plan.

(b)The 754,562 shares includes 4,562 shares (valued at the closing price per share of Analog Devices common stock as reported on the NYSE on the date immediately preceding the date of each such exercise) that were surrendered to Analog in payment of the exercise price of options to purchase shares of our common stock granted under our 1988 Stock Option Plan.

(c) The average price paid per share of stock repurchased under the stock repurchase program includes the commissions paid to the brokers.

(d) Repurchased pursuant to the stock repurchase program publicly announced on August 12, 2004 under which our Board of Directors authorized the repurchase of up to an aggregate of $500 million of our common stock. Under the repurchase program, we may repurchase outstanding shares of our common stock from time to time in the open market and through privately negotiated transactions. Unless terminated earlier by resolution of our Board of Directors, the repurchase program will expire when we have repurchased all shares authorized for repurchase under the repurchase program.

ITEM 6. Exhibits

(a) Exhibits

The exhibits listed in the Exhibit Index immediately preceding the exhibits are filed as part of this Quarterly Report on Form 10-Q and such Exhibit Index is incorporated herein by reference.

Items 3, 4 and 5 of PART II are not applicable and have been omitted.

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

	ANALOG DEVICES, INC.
Date: February 15, 2005	By: /s/ Jerald G. Fishman Jerald G. Fishman President and Chief Executive Officer (Principal Executive Officer)
Date: February 15, 2005	By: /s/ Joseph E. McDonough Joseph E. McDonough Vice President-Finance and Chief Financial Officer (Principal Financial and Accounting Officer)

Exhibit Index

Exhibit No.	Description
10.1	Fiscal 2005 Bonus Plan for U.S. -Based Employees
10.2	Fiscal 2005 Bonus Plan for Europe-Based Employees
31.1	Certification Pursuant to Rule 13a-14(a) and 15d-14(a) of the Securities Exchange Act, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (Chief Executive Officer).
31.2	Certification Pursuant to Rule 13a-14(a) and 15d-14(a) of the Securities Exchange Act, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (Chief Financial Officer).
32.1	Certification Pursuant to 18 U.S.C. Section 1350 (Chief Executive Officer).
32.2	Certification Pursuant to 18 U.S.C. Section 1350 (Chief Financial Officer).

EXHIBIT 10.1

FY05 BONUS PLAN

ANALOG DEVICES U.S.- BASED EMPLOYEES

Analog Devices places great value in sharing our company's success with those who make it possible--our employees. One of the ways we are able to do this is through the Analog Devices Bonus Plan. The aim of this Bonus Plan is to encourage all of us to participate in reaching company goals and to share the rewards of our achievements.

JERRY FISHMAN
President and CEO

[ANALOG DEVICES LOGO] WWW.ANALOG.COM

THE FY05 BONUS PLAN

Analog Devices is a growth company. Given our focus on the highest growth segments of the semiconductor industry--analog integrated circuits, digital signal processing, and micro-electromechanical systems--we believe it is possible and necessary to grow at rates faster than the industry moving forward. To achieve this type of growth, we must continue to focus on those products that not only grow but achieve high profit levels.

Therefore, our Bonus Plan emphasizes one key metric--operating profit before taxes (OPBT) as a percentage of revenue--which implicitly requires high sales growth and high return on assets to meet our goals. With our current mix of business and an eye towards competitive profit margins, our goal this year is to operate with an OPBT above 27%. The Plan is designed to allow bonus payments to accelerate substantially when the company increases its operating profit as a percentage of sales (see graph below).

All employees can contribute to the accomplishment of these goals by enhancing their productivity, improving efficiency, controlling expenses, minimizing waste, increasing customer satisfaction, and supporting the design, manufacturing, and sales processes.

CALCULATING BONUS PAYMENTS

The bonus payout factor is determined by using the percentage of OPBT as a percentage of sales that we achieve in a given quarter. The bonus amount is calculated each quarter and paid out semi-annually after the close of the bonus period. The first bonus period consists of the first and second fiscal quarters; the second bonus period consists of the third and fourth fiscal quarters. As indicated in the graph below, if we achieve an OPBT of 27%, then the bonus factor utilized will be 1.0.

[BONUS PAYMENTS GRAPH]

The maximum payout for the FY05 Bonus Plan is 3.0 times target. For any quarter during which our OPBT is 20% or less, there will be no bonus payout earned for that quarter.

To determine the potential individual gross bonus payment for each employee, the bonus payout factor is multiplied by the eligible employee's accumulated eligible earnings for the bonus period and the employee's bonus target percentage. The bonus target percentage used in calculating the bonus may vary by job grade.

Example:

Accumulated eligible earnings for the bonus period	$ 15,000
Bonus target for your job grade	4%
Payout factor for the bonus period	0.8
Gross bonus (before tax) payment: 15,000 X 4% X 0.8	$ 480

Earnings included in the bonus calculation:

- - Base pay
- - Holiday pay
- - Shift differential
- - Bereavement pay
- - Sick pay
- - Jury duty pay
- - Vacation pay
- - Alternative work schedule pay
- - Military leave pay

Earnings excluded from the bonus calculation:

- - Overtime pay

- - Bonus payments from a previous bonus period

- - Other payments that are taxable but not considered regular earnings

Bonus payments are not eligible for company basic or matching contributions for the TIP program.

Bonus payments are made subject to any taxes or other deductions which are required by law.

BONUS PAYOUT SCHEDULE

Bonus payments are scheduled to be made on a semiannual basis in June and December, approximately six weeks after the end of 2Q and 4Q.

The Plan is effective from November 2004 through October 2005.

WHO IS ELIGIBLE TO PARTICIPATE?

In general, ADI employees who are actively employed during the applicable bonus period and remain employed through their last regularly scheduled work day of the bonus period are eligible to participate in the Bonus Plan. New employees are eligible to participate in the Plan as of their first full fiscal quarter of employment.

Employees whose status is any one of the following are ineligible to participate in the Plan:

- - Employee is already participating in a field sales, field applications engineering, or other incentive program.

- - Employee voluntarily terminates employment at Analog Devices, or is involuntary discharged, before the end of the bonus period.

- - Employee receives a "Needs Improvement" or "Marginal" performance rating (where applicable) during the bonus period.

- - Employee receives a final written warning during the bonus period.

- - Employee is a co-op, or intern, or temporary employee.

HOW CHANGES IN YOUR EMPLOYMENT STATUS AFFECT BONUS PAYMENTS

- - If your job grade and bonus target change during the bonus period:

  Your bonus payment will be based on the job grade and bonus target that are effective at the end of the bonus period.

- - If you change work shifts during the bonus period:

  Because shift differential paid during the bonus period is included as part of your earnings for the bonus calculation, your bonus payment will take shift differential pay into consideration.

- - If you transfer business units:

  If you transfer to another business unit, your earnings records transfer with you, so your bonus amount is based on the total accumulated eligible earnings for the bonus period.

- - If you change status between full-time and part-time working hours:

  Because your bonus amount is based on your accumulated paid earnings for the bonus period, your bonus calculation will take into account any change in status, such as part-time to full-time or full-time to part-time working hours.

- - If you are on a leave of absence or disability for part of the bonus period:

  The bonus is paid based on your earnings while actively at work during the period (not on short-term disability, long-term disability, or voluntary leave of absence). Therefore, any pay received during your leave of absence will be excluded from your accumulated paid earnings for bonus calculation purposes.

- - If you are a new employee:

  You are eligible for a bonus payment as of the first full fiscal quarter of employment. For example, if you were hired during 1Q, your bonus payment for the first half of the year would be based on eligible earnings for 2Q only--your first full fiscal quarter of employment.

BONUS PLAN DESIGN

The Bonus Plan is designed to reward all eligible employees for contributing to company-wide business goals during each fiscal year. It also serves as an incentive for continued employment with Analog Devices.

The Bonus Plan design, or portions of the design, may change as the company's focus moves to different company-wide performance goals that are determined to be critical during that fiscal year. The fact that this Bonus Plan is in force for a particular year is not a guarantee that the Bonus Plan will be offered in future years. Further, below certain levels, our business results may not be competitive and may not meet key business performance measures. At these low

levels of business performance, no bonus will be paid.

Unless modified or terminated earlier as provided for in this Plan, all prior bonus plans have expired of their own terms or have been revoked and withdrawn. This Plan supersedes all prior written or oral bonus and incentive plans, promises, agreements, practices, understandings, negotiations, and/or incentive arrangements.

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The Plan brochure provides a summary of the FY05 Bonus Plan. If you need further information, please ask your supervisor or Human Resources consultant. Analog Devices reserves the right to modify the Bonus Plan at the sole discretion of management. All changes to the Bonus Plan are subject to the approval of ADI's Board of Directors.

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EXHIBIT 10.2

FY05 BONUS PLAN

ANALOG DEVICES EUROPE-BASED EMPLOYEES

Analog Devices places great value in sharing the company's success with those who make it possible--our employees. One of the ways we are able to do this is through the Analog Devices Bonus Plan. The aim of this Bonus Plan is to encourage all of us to participate in reaching company goals and to share the rewards of our achievements.

JERRY FISHMAN
President and CEO

[ANALOG DEVICES LOGO] WWW.ANALOG.COM

THE FY05 BONUS PLAN

Analog Devices is a growth company. Given our focus on the highest growth segments of the semiconductor industry--analog integrated circuits, digital signal processing, and micro-electromechanical systems--we believe it is possible and necessary to grow at rates faster than the industry moving forward. To achieve this type of growth, we must continue to focus on those products that not only grow but achieve high profit levels.

Therefore, our Bonus Plan emphasizes one key metric--operating profit before taxes (OPBT) as a percentage of revenue--which implicitly requires high sales growth and high return on assets to meet our goals. With our current mix of business and an eye towards competitive profit margins, our goal this year is to operate with an OPBT above 27%. The Plan is designed to allow bonus payments to accelerate substantially when the company increases its operating profit as a percentage of sales (see graph below).

All employees can contribute to the accomplishment of these goals by enhancing their productivity, improving efficiency, controlling expenses, minimizing waste, increasing customer satisfaction, and supporting the design, manufacturing, and sales processes.

CALCULATING BONUS PAYMENTS

The bonus payout factor is determined by using the percentage of OPBT as a percentage of sales that we achieve in a given quarter. The bonus amount is calculated each quarter and paid out semi-annually after the close of the bonus period. The first bonus period consists of the first and second fiscal quarters; the second bonus period consists of the third and fourth fiscal quarters. As indicated in the graph below, if we achieve an OPBT of 27%, then the bonus factor utilized will be 1.0.

[BONUS PAYMENTS GRAPH]

The maximum payout for the FY05 Bonus Plan is 3.0 times target. For any quarter during which our OPBT is 20% or less, there will be no bonus payout earned for that quarter.

To determine the potential individual gross bonus payment for each employee, the bonus payout factor is multiplied by the eligible employee's accumulated eligible earnings for the bonus period and the employee's bonus target percentage. The bonus target percentage used in calculating the bonus may vary by job grade.

Example:

Accumulated eligible earnings for the bonus period	E 15,000
Bonus target for your job grade	4%
Payout factor for the bonus period	0.8
Gross bonus (before tax) payment: E15,000 X 4% X 0.8	E 480

Earnings included in the bonus calculation:

- - Base pay
- - Holiday pay
- - Shift differential
- - Bereavement pay
- - Jury duty pay
- - Maternity and paternity leave pay(in EU states where paid)
- - Vacation pay
- - Alternative work schedule pay

Earnings excluded from the bonus calculation:

- - Overtime pay

- - Bonus payments from a previous bonus period

- - Other types of guaranteed annual compensation

- - Other payments that are taxable but not considered regular earnings

Bonus payments are not eligible for company basic or matching contributions for the company or individual pension plans or any retirement or other such plan.

Bonus payments are made subject to any taxes or other deductions which are required by law.

BONUS PAYOUT SCHEDULE

Bonus payments are scheduled to be made on a semiannual basis in June and December, approximately six weeks after the end of 2Q and 4Q.

The Plan is effective from November 2004 through October 2005.

WHO IS ELIGIBLE TO PARTICIPATE?

In general, ADI European subsidiary employees who are actively employed during the applicable bonus period and remain employed through their last regularly scheduled work day of the bonus period are eligible to participate in the Bonus Plan. New employees are eligible to participate in the Plan as of their first full fiscal quarter of employment.

Employees whose status is any one of the following are ineligible to participate in the Plan:

- Employee is already participating in a field sales, field applications engineering, or other incentive program.

- Employee terminates employment at an ADI subsidiary, or is involuntarilly discharged, before the end of the bonus period.

- Employee receives a "Needs Improvement" or "Marginal" performance rating (where applicable) during the bonus period.

- Employee receives a final written warning during the bonus period.

- Employee is a co-op or intern employee.

HOW CHANGES IN YOUR EMPLOYMENT STATUS AFFECT BONUS PAYMENTS

- If your job grade and bonus target change during the bonus period:

  Your bonus payment will be based on the job grade and bonus target that are effective at the end of the bonus period.

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  Because shift differential paid during the bonus period is included as part of your earnings for the bonus calculation, your bonus payment will take shift differential pay into consideration.

- If you transfer business units:

  If you transfer to another business unit, your earnings records transfer with you, so your bonus amount is based on the total eligible earnings for the bonus period.

- If you change status between full-time and part-time working hours:

  Because your bonus amount is based on your accumulated paid earnings for the bonus period, your bonus calculation will take into account any change in status, such as part-time to full-time or full-time to part-time working hours.

- If you are on a leave of absence or disability for part of the bonus period:

  The bonus is paid based on your earnings while actively at work during the period (not on sick pay, long-term disability, or voluntary leave of absence). Therefore, any pay received during your leave of absence will be excluded from your accumulated paid earnings for bonus calculation purposes. Exceptions to this policy may exist in some EU countries as determined by local law.

- If you are a new employee:

  You are eligible for a bonus payment as of the first full fiscal quarter of employment. For example, if you were hired during 1Q, your bonus payment for the first half of the year would be based on eligible earnings for 2Q only -- your first full fiscal quarter of employment.

BONUS PLAN DESIGN

The Bonus Plan is designed to reward all eligible employees for contributing to company-wide business goals during each fiscal year. It also serves as an incentive for continued employment with Analog Devices.

The Bonus Plan design, or portions of the design, may change as the company's focus moves to different company-wide performance goals that are determined to be critical during that fiscal year. The fact that this Bonus Plan is in force for a particular year is not a guarantee that the Bonus Plan will be offered in future years. Further, below certain levels, our business results may not be

competitive and may not meet key business performance measures. At these low levels of business performance, no bonus will be paid.

Unless modified or terminated earlier as provided for in this Plan, all prior bonus plans have expired of their own terms or have been revoked and withdrawn. This Plan supersedes all prior written or oral bonus and incentive plans, promises, agreements, practices, understandings, negotiations, and/or incentive arrangements.

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The Plan brochure provides a summary of the FY05 Bonus Plan. If you need further information, please ask your supervisor or Human Resources consultant. Analog Devices reserves the right to modify the Bonus Plan at the sole discretion of management. All changes to the Bonus Plan are subject to the approval of ADI's Board of Directors.

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Exhibit 31.1

CERTIFICATION

I, Jerald G. Fishman, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Analog Devices, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) [Not Applicable];

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: February 15, 2005

/s/ Jerald G. Fishman

Jerald G. Fishman
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION

I, Joseph E. McDonough, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Analog Devices, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) [Not Applicable]

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: February 15, 2005

/s/ Joseph E. McDonough

Joseph E. McDonough
Vice President-Finance and Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Analog Devices, Inc. (the "Company") for the period ended January 29, 2005 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, Jerald G. Fishman, Chief Executive Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: February 15, 2005

/s/ Jerald G. Fishman

Jerald G. Fishman
Chief Executive Officer

Exhibit 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Analog Devices, Inc. (the "Company") for the period ended January 29, 2005 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, Joseph E. McDonough, Chief Financial Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: February 15, 2005

/s/ Joseph E. McDonough

Joseph E. McDonough
Chief Financial Officer