
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): August 12, 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 August 12, 2004, Analog Devices, Inc. announced its financial results for the quarter ended July 31, 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: August 12, 2004

ANALOG DEVICES, INC.

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

99.1 Press release dated August 12, 2004

Analog Devices Announces Results for Fiscal Third Quarter 2004

NORWOOD, Mass.--(BUSINESS WIRE)--Aug. 12, 2004--Analog Devices, Inc. (NYSE: ADI), a global leader in high-performance semiconductors for signal processing applications, today reported revenue of \$717.8 million for the third quarter of fiscal 2004, which ended on July 31, 2004. Revenue increased 38% compared to the same period one year ago and 6% compared to the previous quarter. Net income for the third quarter was \$169 million, more than double the \$79 million reported for the same period in the prior year and 11% above the \$152.6 million reported in the immediately prior quarter. The third quarter's diluted earnings per share (EPS) under generally accepted accounting principles (GAAP) was \$0.43, up from \$0.21 for the same period one year ago and up from \$0.39 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 September 15, 2004 to all stockholders of record at the close of business on August 27, 2004.

"Our results in the third quarter were mixed, as margins improved and the balance sheet remained strong, but declining order rates led to slower than expected revenue growth," said Mr. Jerald G. Fishman, president and CEO. "As a result, earnings came in at the low end of the guidance we provided on May 13, but earnings still grew at nearly twice the revenue growth rate for the quarter.

"In the third quarter, we saw revenue growth across each of the major end markets we serve. The highest growth came from communications applications which span wireless, broadband, and a range of other telecommunications equipment.

"On a geographic basis, revenue grew in most regions, led by 10% sequential growth in North America. Revenue in Europe and Southeast Asia also grew, while revenue in Japan was approximately flat.

"Gross margins rose to 60% of sales, a new peak for ADI. In addition, operating expenses as a percent of sales decreased to 31%, versus 31.5% in the immediately prior quarter. As a result, operating margins rose sequentially by 130 basis points to 29.0%, after rising 360 basis points last quarter."

Turning to the balance sheet, Mr. Fishman explained, "Cash and short-term investments increased by \$147 million to \$2.69 billion. Days cost of sales in inventory was 104 days in the third quarter, up from 102 days in the second quarter, and well within our desired range of 100 to 110 days. Days sales in accounts receivable increased to 45 days compared to 44 days in the previous quarter."

Commenting on order patterns, Mr. Fishman said, "Over the past three quarters, customers were ordering well ahead of consumption and the book-to-bill ratio was above 1.15. In the third quarter, the economy became more uncertain and since lead times shortened, customer and distributor order rates slowed. While our new orders during the third quarter were approximately equal to our sales, an unusually high level of cancellations resulted in a book-to-bill ratio of approximately 0.8 for the third quarter.

Regarding the near-term outlook, Mr. Fishman said, "Our customers appear somewhat more cautious in the short term and therefore, we are planning for fourth quarter revenue that is approximately flat compared to third quarter revenue. We also expect gross margins and EPS for the fourth quarter to be about the same as for the third quarter."

In closing, Mr. Fishman stated, "The rebalancing that took place in the third quarter between order rates and consumption does nothing to change our mid- to long-term view. The electronics industry continues to grow and signal processing content within electronics equipment continues to grow. We believe these trends are likely to continue into the future and provide an opportunity for ADI to grow revenue and profits for 2005 and beyond."

Mr. Fishman will discuss the third 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: 9078600 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 9,000 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 second fiscal quarter ended May 1, 2004, as filed with the Securities and Exchange Commission.

Analog Devices Supplemental Information, Third Quarter, Fiscal 2004

Sales/Earnings Summary

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

	3Q 04	2Q 04	3Q 03
Three Months Ended	July 31, 2004	May 1, 2004	August 2, 2003
Net Sales	\$717,793	\$678,530	\$520,445
Y/Y Growth	38%	35%	17%
Q/Q Growth	6%	12%	4%
Cost of Sales	287,271	277,008	233,846
Gross Margin	430,522	401,522	286,599
Percent of Sales	60.0%	59.2%	55.1%
Operating Expenses:			
R&D	131,328	126,274	111,668
Selling, Marketing and G&A	89,162	85,282	72,178
Acquisition-related expenses	2,208	2,204	2,660
Restructuring Costs	-	-	341
Operating Income	207,824	187,762	99,752
Percent of Sales	29.0%	27.7%	19.2%
Other (Income) Expense	(8,907)	(7,232)	(1,474)
Income Before Tax	216,731	194,994	101,226
Provision for Taxes	47,681	42,411	22,270
Tax Rate	22%	22%	22%
Net Income	\$169,050	\$152,583	\$78,956
Percent of Sales	24%	22%	15%
Shares used for EPS - Basic	377,144	374,864	366,025
Shares used for EPS - Diluted	394,203	395,052	384,166
Earnings per Share - Basic	\$0.45	\$0.41	\$0.22
Earnings per Share - Diluted	\$0.43	\$0.39	\$0.21
Dividends declared per share	\$0.06	\$0.06	\$-

	3Q 04	3Q 03
Nine Months Ended	July 31, 2004	August 2, 2003
Net Sales	\$2,001,676	\$1,489,751
Y/Y Growth	34%	19%
Cost of Sales	824,167	676,555
Gross Margin	1,177,509	813,196
Percent of Sales	58.8%	54.6%
Operating Expenses:		
R&D	375,839	329,607
Selling, Marketing and G&A	253,682	213,002
Acquisition-related expenses	6,805	8,167
Restructuring Costs	-	341
Operating Income	541,183	262,079
Percent of Sales	27.0%	17.6%
Other (Income) Expense	(20,336)	(7,478)
Income Before Tax	561,519	269,557
Provision for Taxes	123,047	59,303
Tax Rate	22%	22%
Net Income	\$438,472	\$210,254
Percent of Sales	22%	14%
Shares used for EPS - Basic	374,687	364,477
Shares used for EPS - Diluted	394,053	380,509
Earnings per Share - Basic	\$1.17	\$0.58
Earnings per Share - Diluted	\$1.11	\$0.55
Dividends declared per share	\$0.16	\$-

Analog Devices Supplemental Information, Third Quarter, Fiscal 2004

Selected Balance Sheet Information
(In thousands of dollars)

	3Q 04	2Q 04	3Q 03
	July 31, 2004	May 1, 2004	August 2, 2003
Cash & Short-term Investments	\$2,688,506	\$2,541,582	\$3,229,365
Accounts Receivable, Net	354,897	328,318	259,134
Inventories	326,301	308,539	296,940
Other Current Assets	168,833	171,815	198,554
Total Current Assets	3,538,537	3,350,254	3,983,993
PP&E, Net	667,028	666,826	697,841
Investments	313,608	307,638	297,533
Intangible Assets	170,041	170,700	172,673
Other	23,033	22,902	96,028
Total Assets	\$4,712,247	\$4,518,320	\$5,248,068
Deferred income-shipments to distributors	\$166,356	\$150,429	\$112,607
Other Current Liabilities	415,555	429,437	373,446
Long-term Debt	-	-	1,263,266
Non-Current Lease Obligations	-	-	191
Non-Current Liabilities	349,952	339,559	334,888
Stockholders' Equity	3,780,384	3,598,895	3,163,670
Total Liabilities & Equity	\$4,712,247	\$4,518,320	\$5,248,068

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

3Q 04 2Q 04 3Q 03

Three Months Ended	July 31, 2004	May 1, 2004	August 2, 2003
Capital Expenditures	\$37,523	\$43,353	\$20,076
Depreciation	\$37,326	\$37,272	\$42,297
Amortization of Intangibles	\$680	\$676	\$656

Nine Months Ended	July 31, 2004	August 2, 2003
Capital Expenditures	\$107,949	\$49,377
Depreciation	\$112,163	\$126,339
Amortization of Intangibles	\$2,033	\$1,964

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