

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): November 14, 2006

Analog Devices, Inc.

(Exact name of registrant as specified in its charter)

Massachusetts

1-7819

04-2348234

(State or other jurisdiction
of incorporation)

(Commission
File Number)

(IRS Employer
Identification No.)

One Technology Way, Norwood, MA

02062

(Address of principal executive offices)

(Zip Code)

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

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02. Results of Operations and Financial Condition

On November 14, 2006, Analog Devices, Inc. (the "Registrant") announced its financial results for its fiscal fourth quarter and fiscal year ended October 28, 2006. The full text of the press release issued by the Registrant concerning the foregoing results is furnished herewith as Exhibit 99.1.

The information contained herein and in the accompanying exhibit shall not be incorporated by reference into any filing of the Registrant, whether made before or after the date hereof, regardless of any general incorporation language in such filing, unless expressly incorporated by specific reference to such filing. The information in this report, including the exhibit hereto, shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section or Sections 11 and 12(a)(2) of the Securities Act of 1933, as amended.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

Exhibit No. Description

99.1 Press release dated November 14, 2006

SIGNATURE

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 hereunto duly authorized.

Date: November 14, 2006

ANALOG DEVICES, INC.

By: /s/ Joseph E. McDonough

Joseph E. McDonough
Vice President, Finance and Chief
Financial Officer

EXHIBIT INDEX

Exhibit No. -----	Description -----
99.1	Press release dated November 14, 2006

Analog Devices Announces Fourth Quarter
of Fiscal Year 2006 Financial Results

NORWOOD, Mass.--(BUSINESS WIRE)--Nov. 14, 2006--Analog Devices, Inc. (NYSE: ADI):

- Board of Directors declares quarterly dividend of \$0.16 per share;
- Financial results for the fourth quarter of fiscal 2006 and guidance for the first quarter of fiscal 2007 will be discussed via conference call today at 4:30 pm.

Analog Devices, Inc. (NYSE: ADI), a global leader in high-performance semiconductors for signal processing applications, today announced revenue of \$644.3 million for the fourth quarter of fiscal 2006, which ended October 28, 2006, an increase of approximately 4% compared to the same period one year ago and a decrease of approximately 3% compared to the immediately prior quarter. For the year, revenue was \$2.57 billion, an increase of approximately 8% compared to fiscal 2005.

Net income under generally accepted accounting principles (GAAP) was \$138.4 million for the fourth quarter, or 21.5% of sales, and diluted earnings per share (EPS) was \$0.39. For fiscal year 2006, GAAP net income was \$549.5 million, or 21.4% of sales, and diluted EPS was \$1.48.

Non-GAAP net income was \$139.4 million for the fourth quarter, or 21.6% of sales, and diluted EPS was \$0.39. For fiscal year 2006, non-GAAP net income was \$591.3 million, or 23% of sales, and diluted EPS was \$1.59.

The non-GAAP operating results for the fourth quarter of fiscal 2006 exclude the following items: \$17.3 million of non-cash stock option expenses associated with the adoption of FAS123R; expenses of \$3.6 million related to restructuring actions; expenses of \$19.1 million related to previously-announced acquisitions; and \$26.7 million of tax benefits which resulted from the completion of a tax examination.

The Board of Directors declared a cash dividend for the fourth quarter of fiscal 2006 of \$0.16 per outstanding share of common stock. The dividend will be paid on December 13, 2006 to all shareholders of record at the close of business on November 24, 2006.

"Revenue from consumer customers grew 13% in the fourth quarter compared to the third quarter of fiscal 2006. This revenue growth was driven by strong sales of digital cameras, home entertainment systems, and new video game consoles where ADI technology continues to enable new sight, sound, and other user experiences in our customers' products," said Jerald G. Fishman, ADI's president and chief executive officer. "Revenue from computer customers also increased sequentially during the quarter, while revenue from our broad base of industrial customers was approximately flat sequentially. In the fourth quarter of fiscal 2006, revenue from communications customers declined 18% compared to the immediately prior quarter, primarily as a result of lower revenue from wireless handset customers."

"For fiscal year 2006, analog product revenue climbed to over \$2 billion primarily due to strong growth in converters and amplifiers. Overall, in fiscal 2006, our analog product sales grew 13% year-to-year," said Mr. Fishman. "While revenue from general-purpose digital signal processing (DSP) products grew 10% in fiscal 2006 compared to fiscal 2005, this increase was offset by declines in revenue from application-specific DSP products."

Profit Margins

Under GAAP, gross margin was \$374.6 million, or 58.1% of sales, for the fourth quarter of fiscal 2006 and \$1.51 billion, or 58.5% of sales, for fiscal year 2006.

Non-GAAP gross margin for the fourth quarter was \$382.5 million, or 59.4% of sales, compared to 58.3% of sales in the same period one year ago and 60.1% of sales in the immediately prior quarter. For fiscal year 2006, non-GAAP gross margin was \$1.54 billion, or 59.7% of

sales, compared to 57.9% of sales in fiscal 2005. The increase from year to year was primarily related to increased factory utilization and the result of increased sales of higher margin products in fiscal 2006 compared to fiscal 2005.

Under GAAP, operating profit for the fourth quarter of fiscal 2006 totaled \$119.3 million, or approximately 18.5% of sales. For the year, GAAP operating profit was \$551.8 million, or approximately 21.4% of sales.

Non-GAAP operating profit for the fourth quarter was \$159.4 million, or 24.7% of sales, compared to 24.8% of sales in the same period one year ago and 27.1% of sales in the immediately prior quarter. The sequential decline in non-GAAP operating profit was primarily due to lower revenue in the fourth quarter of fiscal 2006, as compared to the immediately prior quarter. For the year, non-GAAP operating profit was \$673.2 million, or 26.2% of sales, compared to 22.9% of sales in fiscal year 2005.

Uses of Cash

Capital expenditures totaled \$41.8 million in the fourth quarter of fiscal year 2006, or 6.5% of sales. For the year, capital expenditures totaled \$129.3 million, or 5% of sales.

During the fourth quarter of fiscal 2006, ADI paid \$55.6 million in cash dividends. For the year, dividend payments to shareholders totaled \$201.5 million.

During the fourth quarter of fiscal 2006, the company repurchased approximately 11.9 million shares of ADI common stock for \$357.0 million. During the 2006 fiscal year, the company repurchased approximately 30.7 million shares of ADI common stock, or 9% of shares outstanding, for \$1.03 billion.

ADI has repurchased a cumulative total of approximately 14% of shares outstanding for \$1.69 billion under the \$2 billion stock repurchase program previously authorized by the Board of Directors.

Balance Sheet

Cash and short term investments totaled approximately \$2.1 billion at the end of the fourth quarter.

In the fourth quarter, inventory increased by approximately \$1.2 million compared to the immediately prior quarter. Days cost of sales in inventory was 128 days at the end of the fourth quarter of fiscal 2006, compared to 126 days at the end of the immediately prior quarter.

Days sales in accounts receivable were 47 days at the end of the fourth quarter, compared to 49 days at the end of the immediately prior quarter.

Revenue Analysis by Product

During the fourth quarter of fiscal year 2006, revenue from analog products totaled 84% of sales and revenue from DSP products totaled 16% of sales.

During the fourth quarter, revenue from analog products grew 14% compared to the same period one year ago and 2% compared to the immediately prior quarter. Compared to the same period one year ago, data converter product sales grew 10%, amplifier product sales grew 22%, power management product sales grew 3%, and other analog product sales grew 27%. Compared to the immediately prior quarter, data converter product sales declined 1%, primarily due to more moderate sales to base station applications after very strong growth in the prior quarter and also due to continued weakness in the semiconductor automatic test equipment market. Amplifier product sales and power management product sales each grew 2% compared to the immediately prior quarter. Other analog product sales grew 12% compared to the immediately prior quarter due to increased demand for micro-electromechanical systems (MEMS) products and the acquisition of the Integrant RF tuner product line.

During the fourth quarter, revenue from DSP products declined 31% compared to the same period one year ago and declined 21% compared to the immediately prior quarter. DSP product sales were significantly impacted by the divestiture during the second quarter of fiscal 2006 of the DSP-based digital subscriber line (DSL) application-specific

integrated circuit (ASIC) product line and also by an inventory correction among customers of our DSP-based wireless chipset products for cellular handsets. Approximately 9% of the Company's sales in the fourth quarter were from general-purpose DSP products, which grew 15% compared to the same period one year ago and 3% compared to the immediately prior quarter.

For the year, revenue from analog products grew 13%. Approximately 61% of sales in fiscal 2006 were attributed to converters and amplifiers, which, compared to the previous year, grew 10% and 19%, respectively.

DSP product sales during fiscal year 2006 declined 11% compared to fiscal year 2005, primarily due to the divestiture during the second quarter of fiscal 2006 of the DSP-based DSL ASIC product line which had \$55 million in revenue in 2005 and \$14 million in revenue in 2006. Excluding this product line, DSP product sales declined approximately 4% in fiscal 2006 compared to fiscal 2005, as the 10% annual revenue growth of general-purpose DSP products was offset by declines in application-specific DSP product revenue.

We have provided a four year summary of our revenue by product type and end market on the investor relations page of our website to help investors better understand the long term trends in our business.

Outlook for the First Quarter of Fiscal 2007

The following statements are based on current expectations. These statements are forward looking, and actual results may differ materially. These statements do not give effect to the potential impact of any mergers, acquisitions, divestitures, or business combinations that may be announced or closed after the date hereof. These statements supersede all prior statements regarding business outlook set forth in prior ADI news releases.

Product sales in the first quarter of fiscal 2007 are planned to be approximately \$635 to \$670 million. This includes an additional week of operations as the first quarter of fiscal 2007 will have a total of 14 weeks. In addition, revenue in the first quarter of fiscal 2007 will include a \$35 million one-time, non-recurring payment received by the Company on November 9, 2006 in exchange for granting a license of certain intellectual property rights to a third party. Total revenue in the first quarter of fiscal 2007 is expected to range from \$670 to \$705 million.

Non-GAAP gross margin in the first quarter of fiscal 2007 is planned to be approximately 60% to 60.5% of sales. Due primarily to the fact that the one-time \$35 million payment will not have any cost of sales associated with it, GAAP gross margin is planned to be approximately 61.2% to 61.6% of sales.

Non-GAAP operating expenses are planned to increase by approximately \$11 million primarily as a result of expenses associated with the additional week of operations within the first quarter of fiscal 2007.

GAAP diluted EPS is planned to be approximately \$0.36 to \$0.42 for the first quarter of fiscal 2007, which includes approximately \$0.02 of various net expenses detailed in the Summary of Estimated Non-GAAP Data for the First Quarter Ending February 3, 2007 Table provided with this release. Non-GAAP diluted EPS is planned to be approximately \$0.38 to \$0.44 for the first quarter of fiscal 2007.

Non-GAAP Financial Information

This release includes non-GAAP financial measures, for revenue, net income, diluted EPS, gross margin and operating income, which exclude the effects of charges related to stock-based compensation, restructuring related expenses, acquisition related expenses, income tax benefits associated with the settlement of an IRS examination, gain on the sale of a product line, the tax expense associated with the repatriation of foreign earnings, and non-recurring revenue associated with the license of certain intellectual property rights to a third party. These non-GAAP measures are not in accordance with, or an alternative for, generally accepted accounting principles and may be different from non-GAAP measures used by other companies. In addition, these non-GAAP measures are not based on any comprehensive set of accounting rules or principles.

Analog Devices believes that non-GAAP measures have limitations in that they do not reflect all of the amounts associated with our

results of operations as determined in accordance with GAAP and that these measures should only be used to evaluate our results of operations in conjunction with the corresponding GAAP measures.

Analog Devices believes that the presentation of non-GAAP net income and non-GAAP net income per share data, when shown in conjunction with the corresponding GAAP measures, provides useful information to investors regarding financial and business trends relating to its financial condition and results of operations. The Company's usage of non-GAAP measures, and the underlying methodology in excluding certain charges, is not necessarily an indication of the results of operations that may be expected in the future, or that the Company will not, in fact, incur such charges in future periods.

Tables reconciling our non-GAAP measures to GAAP are provided in this release. The items excluded from the non-GAAP measures were excluded because they are of a non-operational nature. The company believes that the exclusion of these items provides an enhanced understanding to investors of the underlying baseline operating results and trends of the company's business. Management uses these non-GAAP measures to evaluate the company's operating performance.

As described above, Analog Devices excludes the following items from our non-GAAP measures:

Stock-based compensation related to employee stock options. These expenses consist of expenses for employee stock options under FAS123R. We exclude these stock-based compensation expenses from our non-GAAP measures primarily because they are non-cash expenses. Further, as we implemented FAS 123R beginning in fiscal 2006, we believe it is useful to investors to understand the impact of the application of FAS 123R to our results of operations.

Restructuring Related Expense. These expenses are incurred in connection with facility closures and other reorganization efforts. Apart from ongoing expense savings as a result of such items, these expenses have no direct correlation to the operation of our business in the future.

Acquisition Related Expense. We incur in-process research and development expenses when technological feasibility for acquired technology has not been established and no future alternative use for such technology exists. We also incur amortization of purchased intangible assets in connection with acquisitions. We exclude these items because these expenses are not reflective of ongoing operating results in the period incurred.

Gain on the Sale of a Product Line. We realized a gain on the sale of our DSP-based DSL ASIC and network processor product line that we sold in the second quarter of fiscal 2006. This amount arose from prior activities and has no direct correlation to the ongoing business operations.

Tax Benefit Associated with IRS Tax Settlement. The United States Internal Revenue Service (the IRS) has completed its examination of fiscal years 2001, 2002 and 2003 and issued their report. The Company has agreed to accept this report and has filed its 2005 tax return and an amended return for 2004 to conform to the methodologies agreed to during the 2001-2003 examination. The completion of this examination and the filing of refund claims in other jurisdictions associated with the completion of the IRS audit have resulted in an income tax benefit. We exclude these income tax benefits from our non-GAAP results because they are not associated with the income tax expense on our current operating results.

Tax Expense Associated with the Repatriation of Foreign Earnings. On October 22, 2004, the American Jobs Creation Act of 2004, or the AJCA, was signed into law. The AJCA created a temporary incentive for US multinational corporations to repatriate accumulated foreign income by providing an 85% dividends received deduction for certain dividends from controlled foreign corporations. During fiscal 2005, we repatriated \$1,055 million of accumulated foreign earnings. Under current tax law, the earnings repatriated prior to October 29, 2005 were taxed at a reduced effective tax rate. We exclude this item from our non-GAAP results because it was a temporary incentive and is not associated with the ongoing operations of our business.

Non-Recurring Revenue Associated with the License of Certain Intellectual Property Rights to a Third Party. On November 9, 2006, we received a one-time, non-recurring payment of \$35 million in exchange for granting a license of certain intellectual property rights to a

third party. This payment will increase revenue in the first quarter of fiscal 2007 by \$35 million. We exclude this item from our non-GAAP results because it is a one-time item not associated with the ongoing operations of our business.

Conference Call Scheduled for 4:30

Mr. Fishman will discuss the fourth quarter's results and the near-term outlook via webcast, accessible from www.analog.com, today beginning at 4:30 pm EST. Investors who prefer to join by telephone may call 706-634-7193 ten minutes before the call begins and provide the password "ADI."

A replay will be available almost immediately after the call. The replay may be accessed for up to one week by dialing 800-642-1687 (replay only) and providing the conference ID: 1249895 or by visiting the Investor Relations page on ADI's web site.

About Analog Devices

Innovation, performance, and excellence are the cultural pillars on which Analog Devices has built one of the longest standing, highest growth companies within the technology sector. Acknowledged industry-wide as the world leader in data conversion and signal conditioning technology, Analog Devices serves over 60,000 customers, representing virtually all types of electronic equipment. Celebrating 40 years as a leading global manufacturer of high-performance integrated circuits used in analog and digital signal processing applications, Analog Devices is headquartered in Norwood, Massachusetts, with design and manufacturing facilities throughout the world. Analog Devices' common stock is listed on the New York Stock Exchange under the ticker "ADI" and is included in the S&P 500 Index.

Safe harbor statement under the Private Securities Litigation Reform Act of 1995

This release may be deemed to contain forward-looking statements, which are subject to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, among other things, our statements regarding expected sales growth, revenue, earnings, operating margins, and other financial results, and expected increases in customer demand for our products that are based on our current expectations, beliefs, assumptions, estimates, forecasts, and projections about the industry and markets in which Analog Devices operates. The statements contained in this release are not guarantees of future performance, are inherently uncertain, and involve certain risks, uncertainties, and assumptions that are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed in such forward-looking statements, and such statements should not be relied upon as representing Analog Devices' expectations or beliefs as of any date subsequent to the date of this press release. We do not undertake any obligation to update forward-looking statements made by us. Important factors that may affect future operating results include the effects of adverse changes in overall economic conditions, currency exchange rate fluctuations, the timing and duration of market upturns and downturns, the growth or contraction of the markets we serve, demand for semiconductors generally and for our products in particular, the risk that our backlog could decline significantly, adverse results in various litigation matters, our ability to hire engineers, salespeople and other qualified employees needed to meet the expected demands of our customers, reversals or slowdowns in the markets or customers served by our products, the adverse effects of building inventories to meet planned growth that fails to materialize, the occurrence and frequency of inventory and lead-time reduction cycles, raw material availability, availability of both internal and external manufacturing capacity, technological and product development risks, competitors' actions and technological innovations, and other risk factors described in our most recent Form 10-Q, as filed with the Securities and Exchange Commission. Our results of operations for the periods presented in this release are not necessarily indicative of our operating results for any future periods. Any projections in this release are based on limited information currently available to Analog Devices, which is subject to change. Although any such projections and the factors influencing them will likely change, we will not necessarily update the information, since we will only provide guidance at certain points during the year. Such information speaks only as of the original issuance date of this release.

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Analog Devices, Fourth Quarter, Fiscal 2006

Sales/Earnings Summary (GAAP)
(In thousands, except per-share amounts)

	Three Months Ended			Twelve Months Ended	
	4Q 06 Oct. 28 2006	3Q 06 July 29 2006	4Q 05 Oct. 29 2005	FY06 Oct. 28 2006	FY05 Oct. 29 2005
Net Sales	\$644,342	\$663,660	\$622,130	\$2,573,176	\$2,388,808
Y/Y Growth	4%	14%	-2%	8%	-9%
Q/Q Growth	-3%	3%	7%		
Cost of Sales	269,770	273,550	259,455	1,067,036	1,005,968
Gross Margin	374,572	390,110	362,675	1,506,140	1,382,840
Percent of Sales	58.1%	58.8%	58.3%	58.5%	57.9%
Operating Expenses:					
R&D	137,550	136,061	123,704	536,747	497,097
Selling, Marketing and G&A	100,710	99,663	84,715	394,086	338,276
Purchased In-Process Research and Development	16,211	5,500	-	21,711	-
Special Charges	777	-	31,480	1,790	31,480
Operating Income	119,324	148,886	122,776	551,806	515,987
Percent of Sales	18.5%	22.4%	19.7%	21.4%	21.6%
Other Income	(24,495)	(26,277)	(21,890)	(110,589)	(71,703)
Income Before Tax	143,819	175,163	144,666	662,395	587,690
Provision for Taxes	6,148	30,478	76,325	113,661	172,903
Tax Rate	4.3%	17.4%	52.8%	17.2%	29.4%
Minority Interest	748	-	-	748	-
Net Income	\$138,419	\$144,685	\$ 68,341	\$ 549,482	\$ 414,787
Percent of Sales	21.5%	21.8%	11.0%	21.4%	17.4%
Shares used for EPS - Basic	346,803	357,887	369,945	358,762	371,791
Shares used for EPS - Diluted	357,164	369,542	380,607	370,964	383,474
Earnings per Share - Basic	\$ 0.40	\$ 0.40	\$ 0.18	\$ 1.53	\$ 1.12
Earnings per Share - Diluted	\$ 0.39	\$ 0.39	\$ 0.18	\$ 1.48	\$ 1.08
Dividends paid per share	\$ 0.16	\$ 0.16	\$ 0.10	\$ 0.56	\$ 0.32

Analog Devices, Fourth Quarter, Fiscal 2006

Reconciliation from GAAP to Non-GAAP Data
(In thousands, except per-share amounts)

Management believes that non-GAAP financial information enhances an investor's understanding of the Company's historical financial performance. Non-GAAP financial information excludes the following

amounts of stock-based compensation expense related to the adoption of FAS123R, restructuring related expense, tax expense associated with the repatriation of foreign earnings, gain on sale of a product line, tax benefit associated with IRS settlement and acquisition related costs. The provision for taxes has been adjusted, as appropriate, to reflect the tax effect of these items.

For the Three Months Ended October 28, 2006

	GAAP	Stock-Based Compensation Expense	Restructuring Related Expense
Net Sales	\$644,342	\$ -	\$ -
Cost of Sales	269,770	(2,821)	(2,804)
Gross Margin	374,572	2,821	2,804
Percent of Sales	58.1%		
Operating Expenses:			
R&D	137,550	(7,148)	-
Selling, Marketing and G&A	100,710	(7,364)	-
Purchased In-Process Research and Development	16,211	-	-
Special Charges	777	-	(777)
Operating Income	119,324	17,333	3,581
Percent of Sales	18.5%		
Other Income	(24,495)	-	-
Income Before Tax	143,819	17,333	3,581
Provision for Taxes	6,148	5,027	1,254
Minority interest	748	-	-
Net Income	\$138,419	\$ 12,306	\$ 2,327
Earnings per Share - Diluted	\$ 0.39	\$ 0.034	\$ 0.007

For the Three Months Ended October 28, 2006

	Acquisition Related Expense	Tax Benefit Associated with IRS Tax Settlement	Non-GAAP
Net Sales	\$ -	\$ -	\$644,342
Cost of Sales	(2,271)	-	261,874
Gross Margin	2,271	-	382,468
Percent of Sales			59.4%
Operating Expenses:			
R&D	-	-	130,402
Selling, Marketing and G&A	(650)	-	92,696
Purchased In-Process Research and Development	(16,211)	-	-
Special Charges	-	-	-
Operating Income	19,132	-	159,370
Percent of Sales			24.7%
Other Income	-	-	(24,495)
Income Before Tax	19,132	-	183,865
Provision for Taxes	6,086	26,664	45,179
Minority interest	-	-	748
Net Income	\$ 13,046	\$ (26,664)	\$139,434
Earnings per Share - Diluted	\$ 0.037	\$ (0.075)	\$ 0.39

For the Three Months Ended July 29, 2006

Stock-Based Restructuring

	GAAP	Compensation Expense	Related Expense
Net Sales	\$663,660	\$ -	\$ -
Cost of Sales	273,550	(2,949)	(5,736)
Gross Margin	390,110	2,949	5,736
Percent of Sales	58.8%		
Operating Expenses:			
R&D	136,061	(7,971)	-
Selling, Marketing and G&A	99,663	(8,055)	-
Purchased In-Process Research and Development	5,500	-	-
Operating Income	148,886	18,975	5,736
Percent of Sales	22.4%		
Other Income	(26,277)	-	-
Income Before Tax	175,163	18,975	5,736
Provision for Taxes	30,478	5,527	2,008
Net Income	\$144,685	\$ 13,448	\$ 3,728
Earnings per Share - Diluted	\$ 0.39	\$ 0.036	\$ 0.010

For the Three Months Ended July 29, 2006

	GAAP	Acquisition Related Expense	Tax Benefit Associated with IRS Tax Settlement	Non-GAAP
Net Sales	\$ -	\$ -	\$ -	\$663,660
Cost of Sales	-	-	-	264,865
Gross Margin	-	-	-	398,795
Percent of Sales	-	-	-	60.1%
Operating Expenses:				
R&D	-	(733)	-	127,357
Selling, Marketing and G&A	-	-	-	91,608
Purchased In-Process Research and Development	-	(5,500)	-	-
Operating Income	-	6,233	-	179,830
Percent of Sales	-	-	-	27.1%
Other Income	-	-	-	(26,277)
Income Before Tax	-	6,233	-	206,107
Provision for Taxes	-	780	8,494	47,287
Net Income	\$ -	\$ 5,453	\$ (8,494)	\$158,820
Earnings per Share - Diluted	\$ -	\$ 0.015	\$ (0.023)	\$ 0.43

For the Three Months Ended October 29, 2005

	GAAP	Restructuring Related Expense	Tax Expense Associated with the Repatriation of Foreign Earnings	Non-GAAP
Net Sales	\$622,130	\$ -	\$ -	\$622,130
Cost of Sales	259,455	-	-	259,455
Gross Margin	362,675	-	-	362,675
Percent of Sales	58.3%			58.3%
Operating Expenses:				
R&D	123,704	-	-	123,704
Selling, Marketing and G&A	84,715	-	-	84,715

Special Charges	31,480	(31,480)	-	-
Operating Income	122,776	31,480	-	154,256
Percent of Sales	19.7%			24.8%
Other Income	(21,890)	-	-	(21,890)
Income Before Tax	144,666	31,480	-	176,146
Provision for Taxes	76,325	10,118	(48,768)	37,675
Net Income	\$ 68,341	\$ 21,362	\$ 48,768	\$138,471
Earnings per Share - Diluted	\$ 0.18	\$ 0.056	\$ 0.128	\$ 0.36

Analog Devices, Fourth Quarter, Fiscal 2006

Reconciliation from GAAP to Non-GAAP Data
(In thousands, except per-share amounts)

Management believes that non-GAAP financial information enhances an investor's understanding of the Company's historical financial performance. Non-GAAP financial information excludes the following amounts of stock-based compensation expense related to the adoption of FAS123R, restructuring related expense, tax expense associated with the repatriation of foreign earnings, gain on sale of a product line, tax benefit associated with IRS settlement and acquisition related costs. The provision for taxes has been adjusted, as appropriate, to reflect the tax effect of these items.

For the Twelve Months Ended October 28, 2006

	GAAP	Stock-Based Compensation Expense	Restructuring Related Expense
Net Sales	\$2,573,176	\$ -	\$ -
Cost of Sales	1,067,036	(7,714)	(20,320)
Gross Margin	1,506,140	7,714	20,320
Percent of Sales	58.5%		
Operating Expenses:			
R&D	536,747	(32,963)	-
Selling, Marketing and G&A	394,086	(33,193)	-
Purchased In-Process Research and Development	21,711	-	-
Special Charges	1,790	-	(1,790)
Operating Income	551,806	73,870	22,110
Percent of Sales	21.4%		
Other Income	(110,589)	-	-
Income Before Tax	662,395	73,870	22,110
Provision for Taxes	113,661	21,260	7,739
Minority Interest	748	-	-
Net Income	\$ 549,482	\$ 52,610	\$ 14,371
Earnings per Share - Diluted	\$ 1.48	\$ 0.142	\$ 0.039

For the Twelve Months Ended October 28, 2006

	Acquisition Related Expense	Gain on Sale of Product Line	Tax Benefit Associated with IRS Tax Settlement	Non-GAAP
Net Sales	\$ -	\$ -	\$ -	\$2,573,176
Cost of Sales	(2,271)	-	-	1,036,731
Gross Margin	2,271	-	-	1,536,445
Percent of Sales				59.7%
Operating Expenses:				

R&D	(733)	-	-	503,051
Selling, Marketing and G&A	(650)	-	-	360,243
Purchased In-Process Research and Development	(21,711)	-	-	-
Special Charges	-	-	-	-
Operating Income	25,365	-	-	673,151
Percent of Sales				26.2%
Other Income	-	13,027	-	(97,562)
Income Before Tax	25,365	(13,027)	-	770,713
Provision for Taxes	6,865	(4,559)	35,158	180,124
Minority Interest	-	-	-	748
Net Income	\$ 18,500	\$ (8,468)	\$ (35,158)	\$ 591,337
Earnings per Share - Diluted	\$ 0.050	\$ (0.023)	\$ (0.095)	\$ 1.59

For the Twelve Months Ended October 29, 2005

	GAAP	Restructuring Related Expense	Tax Expense Associated with the Repatriation of Foreign Earnings	Non-GAAP
Net Sales	\$2,388,808	\$ -	\$ -	\$2,388,808
Cost of Sales	1,005,968	-	-	1,005,968
Gross Margin Percent of Sales	1,382,840 57.9%	-	-	1,382,840 57.9%
Operating Expenses:				
R&D	497,097	-	-	497,097
Selling, Marketing and G&A	338,276	-	-	338,276
Special Charges	31,480	(31,480)	-	-
Operating Income Percent of Sales	515,987 21.6%	31,480	-	547,467 22.9%
Other Income	(71,703)	-	-	(71,703)
Income Before Tax	587,690	31,480	-	619,170
Provision for Taxes	172,903	10,118	(48,768)	134,253
Net Income	\$ 414,787	\$ 21,362	\$ 48,768	\$ 484,917
Earnings per Share - Diluted	\$ 1.08	0.056	0.128	\$ 1.26

Summary of Estimated Non-GAAP Data
(In thousands, except per-share amounts)

Management believes that non-GAAP financial information enhances an investor's understanding of the Company's historical financial performance. Our Non-GAAP income statement will exclude the following estimated amounts of stock-based compensation expense related to the adoption of FAS123R, restructuring related expense, acquisition related costs and a one-time payment associated with the licensing of intellectual property. The provision for taxes has been adjusted, as appropriate, to reflect the estimated tax effect of these items.

	Stock-Based Compensation Expense	Restructuring Related Expense	Acquisition Related Expense
Net Sales	\$ -	\$ -	\$ -
Cost of Sales	(2,796)	(572)	(2,446)
Gross Margin	2,796	572	2,446
Operating Expenses:			
R&D	(8,673)	-	-
Selling, Marketing and G&A	(8,021)	-	(744)
Purchased In-Process Research and Development	-	-	-
Special Charges	-	(10,832)	-
Operating Income	19,490	11,404	3,190
Other Income	-	-	-
Income Before Tax	19,490	11,404	3,190
Provision for Taxes	5,652	3,992	(4,677)
Minority interest	-	-	-
Net Income	\$ 13,838	\$ 7,412	\$ 7,867
Earnings per Share - Diluted (Decrease)/Increase	\$ 0.040	\$ 0.021	\$ 0.023

		One-time Payment Associated with the Licensing of IP	Total Estimated Impact on GAAP Income Statement
Net Sales		\$ (35,000)	\$ (35,000)
Cost of Sales		-	(5,814)
Gross Margin		(35,000)	(29,186)
Operating Expenses:			
R&D		-	(8,673)
Selling, Marketing and G&A		-	(8,765)
Purchased In-Process Research and Development		-	-
Special Charges		-	(10,832)
Operating Income		(35,000)	(916)
Other Income		-	-
Income Before Tax		(35,000)	(916)
Provision for Taxes		(12,250)	(7,283)
Minority interest		-	-
Net Income		\$ (22,750)	\$ 6,367
Earnings per Share - Diluted (Decrease)/Increase		\$ (0.066)	\$ 0.018

Analog Devices, Fourth Quarter, Fiscal 2006

Selected Balance Sheet Information (GAAP)
(In thousands)

	4Q 06	3Q 06	4Q 05
	Oct. 28 2006	July 29 2006	Oct. 29 2005
Cash & Short-term Investments	\$2,128,334	\$2,516,061	\$2,705,942
Accounts Receivable, Net	329,393	359,774	320,523
Inventories (1)	378,651	377,434	325,605
Other Current Assets	174,924	179,659	380,386

Total Current Assets	3,011,302	3,432,928	3,732,456
PP&E, Net	562,625	558,054	599,906
Investments	31,429	30,317	45,365
Intangible Assets	299,017	180,933	167,576
Other	82,478	90,015	37,908

Total Assets	\$3,986,851	\$4,292,247	\$4,583,211

Deferred Income-Shipments to Distributors	\$149,543	\$165,850	\$121,802
Other Current Liabilities	341,400	419,314	697,121
Non-Current Liabilities	60,115	59,649	72,787
Stockholders' Equity	3,435,793	3,647,434	3,691,501

Total Liabilities & Equity	\$3,986,851	\$4,292,247	\$4,583,211

Accounts Receivable - Days Sales Outstanding	47	49	47
Days Cost of Sales in Inventory	128	126	115

(1) includes \$3,703 and \$4,066 related to stock-based compensation expense in 4Q06 and 3Q06, respectively.

Analog Devices, Fourth Quarter, Fiscal 2006

Cash Flow Statement (GAAP) (In thousands)

	Three Months Ended		
	4Q 06	3Q 06	4Q 05
	Oct. 28	July 29	Oct. 29
	2006	2006	2005

Cash flows from operating activities:			
Net Income	\$ 138,419	\$ 144,685	\$ 68,341
Adjustments to reconcile net income to net cash provided by operations:			
Depreciation	38,904	42,181	38,054
Amortization of intangibles	3,359	1,145	342
Stock-based compensation	17,599	19,306	983
Excess tax benefit - stock options	(25,222)	(141,220)	-
Tax benefit - stock options	-	-	50,374
Non-cash portion of special charge	-	-	-
Other non-cash expense	120	84	898
Gain on sale of a product line	-	-	-
Purchased in-process research and development	16,211	5,500	-
Minority interest	(748)	-	-
Deferred income taxes	3,932	(11,985)	5,667
Changes in operating assets and liabilities	(25,839)	14,277	35,660

Total adjustments	28,316	(70,712)	131,978

Net cash provided by operating activities	166,735	73,973	200,319

Percent of Sales	25.9%	11.1%	32.2%

Cash flows from investing activities:			
Additions to property, plant and equipment, net	(41,755)	(38,360)	(21,029)
Purchases of short-term available-for-sale investments	(418,019)	(689,130)	(875,189)
Maturities of short-term available-for-sale investments	630,642	989,638	1,331,742
Proceeds from sale of a product line	-	-	-
Proceeds from sale of fixed assets	1,735	-	-
Payments for acquisitions, net of			

cash acquired	(142,104)	(14,913)	-
Decrease in other assets	(3,402)	269	3,976

Net cash provided (used) by investing activities	27,097	247,504	439,500

Cash flows from financing activities:			
Dividend payments to shareholders	(55,642)	(57,524)	(37,128)
Repurchase of common stock	(357,012)	(305,163)	(240,796)
Net proceeds from employee stock plans	14,540	20,173	17,004
Excess tax benefit - stock options	25,222	141,220	-

Net cash used for financing activities	(372,892)	(201,294)	(260,920)

Effect of exchange rate changes on cash	(118)	451	639

Net (decrease) increase in cash and cash equivalents	(179,178)	120,634	379,538
Cash and cash equivalents at beginning of period	523,125	402,491	248,053

Cash and cash equivalents at end of period	\$ 343,947	\$ 523,125	\$ 627,591

	----- Twelve Months Ended -----	
	FY06	FY05
	Oct. 28 2006	Oct. 29 2005
	-----	-----
Cash flows from operating activities:		
Net Income	\$ 549,482	\$ 414,787
Adjustments to reconcile net income to net cash provided by operations:		
Depreciation	166,851	153,181
Amortization of intangibles	5,312	2,383
Stock-based compensation	75,429	4,870
Excess tax benefit - stock options	(181,178)	-
Tax benefit - stock options	-	50,374
Non-cash portion of special charge	459	-
Other non-cash expense	784	1,822
Gain on sale of a product line	(13,027)	-
Purchased in-process research and development	21,711	-
Minority interest	(748)	-
Deferred income taxes	(28,454)	14,604
Changes in operating assets and liabilities	24,481	30,683

Total adjustments	71,620	257,917

Net cash provided by operating activities	621,102	672,704

Percent of Sales	24.1%	28.2%

Cash flows from investing activities:		
Additions to property, plant and equipment, net	(129,297)	(85,457)
Purchases of short-term available-for-sale investments	(2,483,123)	(3,457,017)
Maturities of short-term available-for-sale investments	2,788,717	3,526,871
Proceeds from sale of a product line	23,070	-
Proceeds from sale of fixed assets	1,735	-
Payments for acquisitions, net of cash acquired	(157,017)	-
Decrease in other assets	723	5,644

Net cash provided (used) by investing activities	44,808	(9,959)

Cash flows from financing activities:		
Dividend payments to shareholders	(201,451)	(118,998)
Repurchase of common stock	(1,024,982)	(525,493)
Net proceeds from employee stock plans	94,392	89,402
Excess tax benefit - stock options	181,178	-

Net cash used for financing activities	(950,863)	(555,089)

Effect of exchange rate changes on cash	1,309	995

Net (decrease) increase in cash and cash equivalents	(283,644)	108,651
Cash and cash equivalents at beginning of period	627,591	518,940

Cash and cash equivalents at end of period	\$ 343,947	\$ 627,591

The following table summarizes sales trends by product categories showing what proportion of our total sales are represented by each product category as well as the annual sequential growth rates for each product category. The categorization of our products into broad categories is based on the characteristics of the individual products, the specification of the products and in some cases the specific uses that certain products have within applications. The categorization of products into categories is therefore subject to judgment in some cases and can vary over time. In instances where products move between product categories we restate the product categories for all prior periods in order to ensure the trends by product category continue to be meaningful.

Revenue Trends by Product

	3 Yr CAGR	Fiscal Year			
		2006	2005	2004	2003
Converters	16%	\$1,023	\$ 927	\$ 884	\$ 663
% Total Sales	40%		39%	33%	32%
Y-Y	10%		5%	33%	13%

Amplifiers	13%	\$ 532	\$ 446	\$ 467	\$ 371
% Total Sales	21%		19%	18%	18%
Y-Y	19%		-5%	26%	8%

Power Management & References	-3%	\$ 220	\$ 214	\$ 264	\$ 243
% Total Sales	8%		9%	10%	12%
Y-Y	3%		-19%	9%	29%

Other Analog	16%	\$ 302	\$ 243	\$ 286	\$ 194
% Total Sales	12%		10%	11%	9%
Y-Y	24%		-15%	47%	6%

Total Analog Products	12%	\$2,077	\$1,830	\$1,901	\$1,471
% Total Sales	81%		77%	72%	72%
Y-Y	13%		-4%	29%	13%

General Purpose DSP	9%	\$ 205	\$ 187	\$ 176	\$ 160
% Total Sales	8%		8%	7%	8%
Y-Y	10%		6%	10%	7%

DSP-based DSL ASIC and Network Processor Product Line(a)	-40%	\$ 14	\$ 55	\$ 56	\$ 65
% Total Sales	1%		2%	2%	3%
Y-Y	-74%		-2%	-13%	8%

Wireless Handset Chipsets	-5%	\$ 239	\$ 267	\$ 433	\$ 275
% Total Sales	9%		11%	16%	14%
Y-Y	-10%		-38%	56%	145%

Other DSP	-21%	\$ 38	\$ 50	\$ 68	\$ 76
% Total Sales	1%		2%	3%	4%
Y-Y	-25%		-26%	-10%	-6%

Total DSP Products	-5%	\$ 496	\$ 559	\$ 733	\$ 576
% Total Sales		19%	23%	28%	28%
Y-Y		-11%	-24%	27%	43%

TOTAL ADI	8%	\$2,573	\$2,389	\$2,634	\$2,047
% Total Sales		100%	100%	100%	100%
Y-Y		8%	-9%	29%	20%

(a) Disposed of DSP-based DSL ASIC and network processor product line in the second quarter of fiscal 2006

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