
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): May 13, 2004

Analog Devices, Inc.

(Exact name of registrant as specified in charter)

Massachusetts

1-7819

04-2348234

(State or other juris-
diction 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)

Item 12. Results of Operations and Financial Condition

On May 13, 2004, Analog Devices, Inc. announced its financial results for the quarter ended May 1, 2004. The full text of the press release issued in connection with the announcement is attached as Exhibit 99.1 to this Current Report on Form 8-K.

The information in this Form 8-K and the exhibit attached hereto shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act") or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, except as expressly set forth by specific reference in such a filing.

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: May 13, 2004 ANALOG DEVICES, INC.

By: /s/ Joseph E. McDonough

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

Analog Devices' Second-Quarter Revenue Increases 35% Year-over-Year and Earnings Per Share More Than Double

NORWOOD, Mass.--(BUSINESS WIRE)--May 13, 2004--Analog Devices, Inc. (NYSE: ADI), a global leader in high-performance semiconductors for signal processing applications, today reported revenue of \$678.5 million for the second quarter of fiscal 2004, which ended on May 1. Revenue increased 35% compared to the same period one year ago and 12% compared to the previous quarter. Net income for the second quarter was \$152.6 million, more than double the \$71.3 million for the same period in the prior year and 31% above the \$116.8 million in the immediately prior quarter. The second quarter's diluted earnings per share (EPS) under generally accepted accounting principles (GAAP) was \$0.39, up from \$0.19 for the same period one year ago and up from \$0.30 for the immediately prior quarter.

ADI also announced that the company's Board of Directors declared a cash dividend of \$0.06 per outstanding share of common stock, payable on June 16, 2004 to all stockholders of record at the close of business on May 28, 2004.

"We had an excellent quarter with revenue, margins, and EPS all well above our expectations when the quarter began," said Mr. Jerald G. Fishman, president and CEO. "Demand continued to accelerate during the second quarter, driven by the widespread adoption of our high-performance analog and DSP core technology."

"In the second quarter, we saw growth across each of the major end markets we serve. The highest growth came from consumer electronics and from the industrial market which represents a wide range of customers designing factory automation systems, test equipment, medical electronics, and scientific instrumentation. We also saw good revenue growth from the communications and computer markets.

"On a geographic basis, the strongest revenue growth was from North America. Europe, Japan, and the rest of Asia also had good growth within the quarter.

"Gross margins rose to 59.2% of sales, a new peak for ADI and a 210 basis point improvement over the 57.1% we achieved in the immediately prior quarter. In addition, operating expenses as a percent of sales decreased to 31.5%, a sequential improvement of 150 basis points. As a result, operating margins rose sequentially by 360 basis points to 27.7% of sales.

"Our balance sheet also continued to strengthen in the second quarter. Cash and short-term investments grew by \$235 million to \$2.5 billion. Days cost of sales in inventory declined to 102 days in the second quarter compared to 103 days in the previous quarter, while days sales in accounts receivable declined to 44 days compared to 48 days in the previous quarter."

Regarding the near-term outlook, Mr. Fishman said, "The 13-week backlog continues to grow, reaching \$571 million at the close of the second quarter, a 20% sequential increase. We are planning for revenue to grow sequentially by approximately 7% to 10% during the third quarter of fiscal 2004 to approximately \$725 to \$745 million, with continuing strong operating leverage. As a result, we estimate EPS to be in the range of \$0.43 to \$0.45."

Mr. Fishman will discuss the second 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 706-645-9291 (replay only) and providing the conference ID: 7264235 or by visiting the Investor Relations page on ADI's web site.

Analog Devices, Inc. is a leading manufacturer of precision high-performance integrated circuits used in analog and digital signal processing applications. ADI is headquartered in Norwood, Massachusetts, and employs approximately 8,700 people worldwide. It has manufacturing facilities in Massachusetts, California, North Carolina, Ireland, and the Philippines. Analog Devices' common stock is listed on the New York Stock Exchange and ADI is included in the S&P 500 Index.

Safe harbor statement under the Private Securities Litigation Reform Act of 1995: This press release contains forward-looking statements, including our statements regarding planned revenue, earnings, and operating margins, 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 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. 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, our ability to hire engineers 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 for the first fiscal quarter ended January 31, 2004, as filed with the Securities and Exchange Commission.

Analog Devices Supplemental Information, Second Quarter,
Fiscal 2004

Sales/Earnings Summary

(In thousands of dollars, except per-share amounts)

	2Q 04	1Q 04	2Q 03
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Three Months Ended	May 1, 2004	Jan 31, 2004	May 3, 2003
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Net Sales	\$678,530	\$605,353	\$501,883
Y/Y Growth	35%	30%	21%
Q/Q Growth	12%	9%	7%
Cost of Sales	277,008	259,888	228,423
Gross Margin	401,522	345,465	273,460
Percent of Sales	59.2%	57.1%	54.5%
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Operating Expenses:			
R&D	126,274	118,237	110,827
Selling, Marketing and G&A	85,282	79,238	71,509
Acquisition-related expenses	2,204	2,393	2,658
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Operating Income	187,762	145,597	88,466
Percent of Sales	27.7%	24.1%	17.6%
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Other (Income) Expense	(7,232)	(4,197)	(2,952)
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Income Before Tax	194,994	149,794	91,418
Provision for Taxes	42,411	32,955	20,112
Tax Rate	22%	22%	22%
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Net Income	\$152,583	\$116,839	\$71,306
Percent of Sales	22%	19%	14%
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Shares used for EPS - Basic	374,864	372,052	364,267
Shares used for EPS - Diluted	395,052	392,904	379,163
Earnings per Share - Basic	\$0.41	\$0.31	\$0.20
Earnings per Share - Diluted	\$0.39	\$0.30	\$0.19
Dividends declared per share	\$0.06	\$0.04	\$-
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	2Q 04	2Q 03	
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Six Months Ended	May 1, 2004	May 3, 2003	

Net Sales	\$1,283,883	\$969,306
Y/Y Growth	32%	20%
Cost of Sales	536,896	442,709
Gross Margin	746,987	526,597
Percent of Sales	58.2%	54.3%
Operating Expenses:		
R&D	244,511	217,939
Selling, Marketing and G&A	164,520	140,824
Acquisition-related expenses	4,597	5,507
Operating Income	333,359	162,327
Percent of Sales	26.0%	16.7%
Other (Income) Expense	(11,429)	(6,004)
Income Before Tax	344,788	168,331
Provision for Taxes	75,366	37,033
Tax Rate	22%	22%
Net Income	\$269,422	\$131,298
Percent of Sales	21%	14%
Shares used for EPS - Basic	373,458	363,703
Shares used for EPS - Diluted	393,978	378,680
Earnings per Share - Basic	\$0.72	\$0.36
Earnings per Share - Diluted	\$0.68	\$0.35
Dividends declared per share	\$0.10	\$-

Analog Devices Supplemental Information, Second Quarter,
Fiscal 2004

Selected Balance Sheet Information
(In thousands of dollars)

	2Q 04	1Q 04	2Q 03
	May 1, 2004	Jan 31, 2004	May 3, 2003
Cash & Short-term Investments	\$2,541,582	\$2,306,525	\$3,101,483
Accounts Receivable, Net	328,318	315,900	242,767
Inventories	308,539	292,626	293,487
Other Current Assets	171,815	175,131	194,150
Total Current Assets	3,350,254	3,090,182	3,831,887
PP&E, Net	666,826	660,891	726,533
Investments	307,638	356,535	286,119
Intangible Assets	170,700	171,360	173,328
Other	22,902	23,269	117,446
Total Assets	\$4,518,320	\$4,302,237	\$5,135,313
Deferred income-shipments to distributors	\$150,429	\$138,266	\$108,980
Other Current Liabilities	429,437	372,220	367,492
Long-term Debt	-	-	1,279,027
Non-Current Lease Obligations	-	-	237
Non-Current Liabilities	339,559	353,760	323,692
Stockholders' Equity	3,598,895	3,437,991	3,055,885
Total Liabilities & Equity	\$4,518,320	\$4,302,237	\$5,135,313

Capital Expenditures, Depreciation & Amortization
(In thousands of dollars)

	2Q 04	1Q 04	2Q 03
Three Months Ended	May 1, 2004	Jan 31, 2004	May 3, 2003
Capital Expenditures	\$43,353	\$27,073	\$14,348
Depreciation	\$37,272	\$37,565	\$42,503
Amortization of Intangibles	\$676	\$677	\$656

Six Months Ended	May 1, 2004	May 2, 1999
Capital Expenditures	\$70,426	\$29,301
Depreciation	\$74,837	\$84,042
Amortization of Intangibles	\$1,353	\$1,308

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