

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): February 9, 2006

Analog Devices, Inc.

(Exact name of registrant as specified in its 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)

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 February 9, 2006, Analog Devices, Inc. announced its financial results for the quarter ended January 28, 2006. 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.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

The following exhibit relating to Item 2.02 shall be deemed to be furnished, and not filed:

99.1 Press release dated February 9, 2006 issued by Analog Devices, Inc.

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: February 9, 2006

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 February 9, 2006 issued by Analog
Devices, Inc.

Analog Devices Reports Results for the
First Quarter of Fiscal Year 2006

NORWOOD, Mass.--(BUSINESS WIRE)--Feb. 9, 2006--Analog Devices, Inc. (NYSE: ADI):

- Board of Directors declares dividend of \$0.12 per share for the quarter.
- Financial results for the first quarter and guidance for the second quarter to be discussed on 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 \$621.3 million for the first quarter of fiscal 2006, an increase of 7% compared to the same period one year ago and approximately even with the immediately prior quarter's \$622.1 million in revenue.

Net income under generally accepted accounting principles (GAAP) was \$120.6 million for the first quarter, compared to \$107.4 million in the same period one year ago and \$68.3 million in the immediately prior quarter. Diluted earnings per share (EPS) was \$0.32 for the first quarter, compared to \$0.28 for the same period one year ago and \$0.18 for the fourth quarter of fiscal 2005. The results for the first quarter of fiscal 2006 include expenses of \$6.9 million associated with the previously announced restructuring actions and \$20.6 million of stock option expense which together impacted diluted EPS by \$0.05.

The Board of Directors declared a cash dividend for the first quarter of fiscal 2006 of \$0.12 per outstanding share of common stock. The dividend will be paid on March 15, 2006 to all shareholders of record at the close of business on February 24, 2006.

Gross margins for the first quarter of fiscal 2006 were \$360.8 million or 58.1% of sales. In the first quarter of fiscal 2006, gross margins were reduced by \$6.9 million, or 1.1% of sales, related to stock option expense and previously announced manufacturing restructuring-related expense.

Operating profits for the first quarter totaled \$132.2 million, or approximately 21.3% of sales, which includes \$27.5 million, or 4.4% of sales, for stock option expense and previously announced restructuring-related expense.

Cash flow from operations totaled \$175.3 million, or approximately 28.2% of sales for the first quarter. Capital expenditures totaled \$20.4 million. The company repurchased approximately 3.3 million shares of ADI common stock for \$125.1 million and paid \$44.1 million in cash dividends.

In the first quarter, inventory increased sequentially by approximately \$12 million, \$2 million of which was related to stock option expense. The remaining increase in inventory was primarily due to the purchase of wafers from external foundries. During the quarter, ADI's factory utilization levels were approximately the same as the prior quarter. Days cost of sales in inventory was 118 days for the first quarter of fiscal 2006, compared to 132 days for the same period one year ago and 115 days for the immediately prior quarter.

Accounts receivable balances remained low, consistent with prior quarters. Days sales in accounts receivable were 47 days for the first quarter, compared to 51 days for the same period one year ago and 47 days for the immediately prior quarter.

"The first quarter results were in line with our plan for the quarter, although gross margins were somewhat stronger than planned," said Jerald G. Fishman, president and CEO of Analog Devices, Inc. "Our highest sequential growth came from sales to communications and industrial customers. In line with normal seasonal trends, sales to consumer and computer customers were down sequentially.

"Revenue from industrial customers grew 16% in the first quarter of fiscal 2006 compared to the same period last year. These customers represent a diverse collection of instrumentation, medical, factory process control, test equipment, automotive, and defense applications. We believe that this growth reflects generally good worldwide economic

conditions which are stimulating higher capital spending at industrial companies with strong cash flow. In the aggregate, sales to this broad group of industrial customers represented 41% of sales in the first quarter of fiscal 2006.

"Revenue from consumer customers represented 15% of sales during the first quarter and grew 18% year-over-year, fueled by a broad array of audio and video products sold to leading consumer customers around the world. ADI is well positioned in digital cameras, flat screen televisions and monitors, as well as a range of stereo and home theatre sound systems.

"In the first quarter of 2006, revenue from computer customers represented 13% of sales and declined year-over-year. The computer market has lagged for ADI as we continue to address the market for portable products but still have an installed base of slower growing desktop products. Clearly computer products and the power management products, in particular, which account for a high percentage of our sales to computer customers, represent growth opportunities for ADI going forward.

"Overall, revenue from communications customers, which represented 31% of sales, grew slightly compared to the first quarter one year ago. Growth in sales of products used in infrastructure equipment for wireless, broadband, and optical networking was partially offset by a decline in sales to wireless handset customers.

"In the first quarter, analog product revenue was 11% above the same period one year ago, 2% above the immediately prior quarter, and represented 82% of total sales. Revenue from general-purpose DSP products, which represented approximately 7% of ADI's total revenue, grew 19% year-over-year. In aggregate, DSP product revenue represented 18% of first quarter sales, declined 9% compared to the same period one year ago and declined 8% from the immediately prior quarter."

Regarding the near-term outlook, Mr. Fishman said, "Orders were strong in the first quarter, particularly for our analog products. As a result, we are planning for 5% to 6% sequential sales growth in our analog products, driven by good seasonal strength from industrial, consumer, and communications customers. This will be somewhat offset by a sequential decline in sales of DSP products, primarily as a result of our divestiture of the DSP-based DSL (digital subscriber line) ASIC and network processor products, which represented approximately \$12 million of revenue in the first quarter of fiscal 2006. As a result, we are planning for second quarter revenue in the range of \$635 to \$650 million.

"We are also planning for gross margins to continue to improve during the second quarter. Our plan is for operating margins to improve sequentially and for diluted EPS to be \$0.34-\$0.36, which includes approximately \$0.05 of previously announced restructuring-related expense and stock option expense.

"We are also expecting the previously announced sale of the DSP-based DSL ASIC and network processor products to close in the near future, and are anticipating the recognition of a small gain on the sale during the second quarter. This gain is not included in the diluted EPS estimate mentioned above."

ADI began expensing stock-based compensation in the first quarter of 2006. The company has provided a table of supplemental information with this release at www.analog.com by clicking on "Investor Relations" which includes estimates of the impact of stock option expense and the impact of previously announced restructuring-related expenses on the company's 2006 quarterly financial statements.

Mr. Fishman will discuss the first 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: 4297505 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 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, 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-K for the fiscal year ended October 29, 2005, as filed with the Securities and Exchange Commission.

Analog Devices, First Quarter, Fiscal 2006

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

	1Q 06	4Q 05	1Q 05
Three Months Ended	January 28, 2006	October 29, 2005	January 29, 2005
Net Sales	\$ 621,302	\$ 622,130	\$ 580,536
Y/Y Growth	7%	-2%	-4%
Q/Q Growth	0%	7%	-8%
Cost of Sales	260,515	259,455	245,008
Gross Margin	360,787	362,675	335,528
Percent of Sales	58.1%	58.3%	57.8%
Operating Expenses:			
R&D	131,288	123,704	127,534
Selling, Marketing and G&A	96,281	84,715	83,341
Special Charges	1,013	31,480	-
Operating Income	132,205	122,776	124,653
Percent of Sales	21.3%	19.7%	21.5%
Other Income	(20,592)	(21,890)	(13,983)
Income Before Tax	152,797	144,666	138,636
Provision for Taxes	32,240	76,325	31,193
Tax Rate	21.1%	52.8%	22.5%
Net Income	\$ 120,557	\$ 68,341	\$ 107,443
Percent of Sales	19.4%	11.0%	18.5%
Shares used for EPS - Basic	366,135	369,945	375,561
Shares used for EPS - Diluted	380,337	380,607	388,107

Earnings per Share - Basic	\$	0.33	\$	0.18	\$	0.29
Earnings per Share - Diluted	\$	0.32	\$	0.18	\$	0.28
Dividends paid per share	\$	0.12	\$	0.10	\$	0.06

Supplemental Information

Impact of Stock-based Compensation Expense Related to the Adoption of FAS123R, Restructuring Related Expense and Tax Expense Associated with the Repatriation of Foreign Earnings
(in thousands, except per-share amounts)

	1Q 06	4Q 05	1Q 05
Three Months Ended	January 28, 2006	October 29, 2005	January 29, 2005
Cost of Sales			
Stock-based compensation expense	\$ 954	\$ -	\$ -
Restructuring related expenses	5,903	-	-
Impact on Gross Margin	(6,857)	-	-
Percent of Sales	-1.1%	-	-
Operating Expense			
Engineering - stock-based compensation expense	9,562	-	-
Selling, Marketing, G&A - stock-based compensation expense	10,090	-	-
Special Charges - restructuring	1,013	31,480	-
Impact on Total Operating Expense	20,665	31,480	-
Percent of Sales	3.3%	5.1%	-
Impact on Operating Income	(27,522)	(31,480)	-
Percent of Sales	-4.4%	-5.1%	-
Tax benefit of above items	(8,344)	(10,118)	-
Tax expense associated with repatriation of foreign earnings	-	48,768	-
Impact on Net Income	\$ (19,178)	\$ (70,130)	\$ -
Percent of Sales	-3.1%	-11.3%	-
Impact on Earnings per Share - Diluted			
Repatriation of foreign earnings	\$ -	\$ 0.13	\$ -
Stock-based compensation	0.04	-	-
Restructuring-related expense	0.01	0.05	-
Impact on Earnings per Share - Diluted	\$ (0.05)	\$ (0.18)	\$ -

Analog Devices, First Quarter, Fiscal 2006
Selected Balance Sheet Information (GAAP)
(In thousands)

	1Q 06	4Q 05	1Q 05
	January 28, 2006	October 29, 2005	January 29, 2005
Cash & Short-term Investments	\$ 2,735,114	\$ 2,705,942	\$ 2,598,372
Accounts Receivable, Net	317,730	320,523	326,723
Inventories (1)	337,835	325,605	355,195
Other Current Assets	151,302	380,386	127,739
Total Current Assets	3,541,981	3,732,456	3,408,029
PP&E, Net	576,798	599,906	653,608
Investments	29,249	45,365	315,556
Intangible Assets	167,186	167,576	168,723
Other	58,964	37,908	70,813
Total Assets	\$ 4,374,178	\$ 4,583,211	\$ 4,616,729

Deferred Income-Shipments to Distributors	\$ 132,332	\$ 121,802	\$ 152,112
Other Current Liabilities	471,851	697,121	388,869
Non-Current Liabilities	60,366	72,787	341,318
Stockholders' Equity	3,709,629	3,691,501	3,734,430
Total Liabilities & Equity	\$ 4,374,178	\$ 4,583,211	\$ 4,616,729

(1) includes \$1,937 related to stock-based compensation expense in 1Q06

Cash Flow Statement (GAAP)
(In thousands)

	1Q 06	4Q 05	1Q 05
Three Months Ended	January 28, 2006	October 29, 2005	January 29, 2005
Cash flows from operating activities:			
Net Income	\$ 120,557	\$ 68,341	\$ 107,443
Adjustments to reconcile net income to net cash provided by operations:			
Depreciation	43,079	38,054	38,313
Amortization of intangibles	404	342	684
Stock-based compensation	21,307	983	1,798
Non-cash portion of special charge	459	-	-
Other non-cash expense	557	762	718
Tax benefit - stock option exercises	-	50,374	-
Deferred income taxes	(15,625)	5,667	778
Changes in operating assets and liabilities	4,517	35,796	(32,860)
Total adjustments	54,698	131,978	9,431
Net cash provided by operating activities	175,255	200,319	116,874
Cash flows from investing activities:			
Additions to property, plant and equipment, net	(20,360)	(21,029)	(23,884)
Purchases of short-term available-for-sale investments	(954,871)	(875,189)	(797,655)
Maturities of short-term available-for-sale investments	726,807	1,331,742	763,960
Decrease in other assets	3,526	3,976	1,559
Net cash (used) provided by investing activities	(244,898)	439,500	(56,020)
Cash flows from financing activities:			
Dividend payments to shareholders	(44,094)	(37,128)	(22,579)
Repurchase of common stock	(125,098)	(240,796)	(161,204)
Net proceeds from employee stock plans	38,685	17,004	13,611
Net cash used for financing activities	(130,507)	(260,920)	(170,172)
Effect of exchange rate changes on cash	414	639	(286)
Net (decrease) increase in cash and cash equivalents	(199,736)	379,538	(109,604)
Cash and cash equivalents at beginning of period	627,591	248,053	518,940

Cash and cash equivalents at end of period	\$ 427,855	\$ 627,591	\$ 409,336
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